

Ministry of Agriculture
BRIEFING NOTE FOR PREMIER FOR INFORMATION FOR MEETING WITH MARINE
HARVEST'S GLOBAL CEO Aarskog

Ref: 187861

Date: April 3, 2018

Title: Premier John Horgan meeting with Marine Harvest (MH) Chief Executive Officer (CEO) Alf-Helge Aarskog and Marine Harvest Canada (MHC) Managing Director, Vincent Erenst.

Issue: Discussion on MHC's long term viability of Atlantic salmon aquaculture in British Columbia's economy and MHC's future plan with respect to First Nations and related activities in the Broughton Archipelago.

Background: Marine Harvest is the largest producer of farmed salmon in the world, with a production (2016) of 380,621 metric tonnes and revenue of 3.13 billion EURO (~ CDN \$4.89 billion). The company operates in 10 countries with primary farming operations in Norway, Scotland, Canada and Chile. Globally it employs 12,717 full time equivalents (FTE). In B.C., production in 2016 was 43,349 tonnes (11.4% of global production) from 40 sites of which 25-30 are in operation at any one time. MHC's workforce in B.C. is approximately 550 FTEs employed in farming and processing operations (4.3% of global work force).

MHC has invested approximately \$120 million in B.C. in recent years on hatchery upgrades, a processing plant in Surrey, farm and feeding systems. The company has also invested approximately \$50 million in integrated pest management for sea lice control in an effort to mitigate environmental impacts. While MHC's investment in B.C. has been significant, the company also has recently invested \$185 million in aquaculture operations in Newfoundland and New Brunswick.

The management of aquaculture in Canada is primarily the responsibility of the federal government under the Department of Fisheries and Oceans Canada (DFO). The province works in partnership with DFO. The following more specifically outlines the roles and responsibilities of the federal government and the Province:

Fisheries and Oceans Canada	DFO responsible for licensing industry and protection of fish health Will accept license applications but is not making decisions due to harmonized process with BC
Ministry of Agriculture	B.C.'s lead for seafood industry development B.C.'s lead for strategic aquaculture policy Maintains Plant Animal Health Laboratory that supports DFO's audit program
Ministry of Forests Lands and Natural Resource Operations and Rural Economic Development (FLNR)	Issue tenures authorizing the use of the land, foreshore and marine areas for finfish and shellfish aquaculture (Land Act) Issue freshwater licences (Water Sustainability Act). Marine Use Planning
Ministry of Environment and Climate Change Strategy	Issues permits for sewage discharge (Environmental Management Act) Issue permits for pesticide use (Integrated Pest Management Act)

Note there was a previous meeting in January 2018 between the Premier John Horgan and CEOs from Mitsubishi and Marine Harvest regarding B.C.'s positions on salmon farming.

Recent developments in the Washington state, United States have also attracted attention towards the Atlantic salmon farming industry in the Pacific Northwest. The state of Washington recently announced that it will be phasing out all Atlantic salmon farming operations by 2022 - largely in part to concerns regarding risks to wild salmon populations.

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First Nations Considerations: Salmon farms are currently located in the traditional territories of at least 28 B.C. First Nations (taking into account overlap of territories). Twenty First Nations have economic and social partnerships in place with B.C. salmon farmers, accounting for approximately 78% of B.C. farmed salmon production. First Nations communities provide approximately 30% of the workforce on the farms of B.C.'s four largest salmon farming companies. There are several farms operating without agreements or consent from adjacent First Nations.

MHC operates several sites in the Broughton Archipelago with these operations representing approximately 20% of their production in B.C. This production capacity is also supported by a processing facility in Port Hardy and a large number of third party suppliers and contractors. Five First Nations (six bands) in the Broughton Archipelago are seeking to evict farms from their traditional territories:

- 'Namgis (Alert Bay)
- Mamalilikulla (Eastern Queen Charlotte Strait/Knight Inlet)
- Kwikwasutinuxw/Haxwa'mis First Nation (KHFN) (Broughton Archipelago/Gilford Island)
- Dzawada'eunuxw (Broughton Archipelago/Kingcome Inlet)
- Gwawaenuk Tribe (Port McNeill/Port Hardy/Broughton Archipelago)

Discussion: The Province is engaged in a number of concurrent salmon farming and aquaculture initiatives involving several provincial agencies and DFO.

Minister of Agriculture's Advisory Council on Finfish Aquaculture (MAACFA):

To address provincial policy on finfish aquaculture in BC, the government announced in June 2015 that MAACFA would examine the salmon aquaculture application and approval framework to ensure the operations are socially and ecologically sustainable, and could coexist with B.C.'s wild fishery resources. The announcement also clarified during this time, the Province would not consider any further approvals for new salmon aquaculture tenures. No new tenures have been issued to date.

On February 1, 2018, MAACFA submitted its final report to the Minister of Agriculture. MAACFA members were able to reach consensus on six overarching themes with associated strategic recommendations and immediate and long term actions. Given that most of the recommendations have implications to DFO; the province is working in partnership to review the recommendations to formulate a government response. The report and government response was released on April 5, 2018.

Broughton G2G2G Process:

On January 30th, 2018, the Province invited five bands representing six First Nations (Dzawada'eunuxw, Kwikwasutinuxw-Haxwa'mis, Gwawaenuk, 'Namgis, and Mamalilikulla) to a joint Ministers' meeting to follow up on an October 2017 meeting held in Alert Bay regarding ongoing disputes with fish farms in the Broughton Archipelago. These Nations have long held concerns about the impact of Atlantic farmed salmon on wild Pacific salmon and have never consented to have Atlantic salmon farms operate in their territories.

The meeting included participation of elected and hereditary Indigenous leaders from the communities, four provincial Ministers and their senior officials, and senior officials from the Department of Fisheries and Oceans (as observers). The Nations and Province agreed to move forward on a consent-based, government-to-government (G2G) process that identifies important issues and charts a path forward to reconciliation rooted in the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

Staff have had a follow up meeting with the Nations (March 28-29, 2018) and discussed the process going forward. The Province will be speaking to the Nations on how to bring industry perspectives into the dialogue.

Industry Communication:

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Government is in regular communication with the aquaculture industry and staff will be developing a specific industry engagement strategy for the ongoing situation in the Broughton. We recognize the jobs that the aquaculture industry provides to British Columbians living in rural and coastal communities. The Province will be continuing to build the process and to engage industry at the appropriate time.

Key Messages:

- **I want to thank you for taking the time to meet with me. We want to have regular dialogue with your company and the broader sector as we work through these issues.**
- **We have received recommendations from MAACFA relating to both federal and provincial agencies. We are considering those recommendations now and are working with DFO to develop government's response.**
 - **As you know, Jeremy Dunn, of the BC Salmon Farmers Association, was a part of that process.**
- **We are also starting a process with the Broughton First Nations to discuss their concerns in the context of upcoming tenure renewals.**
 - **These are in early stages and I want to assure you that we will be in close dialogue with you regarding those developments.**

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