

1.0 POLICY OVERVIEW

This manual provides guidance to the review and assessment process of the Fish Processing Licensing Board and identifies important factors in the recommendation-making process. The Board's analysis will consider the implications of a new licence or licence transfer on the region and the province. The justification for the issuance of a new licence or licence transfer will be consistent with government policies and consider all of the criteria outlined in this manual. It will be the applicant's responsibility to identify and address, as fully as possible, all matters relevant to the specific proposal and to comply with all governmental and regulatory requirements. Policies contained in this manual are subject to change.

1.1 Policy Objectives

The primary objectives of government's fish processing licensing policies are to:

- provide the conditions for a stable and competitive processing sector to exist with minimal public support;
- promote employment levels that provide adequate incomes;
- promote cooperation in the industry that enhances product quality and optimizes total returns from processing available resources; and
- seek a regional balance of resource availability and processing capacity so that viable fish processing activities contribute positively to rural economic conditions.

1.2 Licensing Authority

The licensing of fish processors and fish buyers is authorized under the *Fish Inspection Act* and the Fish Inspection regulations.

The Act and its regulations are designed to ensure that all fish and fish products intended for market meet certain health, quality and safety standards. As well, the Province's *Fish Inspection Act* establishes the authority of government and the Minister to provide for the regional distribution of processing licences, the development of the fishing industry in the province and other matters not directly related to fish quality.

The *Fish Inspection Act* was enacted in 1954 and the associated regulations were introduced in 1969. The Act and its regulations have been reviewed and periodically amended to address industry concerns and to support the implementation of government policy. The most recent amendment was made in 2004.

1.3 Roles and Responsibilities

1.3.1 Licensing Board

The Board's main objectives are to assess and make recommendations to the Minister of Fisheries and Aquaculture regarding:

- licensing applications, including applications for new licences, and the consolidation and transfer of fish processing licences;
- applications for the addition of new species to existing fish processing licences, and where appropriate, make recommendations regarding licences on a regional basis; and
- corporate concentration, merger and acquisition issues in the context of fish processing licensing matters.

The Board is also subject to other objectives the Minister may determine.

The recommendations of the Board will be based on policy guidelines outlined in this manual as well as criteria and directions given to the Board in a public manner by the Minister of Fisheries and Aquaculture.

The Board's recommendations to the Minister of Fisheries and Aquaculture on all licencing proposals or requests made to government regarding fish processing licences will be made public as will the final decision made by the Minister. There will be no formal appeal process.

1.3.2 Secretariat

The Licensing and Quality Assurance Division of the Department of Fisheries and Aquaculture will act as Secretariat to the Board. The Secretariat will perform all administrative functions associated with the Board. It will review any applications and provide the necessary background and relevant information to the Board. All proposals and requests will be submitted to the Board and copied to the Minister.

The Director of the Licensing and Quality Assurance Division will act as Recording Secretary for the Board. The Secretary will be responsible for keeping minutes on all meetings and decisions of the Board and will also prepare a record of recommendations to be submitted to the Minister of Fisheries and Aquaculture. The record of recommendations is to be signed by the Chair or the Vice-Chair.

1.3.3 Minister

The Minister will have the following roles and responsibilities:

- Provide the Board with licensing policy guidelines, criteria and direction;
- Receive and review recommendations from the Board on licensing applications; and
- Publicly release the Board's recommendations and his/her final decisions on applications.

1.4 Species Licensing

One of the major elements of the new policy framework is the designation of species and species groups on licences. Commencing in 2005, primary processing plants will only be authorized to process a species or species group based on a minimum of one tonne finished weight production for that species or species group in at least one of 2001, 2002 or 2003. The exception is lobster where all current licence-holders of lobster will be issued this species. Production for 2004 does not qualify in establishing initial species designations unless a facility is given a transitional licence (see *Section 6.8*).

Other licences will be issued on the following basis:

- In-province retail processors will be issued a species or species group based on any level of production for that species or species group in at least one of 2001, 2002 and 2003. The exception is lobster where all current licence-holders of lobster will be issued this species.
- Fish buyers will only be authorized to purchase individual species from harvesters based on any level of purchases for those species in at least one of 2001, 2002 and 2003. The exception is lobster where all current licence-holders of lobster will be issued this species.
- Secondary processing licences will be issued based on the status quo with no minimum production levels for species.
- Aquaculture processing licences will be issued based on the status quo with no minimum production levels for species.

1.5 Maintaining Species

For a primary processing facility to maintain a species or species group on its licence, it must produce a minimum round-weight-equivalent volume of production for that species or species group in one of two consecutive years on a go-forward basis. The current list of species and species groups and the corresponding minimum production volumes required to maintain these species and species groups is outlined in Table 1.

For an in-province retail processing facility to maintain a species or species group on its licence, it must produce at least some level of production for that species or species group in one of two consecutive years on a go-forward basis.

For a fish buyer to maintain a species on its licence, it must purchase some volume of that species from a harvester in one of two consecutive years on a go-forward basis.

No minimum production levels are required for facilities to maintain species or species groups on a secondary or aquaculture processing licence.

Table 1. Species/Species Groups and Minimum Production Maintenance Requirements for Primary Processing Licence-Holders

Species/Species Group	Species and/or Products Included	Minimum Round-Weight-Equivalent Production to Maintain Species or Species Group (Tonnes)
Groundfish	Catfish, Cod, Cusk, Dogfish, Flounder, Grenadier, Hagfish, Hake, Halibut, Haddock, Monkfish, Pollock, Redfish, Shark, Skate, Turbot, Wolffish (including Groundfish By-Products)	10
Pelagics	Capelin, Herring, Mackerel, Smelt, Squid	10
Snow Crab	Snow Crab	10
Shrimp	Shrimp	10
Clam	Clam, Cockle	10
Other Crab	Rock, Toad, Atlantic King, Porcupine, etc.	5
Eel	Eel	1
Lobster	Lobster	0
Lumpfish	Lumpfish, Lumpfish Roe	1
Mussels (Aquaculture)	Farmed Mussels	1
Salmonids (Aquaculture)	Farmed Atlantic Salmon, Farmed Steelhead	1
Salmonids (Wild)	Arctic Char	1
Scallop	Scallop	1
Sea Cucumber	Sea Cucumber	1
Seal	Seal Meat, Seal Oil, Seal Pelts	0
Sea Urchin	Sea Urchin	10
Tuna	Tuna	1
Whelk	Whelk	5

Note: This list may be amended by the Minister from time to time.