

FFAW UNIFOR ADDRESS***Foreign Ownership and Corporation Concentration of Fishing Licenses and Quota*****5 minutes (~800-1000 words)**

Thank you, Mister Chair. On behalf of over 13,000 of our members from Newfoundland and Labrador, thank you for the opportunity to address the Honourable members today.

The Fish, Food, and Allied Workers Union represents every inshore fish harvester in our province, encompassing approximately 3,000 owner-operator enterprises and their over 7,000 crew members. Our scope of membership also includes thousands of workers in fish processing plants, aquaculture, marine transportation, metal fabrication, hospitality, and more sectors across the province.

In Newfoundland and Labrador, the value of the inshore fishery cannot be understated. It is our oldest industry, closely connected to our culture, and continues to give economic stability and opportunity to our coastal communities. Throughout our rich history, hardworking Newfoundlanders and Labradorians have devoted their lives and livelihoods to the ocean around us, and this dedication continues to be the backbone of the province - supporting a one-billion-dollar industry each year, that continues to grow and present new opportunities.

Today, our collective success depends on keeping the value of this industry in their capable hands. Not just for Newfoundland and Labrador, but for Canada.

It's been acknowledged time and time again that preserving our foundation of an owner-operator fishery is crucial to the economic sustainability of coastal communities. However, we have experienced increasing foreign control of the processing sector and corporatization of the fishery, particularly those owned by other countries. Major control of our fishery being given to foreign governments not only has negative impacts on fishing licenses and quotas, but also creates significant barriers for new entrants, thereby suppressing succession planning for the industry.

Increasing corporate control has had clear negative repercussions. It has depressed wharf competition, stifled the ability of harvesters to seek new buyers, and forced labour relations into a binding arbitration system that is tilted in favour of processors due to the lack of transparency. The negative impacts are only worsened when corporate control is in the hands of foreign entities. Corporate concentration is nothing new. For years, our members have had to fight to act against companies who attempt to dictate the terms of the inshore fishery and actually coordinate efforts to not buy landings.

We present the example of Royal Greenland, a Crown Corporation owned by the Government of Greenland, to become the largest single seafood processor in our province. Royal Greenland is owned by the Government of Greenland and has plants in 11 countries: Germany, Poland, Norway, Sweden, the UK, Japan, Italy, Russia, China, and United States, Greenland – and Canada. The Greenland fishery competes directly with our fishery, harvesting many of the same species and selling to many of the same buyers, creating a vast conflict of interest.

When the interests of harvesters and plant workers in Greenland compete with the interests of harvesters and plant workers in Newfoundland and Labrador, who do you think will get the smallest share? Royal Greenland will purchase seafood wherever has the greatest benefit for Greenland. In 2020, it showed no interest in buying Newfoundland and Labrador shrimp, thumbed its nose at our collectively bargained mandatory minimum price, and then locked out our harvesters for most of the shrimp season to prioritize its own harvesters in Greenland. Last year, in 2022, the inshore shrimp fishery was locked out because Royal Greenland refused to pay a fair price to Newfoundland and Labrador shrimp harvesters, telling them to steam their product over to Quebec if they wanted a better price. Meanwhile, Royal Greenland paid more for a less valuable, twice frozen product to process in the NL plant.

Deliberately avoiding competition by agreeing to serve only certain territories or customers and knowingly restricting production and supply is considered ‘cartel-like’ behaviour by the Competition Bureau’s own definition. Especially when these effects are the result of mergers and acquisitions that substantially hurt competition. Despite vigorous opposition by FFAW-Unifor on behalf of the harvesters and plant workers we represent, the government of Newfoundland and Labrador approved the transfer of the fish processing licenses held by Quinlan Brothers to Royal Greenland. Now, Royal Greenland owns 10 plants in our province, solidifying the largest seafood processing company in our history – and its loyalties lie in Greenland.

Royal Greenland secures conditions to control all aspects of the fishery, including ensuring subsidiaries have “privileged access to quotas or landings,” despite such practices not being permitted in the inshore fishery. However, to circumvent Canadian federal regulations, Royal Greenland has created its own form of vertical integration through the acquisition of contracts that place them illegally in control of harvester licenses. Corporate concentration has inflated the cost of licenses, and in many cases an inshore harvester does not have access to that level of capital. A processor needs a secure supply of raw materials, so that processor pays for a license in the name of that inshore harvester, thereby owning the license and hiding behind the name of the harvester. The processor then controls when the license is fished, who fishes it, which boat is used, and how much the harvester is paid. These controlling agreements are a clear violation since 1979 when the fleet separation policy was introduced, which affirms that processors cannot own inshore licenses.

The Federal Government has made progress to strengthen Owner-Operator and Fleet Separation Policies. Enshrining owner-operator policy into law in 2021 was celebrated across the industry, as it set out to protect the value of fisheries by ensuring that it remains in local communities. However, as a regulatory body, DFO has proven to be unequipped to enforce this policy. DFO has

yet to move forward with **any** penalty for the over 30 files they have investigated since policy became enshrined in 2021. Instead, the reaction has been to gently guide corporations back into compliance. Much to the significant disappointment of independent harvesters across Canada, Owner-Operator Policy has proven to be nothing more than a workshopping exercise for DFO without any deterrent or consequence for violation. A message from the Department expressing a commitment to protecting Owner-Operator fisheries is now critical to restore confidence in this legislation.

As Canadians, as Newfoundlanders and Labradorians: will the future of our fishery be vibrant and sustainable, composed of thousands of small local businesses in the water that continue to contribute to the rich fabric of our culture and economy?

OR will it be controlled by a small handful, processed offshore or internationally, and remove the wealth of our sustainable resources from the adjacent communities that depend on them to serve another country's bottom line?

It is incumbent upon every member here and all Canadians who value our oceans to protect this public resource, and to ensure it is the people of Canada who enjoy the economic and societal benefits that come from our waters.

I appreciate the attention given to the gravity of this issue by Committee Members and look forward to answering any questions you may have.