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Minister’s Message

This is an exciting time to be working in the seafood industry in Nova Scotia. Harvesters are seeing their incomes improve and exporters are working hard to satisfy the high demand for our premium quality seafood products in markets in North America, Asia and Europe.

For the second year in a row, Nova Scotia was Canada’s leading exporter of seafood in 2016, with $1.8 billion worth of products sold to international markets. The export total is on track to meet the One Nova Scotia report’s goal of doubling seafood exports within 10 years in a record pace.

The province and industry have new tools to support export growth with the introduction of our new international brand, “Nova Scotia Seafood, Pure”. Establishing an effective seafood brand will help give Nova Scotia a competitive advantage in key global markets and will also communicate a clear message about our seafood – its exceptional taste and premium quality.

As we move into the 2017-18 fiscal year, we will continue to look for ways to work with the industry to promote innovation and open access to international markets. Working with our partners in the federal government, we are excited to open the Atlantic Fisheries Fund to industry applications. Nova Scotia’s fish and seafood sector provides quality jobs and economic opportunities for young people and coastal communities. We want to see it continue to grow sustainably and this significant investment by the federal and provincial governments will support additional innovation, infrastructure and science. In addition to showcasing our new brand, an agreement with the leading Chinese online retailer TMall-Alibaba will pilot a quality program for shipping live Nova Scotia lobsters to consumers in China. Perennia, our provincial not-for-profit corporation with expertise in food quality and safety, is developing a strict quality certification procedure, including a quality standards manual, a training program and regular audits at participating export plants in Nova Scotia and the receiver sites in China. As Canada’s leading exporter of live lobster, Nova Scotia is seeking to increase the value we derive from those exports with a focus on innovative partnerships like this one and even higher quality.

Our improvements to the regulation of the aquaculture industry have created one of the most robust approaches in the world to managing this industry, giving it the potential to develop in a sustainable way. With a new independent Aquaculture Review Board to approve new license and lease applications in place, investments in resources for environmental and fish health monitoring and funding for research, we are ready to engage with companies and Nova Scotians to grow the economic potential of aquaculture.

If we continue to focus on helping our fish and aquaculture industries grow and reach new markets the future will continue to be bright for our province.

Sincerely,

Original signed by

The Honourable Keith Colwell, E.C.N.S.
Minister of Fisheries and Aquaculture
Mandate

The Department of Fisheries and Aquaculture has a legislated mandate to promote, support and develop the fishing, aquaculture, seafood processing and sportfishing industries that contribute to the economic, environmental and social prosperity of Nova Scotia’s coastal and rural communities.

The Minister of Fisheries and Aquaculture is committed to supporting collaboration in the lobster industry to encourage the promotion of Nova Scotia lobster both nationally and internationally. The Minister will also support an expanded fisheries mandate for Perennia Food and Agriculture Inc. (“Perennia”) and develop and implement an aquaculture growth strategy under the new regulatory framework that will encourage and enable growth in private-sector aquaculture production.

The Department will work to eliminate barriers to growth for these sectors and will collaborate with the Office of Regulatory Affairs and Service Effectiveness to reduce regulatory burden where appropriate.

Key initiatives and the core services of the Department of Fisheries and Aquaculture are driven by five strategic themes:

- Enabling responsible economic growth
- Supporting research and innovation
- Building public trust and market acceptance
- Increasing trade and market access
- Encouraging value added opportunities

Department Priorities

In support of its mandate, the Department will undertake the following activities in the 2017-18 fiscal year:

- The Department is partnering with Fisheries and Oceans Canada and the other three Atlantic Provinces to establish the Atlantic Fisheries Fund. This seven year, $421M program is a strategic opportunity to develop a culture of innovation in the fish and seafood industries. Pillars of the program include: Innovation in processes and technologies; infrastructure to improve product quality and sustainability, and science Partnerships to improve knowledge of the North Atlantic marine environment and ocean conditions. A portion of the fund will also be available nationally to increase the capacity
of the Canadian fish and seafood sector to develop existing markets and enter new markets.

- As the second year of its $11.2 M four-year commitment, the Department will continue to invest in the responsible development of the aquaculture industry through the operationalization of new regulations, encouraging full utilization of existing sites, the acceptance of new applications, and investments in research and development to address industry challenges and spur innovation. Next steps in the coming year include beginning the facilitation of Aquaculture Review Board hearings, finalizing of farm management plans, and tracking of fish transfers for health and disease surveillance. In association with Perennia, a Centre for Aquaculture Advancement will be established to focus on strategic project development to support the growth of the aquaculture industry in Nova Scotia.

- In collaboration with Perennia, the Department will continue to develop a Lobster Quality Standards Program and deliver other seafood-associated promotional activities focussed on the China market. The project is in collaboration with Tmall-Alibaba, an online retail company in China to promote premium quality Nova Scotia lobster.

- Continue to implement the Nova Scotia Seafood Brand and marketing activities to promote Nova Scotia as a premium seafood supplier in the priority markets of the United States, European Union and China.

- Investigate potential European opportunities under the Canada-European Union Comprehensive Economic and Trade Agreement.

- Based on recommendations from the *Growing the Sportfishing Industry Report*, the Department aims to increase the number of non-resident anglers engaged in sport fishing in the Province. Work is being done with Tourism NS as well as regional and municipal tourism agencies to highlight Nova Scotia as a sportfishing destination.

- The Department is seeking linkages with Perennia to develop greater capacity in the fisheries, aquaculture and seafood sectors, with a focus on research and product development to meet industry needs. In addition to Perennia’s refocusing of its core service lines to meet their expanded mandate, many research and development projects are underway. Examples include a pilot quality certification for live lobster shipped internationally with a concentration on China, value-added products from shellfish waste streams, investigation of automated lobster grading methods, and terrestrial liming of the West River, Sheet Harbour watershed.
With Service Nova Scotia, the Department will support the implementation of an electronic licensing system that supports client service for the sport fishing industry.

Core Functions

There are a number of core services the Department provides that support its overall mandate, strategic themes and government priorities. Highlights of these actions include:

- A continued focus on growing a competitive seafood sector by encouraging strategic use of automation in processing and harvesting, by working with other government stakeholders in the development of a workforce strategy to address training and labour challenges, and by enhancing networks within the sector. On-going initiatives include a continuous improvement pilot program to improve efficiencies in seafood processing facilities, supporting school-based fisheries sector curriculum, and a processing and buyer licence review.

- Through implementation of a lobster quality handling training program, development of live lobster quality standards, certification and registration activities, research projects, and continued support of industry workshops and training, the Department is working to support industry capacity to sell seafood at a higher value.

- Operation of three provincial fish hatcheries that continue to provide trout and salmon enhancement to an increasing number of provincial rivers. The Department will invest $115,000 to support year two of a three-year project with Perennia to develop scientific expertise related to conservation of Atlantic salmon and brook trout in Nova Scotia.

- The Department administers provincial licences and leases for fish buyers and processors, aquaculture and rockweed. This numbers approximately 850 annually and generates a revenue of close to $600,000.

- The management and coordination of the Environmental Monitoring Program (“EMP”) is a cornerstone of the Aquaculture Division’s management of the aquaculture industry in Nova Scotia. Through annual testing and audit functions, EMP provides accurate information relating to environmentally sustainable production levels within marine aquaculture lease sites.

- Veterinary services are carried out by Departmental staff to help maintain and monitor aquatic animal health at aquaculture sites. The Veterinary Health program includes supporting animal welfare, the prevention, diagnosis and treatment of aquatic animals, and on-site testing and surveillance.
Infield assistance and extension services are delivered throughout the Province by Coastal Resource Coordinators in the Regional Services unit. These coordinators report on and share commercial updates, assist with loan applications, and collaborate on innovative technologies.

The Marine Advisory Services team continues to provide guidance and advice to industry stakeholders on management issues related to commercially significant fisheries, as well as planning and sustainability initiatives to foster sustainable development and economic opportunities in the sector.

The Coastal Section coordinates strategic initiatives related to coastal issues through collaboration across multiple levels of government and industry through the Provincial Ocean Network. At the Federal-Provincial and international level, the Secretariat participates in many forums including the Maritimes Regional Committee on Coastal and Oceans Management and Can-US Gulf of Maine Council. The Coastal Section provides outreach and education services and works with several sub-regional coastal planning initiatives.

The Inland Fisheries Division manages Nova Scotia’s sportfishery through conservation, resource assessment, enhancement and promotion while providing sustainable and diverse angling opportunities. The Department will continue to include anglers and other industry stakeholders in this effort by encouraging participation through the Inland Fisheries Advisory Committee and the Recreational Fisheries Advisory Councils.

The Fisheries and Aquaculture Loan Board supports the development of fisheries and aquaculture businesses in Nova Scotia through responsible lending. Review is underway to update the Board’s regulatory and policy framework in order to enhance Board effectiveness in addressing industry changes; improve service quality; develop innovative and creative programs and financing solutions; and alleviate undue risk to Board investments.

Delivery of the Learn to Fish, Becoming an Outdoors Woman and other promotional programs will continue to build awareness of sport fishing opportunities in Nova Scotia.
Performance Measures

Our performance measures demonstrate how the strategic actions of the Department are making progress towards achieving the mandate, core functions and goals of the Department.

<table>
<thead>
<tr>
<th>Department Strategic Theme</th>
<th>Outcome</th>
<th>Goals</th>
<th>Performance Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enabling Responsible</td>
<td>Industry is advancing towards operating at its fullest potential and</td>
<td>Increase the value of commercial fish landings</td>
<td>Value of commercial fish landings&lt;br&gt;Current Value: $1,211.5 million (2015)</td>
</tr>
<tr>
<td>Economic Growth</td>
<td>resources are managed in an environmental responsible manner, creating</td>
<td>Increase the value of sport fishing industry in Nova Scotia</td>
<td>Value of expenditures related to sport fishing&lt;br&gt;Current value: $56.4 million</td>
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<td>greater prosperity for generations to come.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Increase the value of aquaculture production in the province</td>
<td>Value of Aquaculture Production&lt;br&gt;Current Value: $56.0 million (2015)</td>
</tr>
<tr>
<td>Supporting Research</td>
<td>Industry is increasing its competitiveness through the acceleration</td>
<td>Increase labour productivity within the primary and processing</td>
<td>Commercial Fishing Labour Productivity: 58.40 GDP/hr labour (2015)</td>
</tr>
<tr>
<td>and Innovation</td>
<td>of innovation and adoption of new technologies.</td>
<td>sectors in the industry</td>
<td>Aquaculture Labour Productivity: 98.88 GDP/hr labour</td>
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<td>Seafood Processing Labour Productivity: 18.04 GDP/hr labour</td>
</tr>
<tr>
<td>Department Strategic Theme</td>
<td>Outcome</td>
<td>Goals</td>
<td>Performance Measure</td>
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| Building Public Trust and Market Acceptance                     | Public confidence in government and industry's ability to manage coastal, marine, and inland resources is improving. | Promoting safe working conditions in the industry                    | Registered Workers’ Compensation Claims  
Current Value: 725 accidents (2016)  
Average Value: 289 accidents (2011-2015)  
Increase sport fishing participation in targeted demographics  
Number of non-resident licence sales  
Current Value: 2082 (2016)  
Female participation rate: approximately 9%  
Learn to Fish Participants  
Current Value: 3000 participants (2016); 72 sessions |
| Increasing Trade and Market Access                              | Industry is fostering a strong reputation for producing high quality food and is well positioned to build on established trade linkages and develop new ones. | Increase the value of fish and seafood exports from Nova Scotia       | Value of Fish and Seafood Exports  
Current Value: $1,811.2 million (2016) |
<table>
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<th>Goals</th>
<th>Performance Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encouraging Value-added Opportunities</td>
<td>Industry is building partnerships that work cooperatively along the supply chain to deliver added value to Nova Scotia food products.</td>
<td>Increase the value-added and processing opportunities within the province</td>
<td>Value of Seafood Product Preparation and Packaging Current Value: $1,118.8 million (2015)</td>
</tr>
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# Departmental Expenses Summary

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<tr>
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<tbody>
<tr>
<td>Administration</td>
<td>745</td>
<td>633</td>
<td>696</td>
</tr>
<tr>
<td>Aquaculture</td>
<td>5,444</td>
<td>5,258</td>
<td>5,437</td>
</tr>
<tr>
<td>Inland Fisheries</td>
<td>2,412</td>
<td>2,757</td>
<td>2,452</td>
</tr>
<tr>
<td>Marine and Coastal</td>
<td>3,863</td>
<td>3,646</td>
<td>6,477</td>
</tr>
<tr>
<td><strong>Total - Departmental Expenses</strong></td>
<td><strong>12,464</strong></td>
<td><strong>12,294</strong></td>
<td><strong>15,062</strong></td>
</tr>
<tr>
<td>Ordinary Recoveries</td>
<td>350</td>
<td>432</td>
<td>500</td>
</tr>
</tbody>
</table>

**Funded Staff (\# of FTEs)**

Department Funded Staff

- 2016-2017: 70.7
- 2016-2017 Forecast: 67.5
- 2017-2018: 69.9

**Note:**

For Ordinary Revenues, see Estimates and Supplementary Detail Book, Chapter 2
For TCA Purchase Requirements, see Estimates and Supplementary Detail Book, Chapter 1