

**Northern Coalition Corporation**  
**Proposal to Access a Northern Shrimp (Borealis) Allocation**  
**in**  
**Eastern Assessment Zone**

**March, 2020**

Proponent

Northern Coalition Corporation (NC) was formed in 1996 as a collaboration among all Northern Shrimp licence holders throughout the Eastern Arctic and Labrador regions.

Member firms include:

- Qikiqtaaluk Corporation (QC), Iqaluit, Nunavut
- Makivik Corporation, Saint-Laurent, Quebec
- Unaaq Fisheries Inc., Joint venture - Qikiqtaaluk Corporation and Makivik Corporation
- Torngat Fish Producers Co-operative, Happy Valley-Goose Bay, Labrador, NL
- Nunatsiavut Group of Companies (NGC), Happy Valley-Goose Bay, Labrador, NL
- Labrador Fishermen's Union Shrimp Company Limited, L'Anse au Loup, Labrador, NL

This collaboration was spurred by growth in Northern Shrimp stocks and the desire of northerners to achieve a more equitable share of adjacent shrimp resources. The Coalition includes six social enterprise corporations that are either indigenous birthright corporations, pursuant to the respective Inuit land claim agreements in Nunavut, Nunavik and Nunatsiavut, or are community-based organizations owned predominantly by indigenous residents in Labrador.

NC members are adjacent to all Northern Shrimp fishing areas, other than SFA 7. All but one of NC's members are directly adjacent to the Eastern Assessment Zone (EAZ).

Coalition members have a long standing and highly successful presence of over 40 years in the Northern Shrimp industry and share a collective allocation of Northern Shrimp (Borealis) in SFA 5 (off Labrador). Shares reflect members' licence holdings resulting in the following regional distribution: Nunavut 21.4%, Nunavik 21.4%, Nunatsiavut 28.6% and Southern Labrador 28.6%.

Member firms are committed to economic development and employment in their respective regions and have reinvested all profits and/or revenues from their fishing licences and operations to support some 45 social enterprises employing almost 2,400 people in birthright corporations and community based, indigenous businesses. The significant benefits of these fishing industry operations and partnerships accrue to 52 Northern coastal communities and their 40,000 residents.

## Rationale

NC's access to Northern Shrimp has spanned 23 years and has provided a cumulative allocation of 142,980 tons of the SFA 5 quota. During this period, the total annual allocations of Northern Shrimp grew from 37,600 tons in 1996 to peak at almost 180,000 tons in 2009 and have been reduced by roughly 100,000 tons since. It is important to note that NC's original allocation of 6,120 t (40%) of the SFA 5 quota remained unchanged until 2016 with minor adjustments since. The recommendations of the Ministerial Advisory Panel on LIFO in 2016 (MAP) set NC's share of SFA 5 at 28%, reflecting the erosion of the Coalition's share as quota increases during the late 90s and 2000s were allocated to other fishing interests.

Further quota reductions in 2020 are imminent for the historically predominant fishing areas SFA 4, 5 and 6. The Precautionary Approach Frameworks for these fishing areas, based on two-year averaging of Fishable Biomass Estimates, are expected to result in Total Allowable Catch (TAC) quotas as follows:

SFA	Exploitation Rate	2019 TAC	2020 TAC est.	Percentage Change
4	20%	10,845 t	9,620 t	- 11.3
5	20%	22,100 t	14,450 t	- 34.6
6	10%	8,960 t	8,625 t	- 3.7
Total		41,905 t	32,695 t	- 22.0

Quota reductions of this magnitude will have a serious impact on licence and quota holders when considered in the context of the 16.3% quota reductions in SFAs 4-6 since 2018. The impact on the Northern Coalition is extremely severe given that its only allocation is in SFA 5 which appears destined to experience a cumulative quota reduction of, at least, 43.6% since 2018, most of which will occur in 2020.

The severity of this reduction provides the motivation to seek access to the EAZ which has experienced a Fishable Biomass increase of 103% to 95,138 t, the highest in the time series. This unprecedented increase initially generated considerable excitement which has been tempered by the fact that the Spawning Stock Biomass had previously reached even higher levels as recently as 2015 and that the geographic distribution of the biomass increase within the EAZ is uneven.

At the Northern Shrimp Advisory Committee (NSAC) meeting on March 5, 2020 NC acknowledged that quota increases in the EAZ for 2020 ought to be moderate and that a two-year averaging of the Fishable Biomass with an Exploitation Rate of 15% would be prudent. This conservative approach appeared to reflect a consensus among industry stakeholders and would provide for a 2020 TAC for the EAZ of 10,652 t, a 23.7% increase of 2,042 t.

NC notes that, based on the materials presented and discussions at the NSAC meeting, it seems unlikely that there will be any significant quota adjustments for other Shrimp stocks in the EAZ and the WAZ.

## Proposal

NC's proposal to share in the growth of shrimp in the EAZ is predicated on the following points:

- NC acknowledges and endorses the paramountcy of land claim agreements and supports full compliance with those agreements pertinent to the EAZ;
- NC's allocation in SFA 5 has remained virtually unchanged over 23 years and its share of the TAC has been eroded from 40% to 28%;
- NC's Northern Shrimp access is solely derived from SFA 5 which covers portions of both Nunatsiavut and Southern Labrador. Almost 43% of this allocation has been for the benefit of Nunavut and Nunavik regions. Compensatory access to areas of resource growth in northern zones is sorely needed and warranted;
- The consecutive and significant reductions in shrimp resources in SFA 5 are expected to result in a cumulative reduction in NC's allocation of 3,130t (43.6%) since 2018. This represents the largest reduction of all Northern Shrimp licence holders over this period;
- NC spearheaded improved access for Northerners to adjacent shrimp resources in 1996 and since then, NC's quota in SFA 5 has consistently provided substantial income and employment benefits for Northerners. The need for this support continues and EAZ access would help sustain the Coalition's pivotal role in delivering benefits of adjacent resources throughout the Eastern Arctic and Labrador regions.

NC proposes that the likely quota increase in the EAZ of 2,042 tons should firstly be allocated in full compliance with the obligations associated with the applicable land claim agreements in the region. Secondly, the remaining quota increase in the EAZ should be allocated equally between the Offshore sector and Northern Coalition. It is important to note that, under NC's proposal, 42.8% of any amount provided to Northern Coalition would be for the benefit of Nunavut and Nunavik members of NC. In addition, NC's Nunavut and Nunavik members also receive 3/17<sup>th</sup> of the offshore allocation. Also worthy of note is that the Offshore sector is approaching its historic peak allocation in the EAZ.

In advocating access to the EAZ quota, NC is mindful of the possibility that the advice provided by the Nunavut Wildlife Management Board and the Nunavik Marine Resources Management Board to the Minister of Fisheries and Oceans may present an alternate TAC recommendation and, in any event, the Minister may choose to set the TAC at some other level. Nevertheless, the prospects for a substantial quota increase in the EAZ appear certain. NC proposes that if the final TAC decision varies from NC's projected 2042-ton increase, the same sharing approach should be followed with the Offshore sector and Northern Coalition sharing equally the quota increase remaining following adherence to the respective land claims agreements.