



BACKGROUND

On June 15, 2000, Minister of Fisheries and Oceans, Mr. Herb Dhaliwal, announced the Northern Shrimp Management Plan for the years 2000, 2001, and 2002. Included in the announcement was a new allocation of 1500 mt of Northern Shrimp in NAFO Area 3L for Prince Edward Island. The quota was granted to PEI with the provision that the benefits from the quota would go towards the benefit of the PEI fishery as a whole and the Department of Fisheries and Oceans (DFO) provided a set of principles for the management of the quota to ensure this objective would be achieved.

Establishment of PEIASC

At the request of DFO, Mr. Doug Johnston coordinated the establishment of a third party non-profit Company, the PEI Atlantic Shrimp Corp. Inc. (PEIASC), to manage the PEI quota. The company membership includes a representative from the Province of Prince Edward Island, the PEI Seafood Processors Association, the PEI Council of Professional Fish Harvesters, the University of Prince Edward Island and an independent Chairperson. In addition to this, the PEI Seafood Processors Association, the PEI Council of Professional Fish Harvesters each nominate 3 persons to sit on the PEIASC Board of Directors and 1 representative is nominated from the Province of PEI and the University of PEI. The Board is chaired by an independent representative. The terms for each of the representatives for the Membership and the PEIASC Board of Directors is three years. These terms are staggered so that one third of the Board is re-elected each year at the Annual Meeting of the Members.

Harvesting Contracts

Each year, PEIASC obtains a license to harvest the PEI allocation of Northern Shrimp in NAFO area 3L from DFO. PEIASC then requests a transfer of this license to the harvesting company with which it has negotiated a harvesting contract. This typically takes place in early January of

each year.

In 2000, PEIASC established a partnership with Farocan Inc. of Mulgrave, NS to harvest the PEI quota. Negotiations were concluded on August 14, 2000, resulting in a late start for fishing activity. Due to the fact this was later than the fishery normally takes place in Area 3L, DFO agreed that a portion of the quota could be fished in Area 6. As a result, Farocan harvested 814 tonnes of the 1500 mt quota, of which 809 tonnes were harvested from Area 6. Farocan stopped fishing the PEI allocation in mid October as they had caught all the Area 6 quota available and were not able to locate any shrimp when they moved into Area 3L. As part of the agreement, Farocan hired 9 fishermen from PEI to work on their vessels.

In the fall of 2000, a process was initiated to identify a suitable operational partner to harvest the PEI allocation for 2001 and future years. In response to a request for bids, five companies submitted proposals. The proposals were evaluated and the PEIASC Board of Directors accepted the proposal from Clearwater Fine Foods Inc. of Halifax.

A contract was negotiated and signed with Clearwater on February 6, 2001. The term of the Contract with Clearwater is for five years (2001-2005) and is dependent on the amount of shrimp allocated to PEIASC in the Shrimp Management Plan. As part of the contract, Clearwater agreed to fill four (4) full time crew positions on their shrimp vessels, and two (2) full time positions on their scallop vessels with fishermen from PEI. Clearwater works with the PEI Fishermen's Association to recruit the PEI fishermen.

Distribution of Benefits

As stipulated in the DFO guiding principles, the benefits of this fishery must be distributed to the PEI fishery as a whole through lobster research; product and market development and research; and the development and maintenance of the harvesting sector in PEI, with the priority given to professionalization of fish harvesters in PEI. Each year, \$150,000 or 20% of the revenues received annually are allocated to the Lobster Science Centre at the University of Prince Edward Island; 2/3 of the remaining funds to support processor activities; and 1/3 of the remaining funds to harvester activities. PEIASC accepts applications for funding from various fishery sectors for

projects related to the above activities and which demonstrate a clear benefit to the fishery as a whole. On submission, these proposals are evaluated by the Board of Directors. For successful projects, funding is distributed in 3 installments: an initial 50% advance, an interim payment of 30% on submission of a project progress report, and a final 20% installment on submission of a final project report and auditor's statement.