

THE AQUACULTURE INDUSTRY'S RESPONSE TO
TOWARD PROSPERITY

Submitted to: Economic Development Nova Scotia

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Introduction

In reviewing *Toward Prosperity*, the Aquaculture Association of Nova Scotia determined that the fish and shellfish farming industry can fit perfectly into the new economic development strategy envisioned by the discussion paper's authors. This industry, which has so much potential for expansion in Nova Scotia, is growing on principles similar to those which have been identified as guiding an effective strategy for economic growth - improving the quality of jobs, encouraging entrepreneurship, fostering innovation, promoting our competitive advantages, providing equal opportunities and supporting sustainable development. In fact, we believe that aquatic farming is one of the few industries which can meet all the requirements for economic growth set out in *Toward Prosperity*.

Overview of the Aquaculture Industry in Nova Scotia

Aquaculture is, quite simply, the farming of aquatic plants and animals. While a vast variety of shellfish, fish and plants are cultured throughout the world, in Nova Scotia we farm:

- C Atlantic Salmon
- C Rainbow Trout, in both fresh and salt water
- C Arctic Charr
- C Halibut
- C Mussels
- C Scallops
- C Native and European Oysters
- C Clams & Quahogs
- C Seaweeds

C And we are involved in experimental work with Haddock, Cod, Striped Bass and Eels

Our industry is spread throughout the province, from Tusket to Glace Bay to Collingwood and annual sales of Nova Scotian farmed seafood have risen from \$7 million in 1994 to \$34 million in 1999. There are some 1100 people employed directly on the farms and in plants which process our products and we're also creating spin-off employment and sales in the industries which supply aquaculture operations. Approximately 70 percent of the finfish and a growing portion of the shellfish farmed here is exported, primarily to the Northeastern United States. However, farmed Nova Scotia Seafood is also showing up in markets all across Canada, in other parts of the US, Japan, the United Kingdom, Belgium and the Netherlands, St. Pierre & Miquelon and South America.

We believe that aquaculture holds significant opportunities for growth in this region. Nova Scotia has an international reputation for producing top quality seafood. The aquaculture industry has been able to take advantage of and add to this tradition and we are now selling farmed fish and shellfish in markets we once flooded with captured products.

The significant human resource we have in our fishing and farming communities must be considered one of our assets as well. Trained workers experienced both with harvesting the sea and cultivating livestock make up a large portion of the workforce for our industry. And, local educational institutions including the Nova Scotia Community College and the Nova Scotia Agricultural College are graduating new skilled workers with technician's diplomas and university degrees. Aquaculture

is increasingly becoming a knowledge-based industry and employment is changing from primarily physical labour (eg. fish feeding) to more technical positions which rely on knowledge of complicated equipment and computerized systems.

Nova Scotia is favoured with significant research capabilities - both in terms of the institutions and scientists available in the province. This resource has been responsible for the development of both technology and science which has promoted the growth of the aquaculture industry not only here but throughout the world. For example, we are among the world's leaders in culturing marine fish species (halibut, haddock), and marine plants. And, new treatment methods for effluent from land-based operations developed by a Nova Scotia firm have attracted attention from all over the country.

And, one final but significant point - Nova Scotia is blessed with the cool, pristine water which produces the quality products which are prized in the marketplace.

Aquaculture as a Piece of Nova Scotia's Economic Puzzle

Toward Prosperity has identified a number of strategic directions for renewing Nova Scotia's economy:

- C supporting innovation and its commercialization
- C improving the climate for business
- C ensuring development of an appropriate labour market
- C developing export and marketing opportunities

- C encouraging investment, both local and foreign
- C renewing the province's infrastructure.

Aquatic farming is an excellent example of an industry which would be able to expand to play a bigger role in the province's economy if these six directions were followed. For example, actions to redefine the regulatory framework for aquaculture into one which enables sustainable industrial growth while protecting the interests of the public would greatly improve the business climate for aquatic farming in Nova Scotia. New lease terms which allow investors to have confidence that normal business operations will not be disrupted by government would encourage increased investment. We know the interest is there, both from local and out-of-province investors but government regulation is forcing them to invest elsewhere. We believe the real growth potential for aquaculture is in increased exports and value-added processing. Government investment in research and development would lead to enhanced market opportunities for Nova Scotia's farmed seafood sector.

The Aquaculture Industry's Requirements for Continued Growth

The aquaculture industry in Nova Scotia could easily reach sales of \$100 million in the next 5-7 years and achieve its goals of creating meaningful employment and wealth in rural and coastal areas of the province. However, that isn't likely to happen without significant changes in the climate in which it operates. In order to reach these goals, our industry will require:

- C an appropriate regulatory climate which encourages investment and growth and recognizes aquaculture as a legitimate user of the province's aquatic resources
- C a lead provincial agency which is committed to creating and maintaining that climate
- C a provincial government which declares its support for the sustainable development of the aquaculture industry and then follows that declaration with positive action
- C government investment in research and development both at the farm and the processing level
- C appropriate infrastructure which allows Nova Scotia farmed seafood to reach markets in optimal condition.

In Conclusion . . .

The economic future of Nova Scotia will be more than the successes which occur in the Halifax Regional Municipality. The only way in which this province will develop a growing, vibrant economy is through diversity and a willingness for Nova Scotians to change the way in which they create wealth.

The Aquaculture Association of Nova Scotia believes that the men and women it represents will be on the cutting edge of this new economic future. They have an industry which is adding value to Nova Scotia's traditional relationship to the sea, which is producing increased exports and which is creating quality employment opportunities in the areas of the province which need them the most.

Aquatic farming is not a replacement for or competitor of the capture fishing industry. We see ourselves as a complimentary hybrid of fishing and farming which shares resources and values with the traditional

fishery. The industry is creating an opportunity for partnerships, among fish and shellfish farmers, equipment manufacturers, researchers, academics and governments which can lead to even more development. For example, creation of an aquaculture *cluster* which included all of these stakeholders could very well lead to opportunities to export knowledge and technology along with fish, thus increasing this industry's value to the provincial economy even more. Nova Scotia aquaculture companies are already involved in the development of fish and shellfish farming operations throughout the world, especially in developing countries. The possibilities are exciting. But industry will require the support and encouragement of government to turn these possibilities into realities.