

ATLANTIC LOBSTER SUMMIT

Market Realities, Challenges and Opportunities – A Plate to Ocean Approach

Conference Proceedings

**Halifax
October 2007**



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada



**NS FISHERIES
SECTOR COUNCIL**



**Atlantic Canada
Opportunities
Agency**

**Agence de
promotion économique
du Canada atlantique**

Canada



Québec

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SUMMARY

Maximize the value of lobster

The proceedings of the Atlantic Lobster Summit identified many concerns and ideas on the current state of the Atlantic Lobster Fishery from the perspective of harvesters, processors/shippers, buyers, government officials (both provincial and federal) and other interested stakeholders. Based on the presentations, discussion panels, and interactive sessions several things need to happen if the industry aims at maximizing the value of lobster.

Collaborate to tackle key issues

The industry should take a collaborative approach to understand and address key industry issues including matters on sustainability, supply, pricing, cash flow and market intelligence. To move forward, the industry should create a stakeholder organization made-up of harvesters, processors/shippers, federal and provincial governments and other key stakeholders. The group should have a mandate and process in place to address industry issues and should devise pilot projects to demonstrate workability and success. Overall, the organization would serve as a forum for communication, which will hopefully build trust and confidence among members of the industry in order to work together and understand the issues being faced by each sector.

Manage for sustainability

Many of the participants in the summit highlight illegal activity as a major issue troubling the industry. Such activity includes fishing undersized lobster and egg-bearing females, exceeding the trap limit and reporting false information. At present, DFO holds the responsibility of enforcement. However such measures should begin to include industry stakeholders for better protection of the species. Sustainability of the species is an issue that should be heavily addressed by the stakeholder organization mentioned above.

Become pro-active

The industry should be alert in addressing emerging market challenges pertaining to sustainability, global warming, fair trade, food safety and animal rights. Eco-labels like MSC may become necessary to meet product specifications in some markets, as consumers exert pressure to ensure the seafood they sell originates from fisheries that are managed sustainably. The industry has two options, stay stagnant and run the risk of being shut out of potential markets or be proactive and gain from the benefits of emerging markets.

Explore other markets

As U.S. dollar continues to decline, the lobster industry should be shifting away from a dependency on the U.S. market and begin exploring others such as Europe and the Far East. In shifting to other market places, extra costs and regulatory requirements may apply.

Improve product and product development

To improve value of lobster, the industry should aim at achieving several goals including: changing consumer perceptions over lobster by increasing the value of processed products; improving pound storage to reduce costs and minimize losses; and restricting the sales flow of live lobsters to avoid gluts, which will make prices more stable. Market intelligence systems can help in achieving these goals.

I

INTRODUCTION

1. WHY THIS SUMMIT

The Canadian Centre for Fisheries Innovation (CCFI), in collaboration with an Atlantic-wide steering committee, organized a two-day Lobster Summit aimed at addressing the challenges faced by the industry. Among these include issues on: sustainability, quality, supply, price, human resources, marketing, communication and industry coordination. An industry-government working group on lobster had earlier underscored these issues as critical in 2006. They decided that to overcome the key issues and challenges facing the industry required innovative approaches to structural problems in the lobster fishery and the identification of strategic niche opportunities for the industry. Members felt that an industry Summit on these issues would be critical. CCFI had held a workshop on the haddock industry in 2006 and it was decided to model the Lobster Summit on that event.

The key objective of the Lobster Summit was the development of approaches to maximize the value of the resource for all participants of the Atlantic Lobster fishery. The Summit aimed to identify the barriers and difficulties that impede industry's ability to maximize its potential and establish a follow-up process to address these obstacles.

The Summit attracted leaders of the Atlantic Lobster Industry and speakers ranged from fish harvesters and processors to market experts and scientists.

2. ORGANIZATION AND DELIVERY

The planning, development and execution of the Summit was handled by a Steering Committee composed of the following industry and government representatives:

- ❑ Carey Bonnell, CCFI (Chair)
- ❑ Patrick McGuinness, Fisheries Council of Canada
- ❑ Andy Chapman, CCFI
- ❑ Tony Jabbour, Clearwater Fine Foods, NS
- ❑ Stewart Lamont, Ferguson's Lobster
- ❑ Denny Morrow, Nova Scotia Fish Packers Association
- ❑ Jeff Malloy, Acadian Fishermen's Co-Op, PEI
- ❑ Ken Campbell, PEI FA
- ❑ Craig Avery, PEIFA
- ❑ Norma Richardson, EFF
- ❑ Melanie Sonnenburg, EFF
- ❑ Keith Sullivan FFAW
- ❑ Christian Brun, MFU
- ❑ Ashton Spinney, LFA 34
- ❑ Estelle Bryant, NS Department of Fisheries
- ❑ Tanya Billings, NB Department of Fisheries
- ❑ Parnell Trainor, PEI Department of Fisheries and Aquaculture
- ❑ Yvon Forest, Quebec Ministry of Agriculture, Fisheries, Agri-Food

- ❑ Lisa Anderson, NS Fisheries Sector Council
- ❑ Michel Audet, DFO Gulf
- ❑ Leslie Burke, DFO Maritimes
- ❑ Mike MacInnes, PEISPA
- ❑ Jerry Amirault, AVC Lobster Science Centre
- ❑ Jane Barnett, AAFC Seafood

The Atlantic Lobster Summit: Market Realities, Market Challenges and Market Opportunities “A Plate to Ocean Approach” was held in Halifax on October 15 to 16, 2007. The Summit program is set out in the Annex.

This report provides a summary of the presentations and key conclusions.

II

DAY 1 SESSION ONE: CURRENT SUPPLY

1. OVERVIEW

1.1 Industry Overview and Resource Supply Status

Based on the presentation by Michael Gardner

Gardner Pinfold Consulting

Summary

This presentation provides an overview of the North American lobster industry. It assesses the current condition of the industry and identifies key issues and measures to enhance the value of the resource based on several categories including the resource itself, markets, harvesting sector and processing/shipping sector.

Highlights

North American lobster industry is vital to communities in Canada and the U.S. It forms the basis of a \$1.5 billion industry in North America (CAN\$), and ranks as one of the most important species in the Atlantic fisheries in Canada and the U.S.

Canada

- ❑ Landings ranged between 40-50,000 t annually between 1990 and 2004. Landed value ranges between \$550 to 650 million.
- ❑ Just over 9,700 vessels are licensed to fish lobster, generating employment and income for some 25,000 skippers and crew.
- ❑ Canada exported lobster valued at \$989.3 million in 2005, down slightly from just over \$1 billion in 2002 and 2003. About 80% of exports are destined for the U.S., half in live form and the balance in various frozen forms.

United States

- ❑ Landings ranged between 30-40,000 t annually between 1990 and 2004. Landed value ranges between \$400 to 500 million
- ❑ Just over 7,500 vessels are licensed to fish lobster, generating employment and income for some 15,000 skippers and crew.
- ❑ U.S. exported lobster valued is valued between \$150 to 200 million. Canada imports 50-70% for processing & re-export

Atlantic Canada

- Three key species dominate landed value in Atlantic Canada: lobster, crab and shrimp. These three species make up the bulk of the \$1.6 billion total landed value in Atlantic Canada with lobster taking 40%.

Provincial Lobster Landings

Figure 1 illustrates provincial lobster landings for Nova Scotia (NS), Prince Edward Island (PEI), New Brunswick (NB), Quebec (QC) and Newfoundland (NL).

- Nova Scotia landings are up by 75% from mid-1990s.
- PEI landings have been steady with a slight increase in 2006.
- NB landings have been steady with a drop in early 2000s.
- QC landings have been steady with a slight decline in 2006.
- NL landings have been steady with a slight increase in 2005.

Lobster demand

- Lobster exports in Canada are approximately a \$1 billion industry, with the U.S. being the dominant export market, accounting for 81% of Canadian exports. Europe and the Far East are the other major market areas, taking 10% and 6% respectively (Figure 2).
- Live lobster accounts for 40% of total exports by product form, down about 10% since early 2000. Frozen products grow in absolute and relative terms with increasing demand for tails/claws (Figure 3).

Expanding live lobster export trade between U.S. & Canada

- Exports to Canada have increased since the early 1990s, rising from about 8,000 t in 1995 to just under 20,000 t in 2002 (55% of the U.S. catch). This dropped to 15,000 tonnes in 2005, about 40% of the U.S. catch. Rising shore prices in the U.S. coupled with high inventories of processed lobster caused Canadian processors to reduce their imports from Maine. Exports recovered in 2006 due to rising U.S. landings and favourable prices, however in 2007 there is a lower demand (Figure 4).

Figure 1

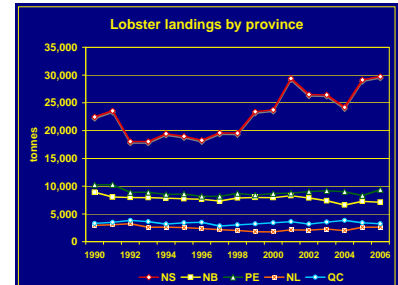


Figure 2

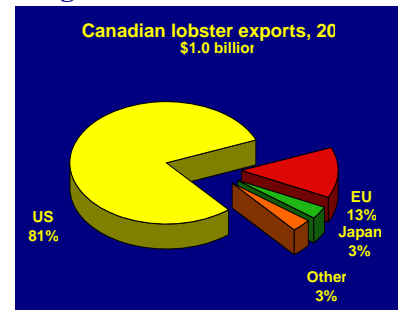


Figure 3

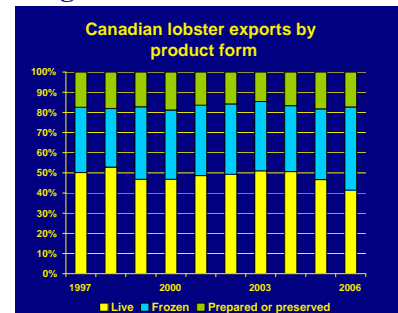
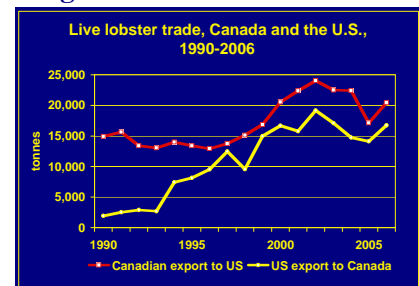


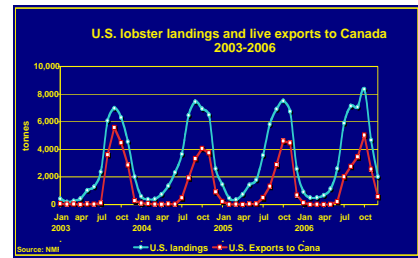
Figure 4



U.S. exports to Canada

- ❑ In recent years, 50-70% of the U.S. catch has been shipped to Canada for processing in PEI and NB plants. As illustrated in Figure 5, fishing effort and catches are concentrated in the months of August to November, despite being open year round. These U.S. imports add greatly to export value in New Brunswick.

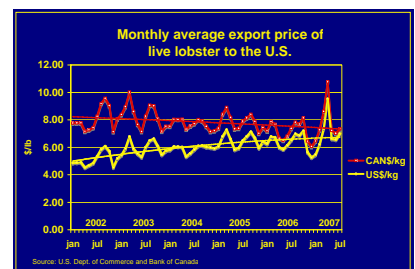
Figure 5



Lobster market weakening, exchange rate cuts revenues

- ❑ Figure 6 illustrates the declining value of the U.S. dollar has resulted in an effective price decline in Canadian dollar terms, eventually hurting Canadian shippers.
- ❑ CAN\$ price shows a downward trend since 2003 due to the exchange rate.
- ❑ Weak supply in early 2007 led to a price spike, but markets soft in the second half due to strong U.S. landings and weak Canadian demand.

Figure 6



Lobster issues and options

Based on four categories, Table 1 provides a synthesis of the issues being faced by the lobster industry along with measures to enhance the value of the resource.

Table 1: Lobster issues & options

	Lobster issues: Highly competitive industry	Lobster options: Measures to enhance value
Resource	<ul style="list-style-type: none"> ❑ Overall abundance stable or declining slightly. ❑ High exploitation rate in most areas a concern. ❑ Unknowns pose threat to sustainability. 	<ul style="list-style-type: none"> ❑ Improve scientific knowledge about the resource. ❑ Reduce harvesting pressure/exploitation rate. ❑ Introduce increased minimum legal size/Eco-label?
Markets	<ul style="list-style-type: none"> ❑ Dependent on one major market - U.S. ❑ Price sensitive to supply/state of economy. ❑ Rising concern from animal rights activists. 	<ul style="list-style-type: none"> ❑ Diversify into new market areas: EU & Far East. ❑ Develop consolidated marketing approach. ❑ Market the environment & and optimal quality.
Harvest	<ul style="list-style-type: none"> ❑ Structured for short seasons: fleet/economics. ❑ Good handling practices but highly peaked supply. ❑ Strong competition means high shore price. 	<ul style="list-style-type: none"> ❑ Ensure vessels have best holding methods. ❑ Extend fishery over the season. ❑ Quality-based pricing in port market.
Process /ship	<ul style="list-style-type: none"> ❑ Generates low margins: capacity/competition. ❑ Relies heavily on imports of U.S. lobster. ❑ Need product development in processed sector. 	<ul style="list-style-type: none"> ❑ Eliminate/limit financial support to industry. ❑ Ensure adequate holding capacity to time the market. ❑ Promote product/market development.

Challenges

- ❑ Getting the structure right: optimal harvesting and processing structure with a common aim of producing high quality products to diversified markets.
- ❑ Improving the terms of trade: a more coordinated approach to limit the increasing market power of distributors.
- ❑ Getting to the right market: product & market development to reduce exposure to commodity conditions.
- ❑ Establishing the brand: healthy products/ clean environment/ sustainable harvesting practice.

2. LOBSTER HARVESTERS

Lobster harvesters from the provinces of PEI, Newfoundland, Quebec and Nova Scotia provided individual presentations on the issues facing lobster harvesters.

Francis Morrissey, Prince Edward Island

This presentation identified several key issues facing lobster harvesters in PEI including:

- ❑ **Protection of the resource.** The future of the industry relies heavily on the protection of the resource.
- ❑ **Lobster prices.** PEI Fishermen are unhappy about low prices.
- ❑ **Illegal fishing.** The issue of illegal fishing needs to be addressed by having stronger enforcement and stiffer penalties towards those who commit them.
- ❑ **Owner-Operator Policy.** The DFO owner-operator policy is very important to maintain.

George Feltham, Newfoundland

This presentation highlights several key issues facing lobster harvesters in Newfoundland including:

- ❑ **People's perception.** The lobster industry in Newfoundland, despite its size and market share, plays a significant role in the livelihoods of coastal communities.
- ❑ **Enforcement.** The lack of funding in this area hinders on fisheries officers' ability to fully conduct their work. The issue needs to be addressed immediately.
- ❑ **Marketing.** The marketing of the species needs to improve in order to increase the value of the product.
- ❑ **Owner-Operator Policy.** The DFO owner-operator policy needs to be safeguarded.

Donald Walker, Quebec

Donald Walker reported key issues facing lobster harvesters in Quebec including:

- ❑ **Low margins.** Margins are diminishing due to rising costs such as the price of gasoline.
 - ❑ **Summit benefits.** Donald hoped that the Summit would be beneficial to the lobster industry.
-

Craig Prouty, Nova Scotia

This presentation identified several key issues facing the lobster industry in Nova Scotia's LFA 34 including:

- ❑ **High fuel costs.** Fishermen costs are rising due to the price of fuel. The bigger boats get, the more fuel they consume.
- ❑ **Unstable price.** A collaborative approach should be used to bring processors, shippers, harvesters and buyers together and agreeing on a price where all parties can be satisfied.
- ❑ **Lack of enforcement.** Penalties for individuals that broke the law were described as insufficient. More specifically, fines were described as a "joke."

3. LOBSTER PROCESSORS AND SHIPPERS

Processors and shippers from PEI, NB and NS provided individual presentations on the issues facing their sector. The key features of the presentations are described below.

Jeff Malloy, Acadian Fishermen's Co-op, PEI (representing fishermen-owned cooperatives)

This presentation identified several key issues facing lobster shippers and processors in PEI including:

- ❑ **Complexity of issues.** The challenges facing the industry are complex in nature and because of the speaker's position and experience; he understands the complexity of the issues.
- ❑ **Unstable prices.** To address and minimize unstable pricing, fishermen should come together at the beginning of every season and decide on a starting price.
- ❑ **Lack of Trust-** Intense competition in the industry brings a lot of mistrust among participants of the fishery.

Gilles LeBlanc, Westmorland Fisheries, NB (representing independent processors)

This presentation identified several key issues facing lobster shippers and processors in NB including:

- ❑ **U.S./Canadian currency exchange.** The appreciation of the Canadian dollar over the past several years has impacted the industry tremendously, resulting in declining Canadian prices.
 - ❑ **Seasonality of the industry.** The market is not synchronized with the seasons.
 - ❑ **Access to the resource.** The lobster industry is a highly competitive industry where people are always finding ways to undercut each other.
 - ❑ **Labour shortage.** The nature of the industry along with the shortage of labour, threaten the future viability of the industry.
 - ❑ **How to add value to lobster?** The lobster industry should be targeting high valued markets to receive better returns on investments. Industry members should avoid selling to low valued markets.
-

Stewart Lamont, Ferguson's Lobster, NS

Stewart Lamont reported key issues facing lobster shippers and processors in NS including:

- ❑ **Adjusting to the depreciation of the U.S. dollar.** To maintain the American live lobster market, two things need to occur: adjust costs downward somewhat in Canadian funds and adjust selling prices upward in US funds. The issue becomes complex as harvesters do not want to accept less and American customers do not want to be charged more. How can the industry move forward in light of this?
- ❑ **Logistical challenges & opportunities.** There is a need for more timely, reliable and cost effective ways of transporting product from one area to another. In addition, the industry should exploit the new buying power of the Canadian dollar to see if that cannot leverage more cost effective freight solutions for the future.
- ❑ **Roller coaster pricing.** Customers cannot cope with chaotic swings in prices. This instability has contributed significantly to the loss of customers, which in the eyes of the speaker, should be included in panel discussions such as in the conference. The industry needs to hear what customers want and don't want.
- ❑ **Greening of the industry.** The industry needs to adjust according to the increase of environmental awareness of customers. This entails fulfilling customer satisfaction.
- ❑ **Trust and Transparency.** Getting the facts on the table and working together to take charge of the industry.

4. QUESTIONS & ANSWERS

Question to presenters: How much of the U.S. exports that come from Canada go to the EU?

Answer: The information is not available at this time, however the U.S might have this.

Question to presenters: Is there data out there to measure fishing effort?

Answer: Currently, there is no data being collected to measure fishing effort, however, information is available to provide a rough estimate.

III

DAY 1 SESSION TWO

1. WHAT DO BUYERS AND CONSUMERS WANT? A REALITY CHECK

1.1 Global Supply, Demand and Markets for Lobster - What are the Opportunities for N. American Lobster

Based on the presentation by John Sackton
Seafood.com

Overview

This presentation provides an overview of global supply and relative market share of different lobster species. It examines where North American lobster stands in relation to other lobsters and provides perspective on trade and growth patterns, leading up to ways to value lobster.

Highlights

Overview of global supply of lobster

- North American lobster is the primary lobster species by volume with 48% of total global supply in 2004. Spiny Lobster/ Rock lobster is the next largest category producing 44% of total global supply in 2004 (Figure 7).
- Production of North American lobster has doubled in 25 years while Spiny Lobster production has increased by 40%.

For the past 6-7 years, live lobster prices (in CAN\$) have been stable

Figure 9 illustrates the pricing patterns over a four-year period between live North American lobster and warm and cool water lobsters tails. The figure shows that the live market has volatility, but no long-term growth. Overall prices have been stable in CAN\$ for the past 6 to 7 years. In contrast, frozen lobster tail prices from Australia, Brazil and Canada show an increasing price trend.

Figure 7

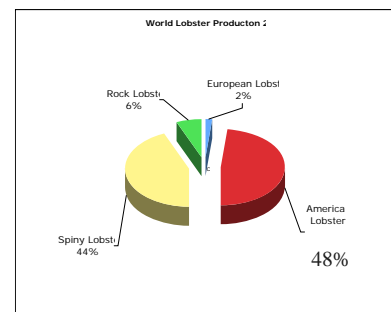


Figure 8

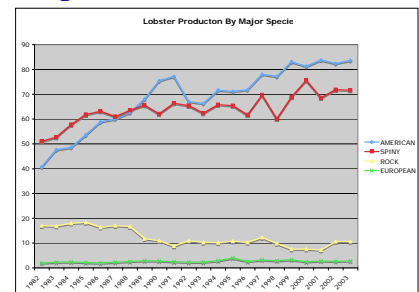
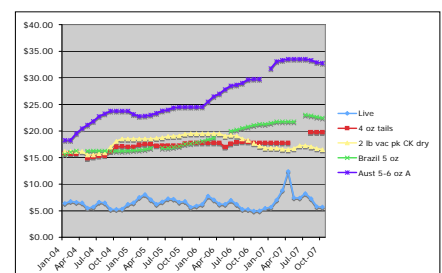


Figure 9:
Relative pricing of major lobsters



Growth is likely to be in value-added products and non-U.S. export markets

- ❑ Value-added products can only be obtained through the processing sector (i.e: tails, whole frozen lobster, claws knuckles and leg meat).
- ❑ Live markets are subject to oversupply, which can lead to a price collapse.
- ❑ U.S. market is less attractive due to currency issues.

Value added products require stable raw material prices

- ❑ Yield is key to understanding processed lobster and hence value added products.
- ❑ Due to yield issues, value added products are highly sensitive to price changes as illustrated in Table 2.

Table 2: Impact of a price change

Lobster Price at Dock	Tails @ 23% Meat @ 14%	Tails @ 20% Meat @ 10%
\$5.00	\$13.51	\$16.66
\$6.00	\$16.21	\$20.00

Canadian industry is not well structured to support growth of the processed lobster industry

- ❑ The industry is structured such that lobster not suitable for the live market, goes to processing (i.e.,; cooked, shucked or frozen products).
- ❑ Processing of lobster occurs because: 1) Lobster is too small for the live market in the U.S (cannot sell lobster under 1lb and 82 mm carapace); 2) Soft shell will not survive shipping or pound storage; and 3) Live market is saturated, further production depresses price, making price attractive for processing.

1.2 Market Demand for Live and Processed Lobster in the EU: An Overview

Based on the presentation by **Richard Stead**
Counsellor, Seafood – Europe
Canadian Embassy in Brussels

Overview

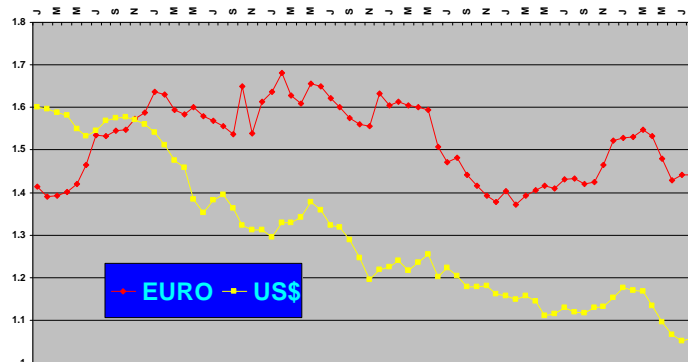
This presentation examines the North American lobster market in the European Union. It provides an overview of the trade performance of lobster, examines the market on both the live and processing sectors and suggests steps to move forward for the Canadian industry.

Highlights

Currency patterns

- Since January 2002, the value of the U.S. dollar compared to the Canadian dollar has dropped 34%. The Euro appreciated to a peak of CAN\$1.65 in October 2003 and went down to CAN\$1.37 in 2006, roughly its level in 2002. It recovered 13% to hit CAN\$1.55 in March 2007 and then fell again to CAN\$1.44 (essentially the same as 2002 in contrast to the steep decline in the U.S.\$.).

Figure 10a
January 2002–August
2007



- The appreciation of the Canadian dollar has seriously eroded the profitability of Canadian seafood processors to the U.S. and contributed to the attractiveness of diversifying to the European market. Despite aggressive efforts to create efficiencies, the shift in currency values was so fast and sharp that it outweighs even the most stringent cost reduction efforts. As well, increased interest rates in the U.S. and weak consumer confidence are leading to reduced consumer expenditure in out-of-home dining which affects the seafood industry.

EU Tariffs and other expenses on North American Lobster

- North American lobster is subject to EU tariffs, value added taxes and other charges such as the 2.3% levy on imported seafood in Greece. These extra charges create a hurdle for the North American lobster to compete with other types of lobsters like Rock lobster from Cuba, which is subject to zero tariffs (see table 3).

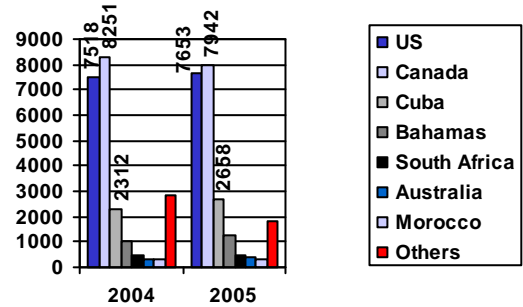
Table 3:
EU tariffs for North American lobster and Rock lobster from Cuba

North American Lobster	EU tariffs
Live	8%
Frozen in shell whole	6%
Frozen in shell excluding whole	16%
Meat cooked for further processing	0%
Meat cooked other	20%
Rock Lobster (from Cuba)	0%

EU Lobster Industry-imports

- As illustrated in Figure 10b, Canada and the U.S. are the leading suppliers of lobster to the EU, with Canadian lobster shipped via the U.S. sometimes being counted as a U.S. export. Cuba is the largest supplier of rock lobster.

Figure 10b
EU lobster imports



Canadian exports of live lobster to the EU

- Following the peak in 2003, Canadian live lobster exports have been relatively steady around \$60 million annually (Figure 11).
- Belgium is by far the leading point of entry for live lobster into the EU with the UK placing second but declining (Figure 12).

Figure 11
Canadian exports of live lobster to the EU

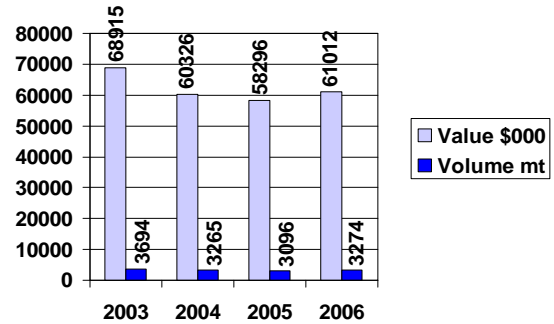
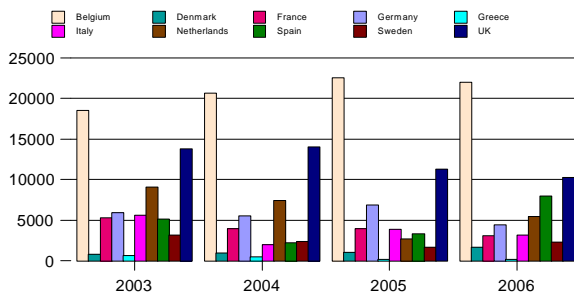
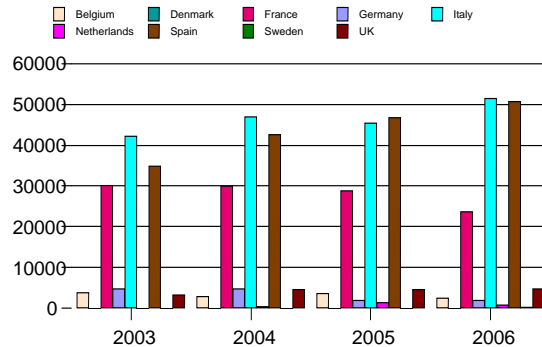


Figure 12
Canadian exports of live lobster (Value \$000)



- U.S. exports of live lobster to the EU have steadily grown in value from US\$241 million in 2001 to US\$ 332 million in 2006. This reflects the increase in price of lobster as the tonnage has remained constant at 9,000 metric tonnes annually. The leading points of origin are markets that could be considered price sensitive like Italy, Spain, and France (Figure 13).

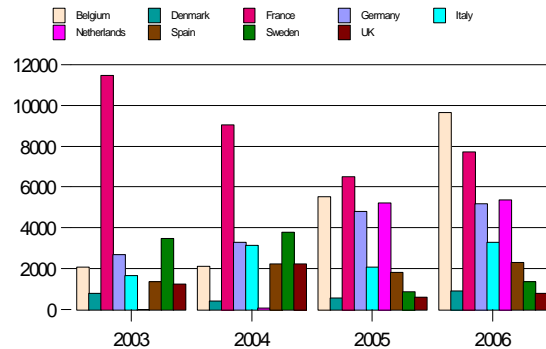
Figure 13
US exports of live lobster



Canadian exports of lobster in brine to the EU

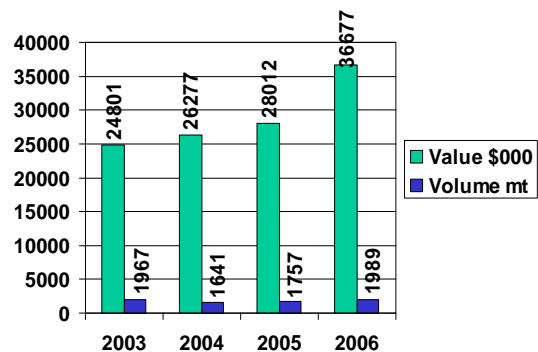
- Canadian exports of popsicle pack lobster to the EU increased 13% in volume in 2006 but took a substantial increase in value of 31%. Shipments to France declined while routings through Belgian and German ports grew sharply (Figure 14 and 15).
- Exports of frozen, in shell lobster took a big jump in 2006, up 87% in value to \$32.7 million and 128% in volume. France, Italy, the United Kingdom, and Belgium are currently the leading markets for frozen in shell lobster from Canada (Figure 16 and 17).

Figure 14
Canadian exports of lobster in brine



- The volume of other lobster meat products in 2006 were (see Figure 18):
 - Lobster meat, frozen, simply boiled in water was 98 mt valued at C\$1.2 million
 - Lobster, prepared or preserved, in airtight containers 20 mt valued at C\$423,000
 - Lobster, prepared or preserved, not in airtight containers 163 mt valued at C\$600,000 (this is the one growth category among these and probably represents frozen net pack)

Figure 15
Canadian exports of lobster in brine to the EU



- Unfrozen, boiled lobster meat to Belgium has grown to C\$896,520 during the past two years from zero. Sales of prepared lobster in air tight containers to the UK grew to C\$423,000 in 2006 (Figure 19).

- U.S. exports of processed lobster to the EU have grown from the previous range of US\$1-2 million to US\$11.7 million in 2006 reflecting significant growth in France (US\$3.6 million), Germany (US\$3.0 million), Italy (US\$1.8 million), and the UK (US\$1.8 million). Most likely this reflects East Coast Seafoods purchase of the Paturrel Brand and the establishment of the Deer Island processing facility (Figure 20).

Figure 16
Canadian exports of lobster, frozen, in shell, nes to the EU

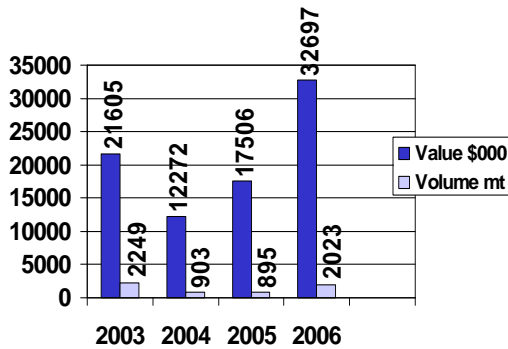


Figure 17
Canadian exports of frozen lobster in shell, nes Value \$000

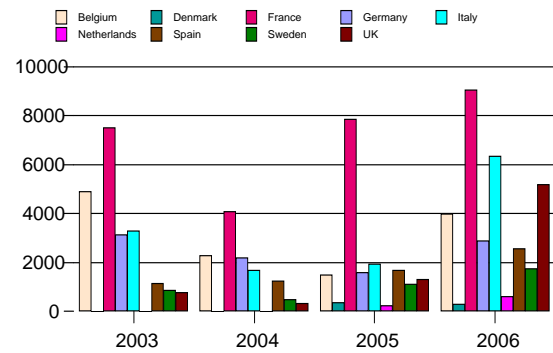


Figure 18
Canadian exports of frozen lobster meat, boiled to the EU

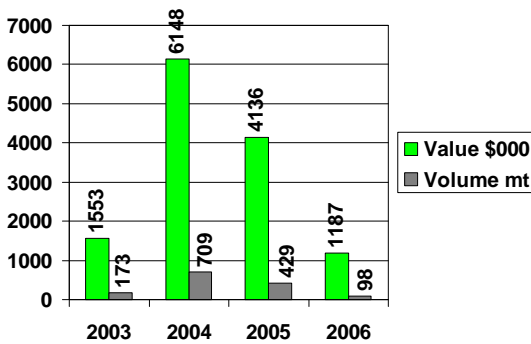


Figure 19
Canadian exports of frozen lobster meat, boiled Value \$000

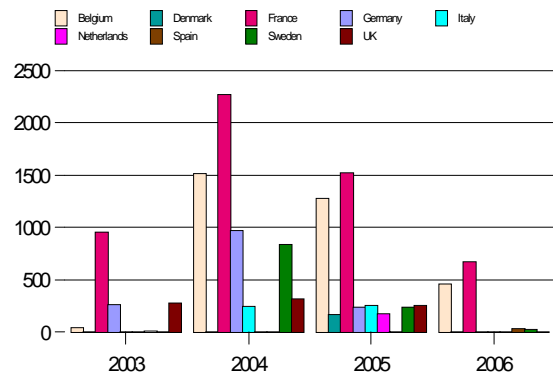
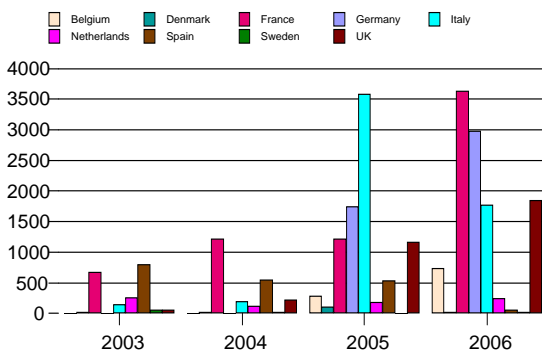


Figure 20
US exports of processed lobster Value US \$000



What can Canada do to improve sales in the EU market?

To improve EU sales on Canadian Lobster, this presentation suggests several things:

Explain hard shell quality

In the EU, there is an opportunity to build on Canada's positive reputation versus the U.S. product. Canadian lobster is considered better than Maine lobster on: value, continuity of supply, resource management, and meeting specifications. There is a need to differentiate from Maine lobster using labelling that fully distinguishes a Canadian product either with labels such as "Real Canadian lobster" or "A1 Quality – 100% Canadian."

Communicate about the product to consumers

Consumers need to be more aware of the product they are eating to minimize such misconceptions as lobster being a farmed product.

Take advantage of the sustainability of the fishery

Several current and potential system issues were identified in the EU.

- ❑ Fishery management practices of supplying country.
- ❑ Eco-labelling (*Maine is pursuing MSC certification which may add value if the MSC can be marketed to customers*).
- ❑ Traceability.
- ❑ Carbon footprint.
- ❑ Food miles.
- ❑ Humane shipping, holding and killing of lobsters.
- ❑ Plant standards for high-risk products.

Work to understand the buyers' point of view

- ❑ Importers perceive a lack of respect from different trade channels.
- ❑ Importer must buy in May and June for the next 12 months and take the price risk as well as financing costs for processed products, which cannot be bought later.
- ❑ Retailers also see product delivered too early and dislike paying storage costs. They would prefer exporters to hold the product in Europe.
- ❑ Volume handled by importers declining as more retailers buy direct.
- ❑ Importer margins come from post-New Year's sales where prices typically rise as retail stocks are depleted.
- ❑ Current system discourages importers from taking any risk to grow the market.
- ❑ Why do Canadians compete amongst themselves to produce the lowest possible price for a product that the retailers need at Christmas and is only produced in one region of the world?

Become better organized to address supply issue

- ❑ Set a minimum size for exports from Canada.
 - ❑ Address storage cost concerns of buyers for processed product.
 - ❑ Introduce new products (e.g. tails).
 - ❑ Frozen raw products are viewed as high quality.
 - ❑ French buyers would prefer to have French-speaking sellers.
-

1.3 The UK Lobster Market: A Retail Perspective

Based on the presentation by Andrew Mallison
Manager – Seafood Procurement
Marks & Spencer, UK

Summary

This presentation highlights how the UK company, Marks & Spencer is tackling some of the biggest challenges facing their business and the world including climate change and sustainable raw materials through a campaign coined “Plan A. Because There Is No Plan B.”

Highlights

Overview of Marks & Spencer

Marks and Spencer has been around since 1884. The company has 500 stores located throughout the UK and 220 stores in 35 countries worldwide. In total, there are 65,000 employees. The company is involved in several lines of business including: Specialty foods, clothing, furniture & homeware and financial services.

Plan A

Plan A was established on January 15th 2007, in an effort to address consumer concerns over world issues. This \$400 million project pledges to change 100 things in 5 years with the aim to tackle issues like: climate change, waste, raw materials, fair trade and health. Progress thus far has included:

Climate change

- ❑ Saved 55,000 tonnes of CO₂ due to parts of the business (20%) moving to renewable electricity.
- ❑ Opened first 'eco' store in Bournemouth on October 4th 2007.
- ❑ Launched easy-to-use range of energy-saving products.
- ❑ Bought first electric truck that runs on zero emissions.

Waste

- ❑ Begun to reduce food packaging and much of it is now fully recyclable and even compostable.
- ❑ Cut the number of swing tickets on clothes.
- ❑ Recycled 48 million hangers this year.

Sustainable Raw Materials

- ❑ Sales of organic food have doubled and are well on their way to tripling.
 - ❑ Became the first major retailer to sell organic linen this spring.
 - ❑ Won the Marine Conservation Society’s sustainable fish sward for the second year running.
 - ❑ Aim to sell over 400,000 recycled polyester garments made from over 4.5 million recycled plastic bottles by this year.
-

Fair partner

- ❑ Converted to Fairtrade sugar in all of their jams and preserves.
- ❑ Aim to convert over 20 million garments to Fairtrade cotton (10% of the entire cotton business).
- ❑ Launched the M&S Supplier Exchange to help suppliers understand more about Plan A.

Health

- ❑ Launched the front of pack labeling to help educate customers on what they are eating.
- ❑ Achieved 8 of the 15 Food Standards Agency salt targets.
- ❑ Trained 1,500 store colleagues as healthy eating assistants.

Plan A and the implications to the general fisheries industry

It is up to the industry to choose which option to take to move forward. The first option deals with a commodity product with low costs, high volumes and intensive production whereas the other deals with a niche market with higher costs, lower volumes but extensive production (see Table 4).

Table 4: Options for the Lobster industry

Option 1	Option 2
<ul style="list-style-type: none"> ❑ Low cost ❑ High volume ❑ Intensive production ❑ Commodity ❑ Price 	<ul style="list-style-type: none"> ❑ Higher cost ❑ Low volume ❑ Extensive production ❑ Niche marketing ❑ Value

Based on Plan A and the movement of consumer awareness over sustainable fisheries, the following issues should be addressed:

Table 5: Plan A Issues

	Issues
Climate change	<ul style="list-style-type: none"> ❑ CO2 ❑ Line caught vs trawl ❑ Food miles
Waste	<ul style="list-style-type: none"> ❑ Bycatch ❑ Discards ❑ Polystyrene boxes
Raw Materials	<ul style="list-style-type: none"> ❑ MSC certified fisheries. ❑ Aquaculture standards
Fair partner	<ul style="list-style-type: none"> ❑ Developing countries labour ❑ Fair trade
Health	<ul style="list-style-type: none"> ❑ Antibiotics ❑ Omega 3

1.4. Selling Lobster in the U.S.

Mike Powers,

Director of Seafood Procurement Darden Restaurants,
Orlando, FL

Summary

This presentation provides insight on the U.S. lobster market from the perspective of a “casual dining” restaurant company. It presents an overview of the restaurant industry in the U.S., followed by an overview of North American lobster.

Highlights

Darden Restaurants Inc.

Darden Restaurants Inc. is the largest casual dining restaurant company in the world. It employs nearly 160,000 people and serves more than 300 million meals a year. Its brands include:

- ❑ **Bahama Breeze**-caribbean themed cuisine.
- ❑ **Season’s 52**-new concept where the menu is seasonally inspired.
- ❑ **Olive Garden**-maintains the #1 Italian casual dining market share in the U.S.
- ❑ **Red Lobster**- maintains the #1 seafood casual dining market share in the U.S.
- ❑ **Capital Grille**-coming soon, through the acquisition of RARE Hospitality.
- ❑ **Longhorn Steakhouse**-western themed cuisine.

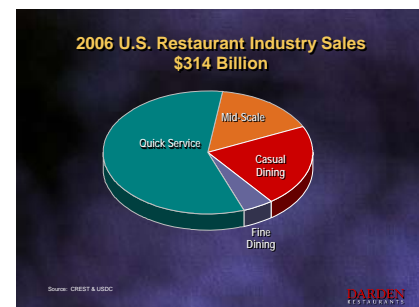
In total, Darden has over 1,700 own and operated restaurants in which all have seafood in their menus. In terms of dollar spent, seafood represents 70% of the protein purchased.

The Casual Dining and Fine Dining segments of the U.S. restaurant industry

The U.S. food and beverage sector is a \$1.3 trillion industry, representing approximately 10% of U.S. GDP. From this sector, lies the restaurant industry with sales totaling \$314 billion. Over the past 25 years, the restaurant industry has encountered tremendous growth driven by a high percentage of women entering the workplace, more disposable income, and an aging population. All of these factors have shifted peoples’ preference from eating at home to eating to out in restaurants. This trend is expected to continue although such a dramatic growth is not expected.

The restaurant industry is made up of several key sectors including: quick service, fine dining, casual dining and mid-scale restaurants. From these sectors, Darden represents 8% of the \$68 billion Casual Dining segment. The average meal price for this category is approximately \$15.00. In contrast, the Fine Dining Category is the smallest segment with about 5% of the market share and an average meal price of approximately \$30.00 (Figure 21).

Figure 21



U.S. Lobster Industry: Spiny vs North American lobster

Figures 22 and 23 illustrate similarities in production patterns between North American lobster and major rock lobster resources in the Western Hemisphere in the last 25 years. As both fisheries struggle to respond to increasing demand, in the case of the Rock lobster, there are clear signs of a depleting resource not seen in Figure 23.

Last fall a regional workshop on the assessment and management of Caribbean Spiny lobster (*Panulirus Argus*) concluded that all major rock lobster resources are fully-exploited, over-exploited or unknown. The workshop was organized by the Food and Agricultural Organization.

Current consumer trends

The lobster industry must take a pro-active approach to address consumer concerns over food safety, the environment and social justice. Industry should be aware that negative communications may have a spill over effect onto consumer attitudes towards seafood products.

Darden has addressed consumer concerns through initiatives such as:

- ❑ Sponsoring a conference of scientists looking at lobster shell disease, which has affected the North American clawed lobster.
- ❑ Becoming a platinum sponsor of the 8th International Conference & Workshop on Lobster Biology & Management that was held in September in Prince Edward Island, Canada.
- ❑ Providing a grant to the Government of Belize to assist in a stock assessment on spiny lobster.
- ❑ Becoming the first U.S. restaurant company to require the adoption of Best Aquaculture Practices (developed by the Global Aquaculture Alliance) from their farmed-shrimp suppliers.

Numerous seafood guides, eco-label and standards

The U.S. seafood market is inundated with guides, standards and eco-labels, which attempt to direct consumers in purchasing a product that has been caught and/or managed in a sustainable manner. Due to the abundance, Darden is proposing two solutions.

Figure 22

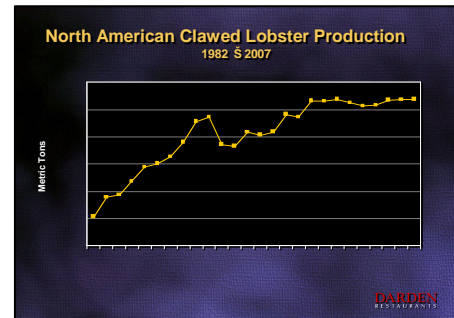
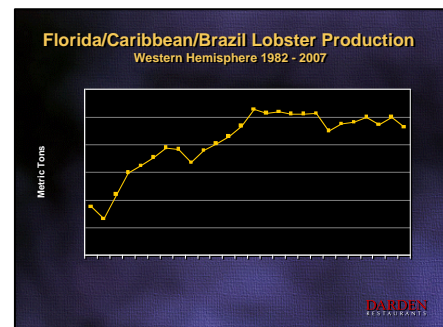


Figure 23



Short-term solution

The short term calls for companies to work together to reduce multiples of standards & certification processes. These efforts can be lead by international organizations, such as the FAO.

Long-term solution

The long-term solution will require International Institutions, Non Governmental Organizations, Fishers, Processors, Distributors and Retailers, to work with their respective Governments to enhance national laws pertaining to sustainability, the environment and social justice. Credibility of laws, as well as their enforcement, will be key to displace private standard setting organizations.

Summary of Market Opportunities and Challenges

- ❑ The Casual Dining and Fine Dining segments of the U.S. restaurant industry will continue to grow, opening an opportunity for potential business for the lobster industry.
 - ❑ Increasing sales to the Casual Dining segment will require creative approaches where the average meal price is \$15.00.
 - ❑ A static Western Hemisphere lobster resource is an opportunity tempered by consideration for consumers' price sensitivity for restaurant meals.
 - ❑ Industry needs to address growing media attention to food safety, resource management and sustainability
-

IV

DAY 1 SESSION THREE: EMERGING CHALLENGES

1. WHAT'S AROUND THE BEND?

1.1 Understanding Emerging Market Issues

Dr. Michael Tlusty
Director of Research New England Aquarium

Summary

This presentation examines the new emerging trends of seafood sustainability in the lobster industry. This trend is driven by consumer concerns over the fisheries, which can be broken down into four categories: consumer awareness, species campaigns, fisheries and aquaculture certifications and market-based approaches.

Highlights

Consumer Awareness

- ❑ **Monterey Bay Aquarium Seafood Watch** is a program created in the late 1990s that uses seafood guides to increase consumer awareness over the purchase of seafood from sustainable fisheries.
- ❑ **Emerging Research** studies like “Energy consumed by North Atlantic Fisheries” by Peter Tyedmers at Dalhousie University can lead to consumer awareness over products consumed.

Species Campaigns

- ❑ **Humane methods of killing lobster.** Advocates for animals like the organization titled “People for the Ethical Treatment of Animals” (PETA), have begun to voice their opinions against the killing of lobsters. This campaign has led to technologies targeting this market such that by 2005, a machine called “The Stunner” was released to the marketplace to humanely kill shellfish by way of stunning them prior to cooking.

Fisheries and Aquaculture Certifications

- ❑ **Marine Stewardship Council certification (MSC)** is a seafood-labelling program organized by the Marine Stewardship Council to certify sustainable fishing industries. The program is becoming very popular as consumers are putting pressure on retailers and distributors to carry products with the MSC certification.
- ❑ **Certified Maine Lobster** is a labelling program run by the Maine Lobster Promotion Council to distinguish lobster caught in Maine from others caught elsewhere.

Market-based Approaches

- ❑ Numerous companies are beginning to join the new emerging trend of seafood sustainability. Companies that had been working behind the scenes are beginning to advertise programs and interest in seafood sustainability including: Wal-Mart and Marks & Spencer.

1.2 Sustainability Certification and Eco-labelling

Steve Devitt

Operations Manager TAVEL Certification

Summary

This presentation examined the Marine Stewardship Council's seafood-labelling program and the feasibility of obtaining certification in the Atlantic lobster Industry. More specifically, it provided an understanding of the process, costs and an informal assessment of the fishery.

Highlights

Marine Stewardship Council Program

The MSC is an independent, international, non-profit organization aimed at tackling the problem of overfishing through the certification of sustainable fishing industries using a seafood-labelling program. The evaluation of the fishery is completed by accredited third-party certifiers that manage the certification process. The process includes: assembling expert assessment teams, conducting stakeholder consultations and assessing and scoring candidate fisheries. TAVEL certifications Inc. stationed in Halifax is 1 of 10 approved MSC certifiers in the world.

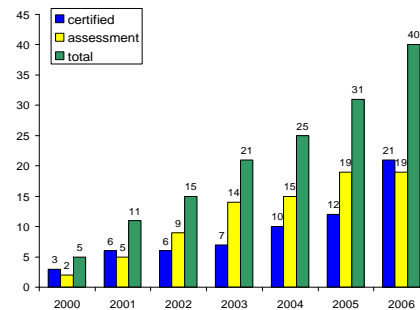
Several characteristics to a certified fishery include:

- ❑ Robust Stock Assessment
- ❑ Multiple Stock Indices
- ❑ Target and Limit Reference Points
- ❑ Precautionary Management
- ❑ Proactive harvest control linked to stock health
- ❑ Non-significant fishery impacts
- ❑ Bycatch/ discarding reduction
- ❑ Defined management system and plan
- ❑ Interactive transparent management

Overall, there are 22 certified fisheries and more than 800 MSC-labeled products in more than 30 countries around the world. As illustrated in Figure 24, fishery participation to the MSC program has risen over the past several years indicating that consumers are becoming more aware of fisheries sustainability issues.

Figure 24

Fishery participation over time



MSC process

The MSC process involves several stages, usually taking 12-24 months to complete and costing approximately \$50 to \$150,000, depending on the complexity of the fishery. The process includes:

1. Pre-assessment – Gap analysis to MSC P&C
2. Prior Certification Assessment contract
3. Certification Assessment
4. Reporting/ Conditions / Certificate
5. Post Certification & Chain of Custody

The MSC program is based on three key principals: The sustainability of the stock, Ecosystem Impact and Effective Management. Based on these principals, a quick and informal pre-assessment of the Atlantic Lobster was conducted (see Table 6).

Table 6: Informal assessment of the Atlantic Lobster

	Strengths	Concerns
<p>Principal 1: Stock Health</p> <p>MSC Assessment considers stock health, fishing impacts on stock, harvest controls.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Strong historical landings data series (1800s) <input type="checkbox"/> Input Controls well known - # of permits, # of traps, season, trap size rules, MLS <input type="checkbox"/> Protection of berried females <input type="checkbox"/> FSRS recruitment trap project 	<ul style="list-style-type: none"> <input type="checkbox"/> Stock relations not clearly defined <input type="checkbox"/> Lack of fishery independent assessment tools <input type="checkbox"/> MLS less than 50% recruitment size <input type="checkbox"/> Illegal fishing and misreporting <input type="checkbox"/> Harvest control rules are: <ul style="list-style-type: none"> o Relatively static o Not precautionary
<p>Principal 2: Fishery Impact</p> <p>MSC Assessment considers impacts on biological diversity, habitat impacts, bycatch, SARA species.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fixed gear – Perceived lower habitat impacts <input type="checkbox"/> Very clean fishery – few bycatch/ discard spp. <input type="checkbox"/> Ghost fishing prevention mechanisms in place 	<ul style="list-style-type: none"> <input type="checkbox"/> Line impacts on Whales of particular concern <input type="checkbox"/> Lost gear (# of traps, effects) is unknown <input type="checkbox"/> Bycatch data from fishery needed
<p>Principal 3: Management</p> <p>MSC Assessment considers management system (plan), compliance, research, Code of Conduct, etc.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Consultative process in place <input type="checkbox"/> Integration of First Nations into the fishery <input type="checkbox"/> Solid examples of strong collaboration between DFO and Industry in a few LFAs <input type="checkbox"/> 	<ul style="list-style-type: none"> <input type="checkbox"/> Lack of cooperation between DFO and industry <input type="checkbox"/> Management of fishery is not transparent <input type="checkbox"/> Illegal Fishing and Misreporting <input type="checkbox"/> Compliance with existing rules <input type="checkbox"/> Wastage <input type="checkbox"/> “Race to Fish” <input type="checkbox"/>

Considerations for Undertaking MSC Certification

- 1) Understand Certification process
- 2) Do Pre-assessment ASAP
- 3) Deliberate Unit of Certification and Potential Conditions before Full Assessment Contract
- 4) Reach out to Stakeholders early
- 5) Clients & Science/ Management – Communicate early, what support, when, realistic timeline
- 6) If possible, contract a Project Manager

2. QUESTIONS & ANSWERS

Question: In regards to the stock assessment process, should we run the process of MSC or are we going to run into a roadblock?

Answer from presenter: This depends on many factors and should be looked at in more detail.

Question: What is the cost of the pre-assessment?

Answer: Approximately 5- \$10,000.

Question: Why isn't our government doing this?

Answer: Government certifications are not viewed as credible or objective by the market.

V

BREAKOUT SESSION: MEETING MARKET REQUIREMENTS

Following Steve Devitt's presentation on eco-labelling, the Summit participants were broken up into groups to discuss the issue of maximizing the value of the Atlantic lobster resource by meeting market demands within each stage of the value chain: 1) In the water; 2) On the Boat; 3) In the plant; 4) For buyers; and 5) For consumers. Each group was asked to answer five questions pertaining to their corresponding stage in the value chain.

The questions and answers are summarized below although several groups provided a summary of the discussions.

1. IN THE WATER

- 1. Do we know enough about the size and strength of lobster stocks in various Lobster Fishing Areas to be able to say that stocks are sustainable?**
 - No
- 2. If not, how can we get more and better scientific information about lobster stocks?**
 - To obtain more and better scientific information about lobster stocks, the group considered looking at the FRCC report and what needs to be done to achieve a sustainability certification pre-assessment, although how to pay for this was in question.
- 3. Are there regulatory issues that need to be addressed in order to maximize the value of the resource?**

-
- 4. Should the industry look at some type of sustainability certification?**

-
- 5. Are there scientific issues that need to be addressed or projects that should be undertaken in order to maximize the value of the lobster resource?**

Summing up

Overall the group felt the need a(n):

- Strong lobbying.
- Immediate action to be undertaken.
- Unified approach.
- Working group.

2. ON THE BOAT

- 1. Do current vessel handling methods for lobster follow best practices?**
 - No.
 - Better landed quality and handling is needed.
- 2. If not, what actions are needed to improve handling practices and quality of landings?**
 - Education.
 - Consultations with the industry.
 - Enforcement needs to be tougher.
- 3. What, if anything, can be done about illegal landings?**
 - Tougher enforcement.
 - Effective deterrence penalties (a need for disincentives to commit).
- 4. Would an increase in carapace size benefit both the marketplace and the stocks?**
 - No consensus was made on this question as size changes by area.
- 5. Should landings of large lobsters (i.e., over 3 pounds) be restricted?**

3. IN THE PLANT

- 1. Are processors/shippers currently maximizing their returns from lobster? If not, why not?**
 - No, due to certain factors including: cash flow difficulties, lack of technology, labour costs, and high prices.
 - 2. How do gluts affect the quality of the finished product?**
 - Causes problems with cash flow.
 - High volumes lead to high mortality and more damage.
 - Crate runs rather than grading.
 - More over packing.
 - Labour requirements (too busy to focus on hiring new inexperienced workers).
 - Holding costs may apply for those who may not have capacity.
 - 3. What changes in the quality of the raw material are needed to maximize value?**
 - Quality is sometimes not reflected by price.
 - Better handling.
 - Education on quality.
 - Ability to trace lobster.
-

4. **What potential is there for development of new or more value-added products or for new packaging for frozen lobster?**
 - There is lots of potential for development of new or more value-added products or for new packaging for frozen lobster. To do this, there needs to be investment in research and development and collective activity to cover the costs.
5. **Are there any changes to the way lobster is held (in cars, pounds or in on-land facilities) that would further increase value?**
 - Holding chambers.
 - Shipping containers.
 - Holding and handling education.
 - Limiting entry.

4. **FOR BUYERS**

1. **Would a branded lobster from Canada necessarily earn a higher price in the market?**
 - No consensus was made on this question as it depends on where you are selling to. If the product is being sold in the EU then the answer is “yes” and if the product is sold in the U.S. the answer is “no”
2. **Given the “compete on price” strategy adopted by many Canadian exporters of processed lobster, is there an opportunity to work together to coordinate market promotion?**
 - Yes, however a structural change is necessary (i.e: fewer buyers, a mindshift, trust and barriers to entry).
3. **Would the availability of assistance to importers, distributors and wholesalers (i.e., generic promotional materials) help to grow the market for Canadian lobster products?**
 - Promotion needs to be aligned with branding.
4. **Should Canadian exporters of processed products make more “just in time” delivery available so that buyers (particularly in Europe) do not bear all the costs of storage?**
 - Sellers and buyers make that decision.
5. **Does a full supply-chain traceability system need to be implemented in order to assure buyers that the product is safe?**
 - The Quality Management Program (QMP) does that already.

Summing up

The industry needs:

- Restructuring/Trust.
-

- ❑ Education.
- ❑ Product strategy built on consumer demand and assurance it will be delivered.
- ❑ Sustainability needs to be demonstrable (i.e.: certification).

5. FOR CONSUMERS

- 1. Should more be done to communicate information about lobster to consumers? If so, would that information include some or all of the following:**
 - ❑ An eco-label?
 - ❑ Information on Canada?
 - ❑ Information on how to use a frozen product?
 - ❑ Information on Canadian quality?
- 2. Is there a need to conduct market research to determine consumer requirements for new products and product presentation?**
- 3. Consumers will turn away from lobster once it gets too expensive. Is there a way to even out the supply so that prices stay more consistent?**
- 4. Do consumers have false impressions about lobster or Canada's lobster industry that should be corrected?**
- 5. What actions are needed in order to improve consumer acceptance and consequently, returns.**

Summing up

The industry should work hard to obtain a marketing strategy so that lobster can become the “champagne” of the lobster industry. This strategy should entail consumer advice on cooking and eating techniques in order to enjoy the experience (how to cook it? What wines to best drink with it?). The strategy should also be a collaborative effort that is accepted by all the parties involved.

VI

DAY 2 SESSION FOUR: GROWING THE PIE

1. TURNING CHALLENGES INTO OPPORTUNITIES

1.1 Banker: Friend or Foe? Maximizing Financial Opportunities

Russell A. Dorey
Business Consultant

Summary

Having been in the banking industry on both sides of the desk, Russell Dorey has witnessed many of the challenges and opportunities experienced by the harvesters, employees, processors, marketers and end users. This presentation examines how a banker views the lobster industry and specifically the lobster processing industry. It also discusses ways to maximize financial opportunities and ways to meet to become successful in meeting the banker's needs.

Highlights

The banker is indeed a friend of the lobster industry

- ❑ Banks are eager to conduct profitable business with customers that fit within its established policies and risk tolerance, regardless of industry sector.
 - ❑ Most bankers view the lobster industry as they would any other business sector as each business sector has commonalities and differences.
 - ❑ The banker is very aware of the issues facing the lobster processor. In fact just about every Canadian manufacturer relying on domestic raw products and U.S. dollar sales has encountered a similar compression of profits.
 - ❑ Knowing that the bank is aware of the challenges, the lobster processor should always maintain an open two way line of communication with the banker and always be well prepared.
 - ❑ The banker relies heavily on timely and accurate historical financial data and management performance indicators to confirm how the business is doing.
 - ❑ In the analysis process the banker will consider virtually every component of the business including a business plan, pro forma financial statements and other financial reports.
 - ❑ Before the banker is presented with the aforementioned information the lobster processor will have to personally analyze the information.
 - ❑ In more complex situations it may be necessary to engage the services of a professional to review the information and provide recommendations.
 - ❑ As a lobster processor, you have the opportunity to cultivate a mutual respect and trust with your banker. Surprises are not acceptable to either party.
-

Maximizing financial opportunities

Russell recommended several tips on how to maximize financial opportunities in the lobster processing industry.

- a) The book tells you that you should not depend on one product, one market and one foreign currency. The lobster industry comes close to that.
- b) Diversification, new product development or possibly consolidation could be an option.
- c) Dealing with the commercial banker requires a strategic approach supported by facts. Historic documentation will support your presentation while your budgets and forecasts will require reasonable proof of feasibility.
- d) Most importantly, the entrepreneur must consistently demonstrate to the banker that the Bank's money is safe and not at any undue risk. The banker may understand the negative results of an unforeseen circumstance but may have a problem with inattention to controllable events.
- e) Dealing with a bank is really an unofficial partnership between the banker and the entrepreneur that requires unquestionable trust.
- f) More complex negotiations may require the assistance of a qualified accountant, lawyer or business consultant.
- g) Given that there is always a demand for more cash in your business, particularly during peak seasons, it may be prudent to leverage your existing fixed assets.
- h) Be sure to retain a sufficient amount of cash in your company for operating purposes and resist the temptation to use it to finance capital assets.
- i) To finance the peak season it may be possible to arrange with your bank for a "special credit" for a month or two. Normal lending ratios will usually apply.
- j) In addition to your operating loan you may be able to arrange for a top up credit from another lender such as the Business Development Bank of Canada.
- k) Export Development Corporation and certain private companies offer insurance for your accounts receivable. There is a cost but you may be able to increase the lending ratio from 75% to perhaps 85%.
- l) A financing instrument called "factoring" may be available to you whereby the bank purchases your receivable and advances you a high percentage of the invoice amount.
- m) You could enter into a strategic alliance or even joint venture with another company and share resources on a defined basis.
- n) Your broker may be able to advance funds against inventory upon title transfer or settle accounts receivable quicker.
- o) You may be able to negotiate a letter of guarantee or letter of credit from your broker or from another source that can be in turn assigned to your bank as security.
- p) Venture capital can be an option; however the cost may not be attractive.
- q) You may be able to sell a portion of your shares to a private investor or arrange for a temporary or permanent loan from that source.
- r) Funds can often be raised from the sale of surplus or redundant assets that are not required for your core business.
- s) Leasing of equipment may be kinder to your cash than purchasing outright.
- t) Renting equipment and vehicles when needed may be a cost effective option.

Begin successful and meeting the banker's needs

1. Proper management. A high percentage of well-managed companies are successful.
 2. Consider having an advisory board consisting of one or two business professional.
 3. Insist on accurate and timely information for both management and for the bank.
 4. Understand each of the pillars supporting your business.
-

5. Financial business ratios must be understood.
 6. Lending ratios must be respected and credit limits must be honored at all times.
 7. There is no substitute for mutual trust between management and the banker.
 8. As with any important relationship, it takes hard work, mutual respect and open communication to be successful.
 9. Be prepared. Provide your banker with sufficient lead time to study your needs.
 10. Avoid surprises.
-

1.2 Using market intelligence for lobster price negotiations

John Sackton
Seafood.com

Summary

This presentation examines how market intelligence can be used to increase long-term value of the North American lobster industry. It features an: overview of the industry with a focus on the harvesting sector; suggests goals to improve value; assesses the status of existing market intelligence in the industry and presents three case studies.

Highlights

Unequal access to market knowledge makes harvesters suspicious that they are not getting the full value for their lobsters.

- ❑ Harvesters achieve full value through intense competition among buyers at the wharf
- ❑ Intense competition is caused by:
 1. Maximizing the number of bidders for lobster to obtain the highest short price.
 2. Influencing buyers to take all grades and sizes of lobsters offered—despite the wide disparity in value of different sizes; grades.
 3. Influencing buyers to match prices in other ports; other offers, otherwise threaten to use another buyer.

Harvesters strong interest in maximizing competitive buying may lead to a lower overall value for the lobster fishery

- ❑ Landings tend to occur in short bursts at the start of the season, which leads to gluts and oversupply.
- ❑ Competition among buyers means that processors have little ability or incentive to invest in value added products and in market expansion.
- ❑ Unpredictable raw material cost hampers long-term marketing.
- ❑ Current marketing structure is heavily tied to the live market.
- ❑ Price differentiation is limited to hard shell and soft shell and size
- ❑ In the live market, prices have been stable for past 6-7 years.

To increase long term value harvesters need to find a way to support more sales of lobsters for processed and value-added products

- ❑ Today, most processing is done secondarily to the live market. I.e. lobsters too weak or too small for live market so they are sold to processors.
 - ❑ How can harvesters expect more money from processed lobsters when canners sell at a discount to markets?
-

To improve value and eventually obtain greater income for harvesters, several goals need to be achieved including:

- ❑ Increase the value of processed products.
- ❑ Improve pound storage to reduce costs and minimize losses.
- ❑ Restrict the sales flow of live lobsters to avoid gluts, making live lobster prices more stable.
- ❑ Stable prices will help expand value of processed products.

Several overall challenges to the lobster industry can be identified including:

- ❑ Too much lobster is sold as a “down market” item.
- ❑ To take advantage of increasing demand for high end seafood, North American lobster has to be repositioned in the market.
- ❑ Repositioning processed products is the key to changing the perception of North American lobster (Such repositioning is difficult with current industry price formation structure, hence the A/B phase shift illustration).
- ❑ Market intelligence and transparency is how harvesters can get paid for this higher value.

Current market intelligence in the lobster industry

- ❑ Existing market intelligence systems in the lobster industry is limited to port price reporting. Such a limitation opens the opportunity to explore other Market Intelligence systems (i.e: Newfoundland Snow Crab, Alaskan Crab and Pollock.).

Potential elements in a market intelligence system in the lobster fishery

- ❑ Recognition by all stakeholders that the market sets the price of lobsters.
- ❑ Knowledge of elements that add or detract from value of lobster.
- ❑ Timely reports on end-user product forms and prices.
- ❑ Mechanism for adjustment of prices based on final sales.

Issues in a market intelligence system in the lobster fishery

- ❑ What regions or ports are included? What is the impact of regions/ports not included?
- ❑ How is data aggregated across companies?
- ❑ Timing of reports: end of year sales data or reports during the season or both.
- ❑ Auditing or trust in production figures.
- ❑ How will this impact current system of wharf buyers and various bonuses?

Recommendation for a marketing intelligence system

- ❑ Work on voluntary live inventory reporting only.
 - ❑ Produce a market report by product form once or twice a year.
 - ❑ Create a pilot project that would pay bonuses based on final sales value with a small group of harvesters who commit their product.
-

1.3 Industry Panel Discussion on Options for Increasing the Value from the Atlantic Lobster Fishery

Following John Sackton's presentation, a discussion panel comprised of industry members, discussed issues in the Atlantic lobster fishery along with options for increasing the value. The key features of the discussion panel are described below.

Blaine Sullivan, Ocean Choice International, PEI

This presentation discussed several issues including:

- ❑ **Exchange Rate.** The U.S. exchange rate is hurting the processing industry such that measures have been taken to explore other markets that are not as sensitive to the Canadian dollar.
- ❑ **Common interest.** The industry needs to work on common interests to address key industry challenges.

Tony Jabbour, Clearwater Seafood Ltd Partnership, NS

This presentation discussed several issues including:

- ❑ **Unhealthy competition.** The lobster industry should not be fighting with one another to decrease price, the real competition is other proteins.
- ❑ **MSC certification.** The industry needs to pay attention to the market trends and challenges. Maine is beginning their MSC certification process so why not Atlantic Canada?
- ❑ **Transparency and collaboration.** Fishermen should be involved in the Marketing of lobster.

Eugene O'Leary, Harvester, Canso, NS

This presentation discussed several issues including:

- ❑ **Group.** Fishermen should not be pushed to work into a group.
- ❑ **Consumers.** Fishermen should be more conscious of consumer needs.
- ❑ **Owner-operator.** Fishermen should enforce owner-operator.

Doug McRae, Canadian Gold Seafood Co., NS

This presentation discussed several issues including:

- ❑ **Value vs Profit.** Profit and value should not be used interchangeably; they are two completely different things.
 - ❑ **Fish vs Other proteins.** The presenter went to the supermarket and compared prices with other meats and fish products to get an understanding of consumer choices and willingness to pay.
 - ❑ **Margins.** To understand margins, yield issues need to be understood.
-

Jan Spinney, Orion Seafood Group Canada, NB

This presentation discussed several issues including:

- ❑ **Quality systems.** Quality systems need to be in place to reduce consumer concerns over seafood. Food safety is a major issue, especially after 9-11 as U.S. consumers became scared about their food.
- ❑ **How to value the product.** Two ways to value products including: packaging (frozen vs refrigerated vs fresh) and information (brands, stories, nutritional labeling).
- ❑ **Emerging troubles.** The industry should address emerging issues such as: humane killing, Eco-labelling (MSC) and the current green movement.

Laurence Cook, Harvester, NB

This presentation discussed several issues including:

- ❑ **Reality check.** In regards to a reduction in catch and increase of quality, there needs to be caution about the implications to fishermen.
 - ❑ **Think outside the box.** To face current industry challenges, participants need to come up with creative and innovative ways to address them.
 - ❑ **Open communication.** The industry should have open communication to understand the issues faced by each sector.
-

1.4 The Maine Lobster Promotion Council

Dane Somers,

Executive Director Maine Lobster Promotion Council

Summary

This presentation provides a quick overview of the Maine Lobster Promotion Council highlighting the Council's, purpose, challenges and future direction.

Highlights

Overview

The Maine Lobster Promotion Council is a non-profit organization established in the early 1990s to market and promote the sale of Maine lobster locally (i.e.: restaurants, fairs, lobster festivals), regionally (i.e.: retail chains, New England festivals and events), nationally (i.e.: retail chains and food service organizations) and internationally (i.e.: Trade shows). This nine-member council is comprised of harvesters, processors and the public, who all devote their time and effort for the good of the Maine lobster.

Challenges

The Council faces several challenges including:

- ❑ Developing consensus among participants
- ❑ Environmental and sustainability issues
- ❑ Competition from the global marketing arena
- ❑ Brand development and value added positioning
- ❑ Funding and Investment

Current Focus and Future plans

The council is planning to continue to build on their current success with educational programs with chefs and future chefs; continue to conduct research on consumer needs, tastes and preferences and develop models to enhance value generation within the Supply Chain. On a future outlook, they will look towards encouraging active involvement of all parties in the Supply Chain in order to build value and develop active dynamic marketing models for brand development globally.

VII

MOVING FORWARD: DEVELOPING NEXT STEPS THROUGH INTERACTIVE SURVEY

1. SUMMARY

Using Audience Response Technology, this session of the Summit aimed at: 1) engaging participants to have an interactive discussion on priorities for the lobster industry and 2) seeking input on where the industry goes from here and how to get there.

The following will provide a synthesis of the responses for each question, however further breakdown of the answers into the percentage of responses of each industry group (*i.e.*: fisherman, processor, live shipper, buyer/wholesaler/distributor, provincial and federal government, science community, industry associations and other) can be found at the Canadian Centre for Fisheries Innovation website www.ccfi.ca.

It is important to note that only 101 of the 211 Summit registrants participated in the Interactive Survey. As such, it is meant as an initial gauge of priorities only and further discussion and consultation are required before further action is taken.

2. QUESTIONS & ANSWERS

Q1-Which would best describe your affiliation:

Fisherman: 28%
Processor: 12%
Live shipper: 7%
Buyer/wholesaler/distributor: 3%
Provincial government: 8%
Federal government: 22%
Science community: 3%
Industry associations: 8%
Other: 9%

Q2-Do you feel there is enough science to demonstrate that Atlantic Canada lobster stocks are sustainable?

Yes: 8%

No: 81%

Don't know: 11%

Q3- If more science is needed to demonstrate sustainability, who should pay?

Fisherman: 1%
Processor: 0%
Government: 24%
Fishermen/Processors: 4%
All: 71%

Q4-An MSC pre-assessment identifies gaps in scientific knowledge and effective management. Do you agree that a pre-assessment should be conducted?

Yes: 83%

No: 9%

No opinion: 8%

Q5-What is the most effective way of strengthening compliance in the lobster fishery?

Increased enforcement: 19%

Stiffer penalties (higher fines): 15%

Suspension of licenses: 66%

Q6- In order of importance, indicate what is the most effective way to improve lobster quality on the vessel.

Education

1st Choice: 28%

2nd Choice: 31%

3rd Choice: 33%

4th Choice: 6%

Standardized handling practices

1st Choice: 14%

2nd Choice: 38%

3rd Choice: 36%

4th Choice: 12%

Prices incentives for quality

1st Choice: 52%

2nd Choice: 21%

3rd Choice: 18%

4th Choice: 5%

Slowing down the fishery

1st Choice: 6%

2nd Choice: 10%

3rd Choice: 13%

4th Choice: 77%

Q7-What is the most effective way of ensuring the future viability of Atlantic Canada lobster stocks?

Increasing carapace size: 37%

V-notching and returning females: 28%

Returning large female lobsters: 28%

Shifting the seasons: 7%

Q8-In order of priority, what would you recommend to undertake collectively to maximize the value of the resource in the plant.

Better communication from the market to the fishermen

1st Choice: 23% 2nd Choice: 32% 3rd Choice: 25% 4th Choice: 19%

More structured and collaborative approach

1st Choice: 29% 2nd Choice: 26% 3rd Choice: 34% 4th Choice: 10%

Quality based pricing

1st Choice: 33% 2nd Choice: 30% 3rd Choice: 25% 4th Choice: 10%

Best practices for plants

1st Choice: 15% 2nd Choice: 12% 3rd Choice: 16% 4th Choice: 61%

Q9- In order to improve returns from lobster, do you support the creation of a working group to address the competitive environment?

Yes: 83% No: 17%

Q10- Do you feel there is merit in launching a generic marketing campaign in the U.S.?

Yes: 64% No: 36%

Q11- Do you feel there is merit in launching a generic marketing campaign in the E.U.?

Yes: 90% No: 10%

Q12- Do you feel there is merit in launching a generic marketing campaign in Asia?

Yes: 80% No: 20%

Q13- Does your experience indicate that traceability mechanisms within the Quality Management Program are adequate to meet modern food safety requirements?

Yes: 38% No: 27% Don't know: 35%

Q14- Do you believe the Atlantic lobster industry would benefit from eco-labeling?

Yes: 72% No: 13% No opinion: 15%

Q15- Does the industry need to explore the development of a market intelligence vehicle?

Yes: 82% No: 6% No opinion: 12%

Q16- Would there be an advantage to setting up a lobster council to:**A) Undertake a marketing campaign?**

Yes: 82% No: 11% No opinion: 7%

B) Foster collaborative effort along the value chain?

Yes: 85% No: 7% No opinion: 8%

C) Look at regulatory issues?

Yes: 56% No: 35% No opinion: 9%

D) Develop a market intelligence vehicle?

Yes: 81% No: 11% No opinion: 8%

E) Be the client responsible for application to the Marine Stewardship Council?

Yes: 49% No: 32% No opinion: 19%

Q17- Was the Summit a helpful exercise in bringing industry participants together to discuss common problems and look for solutions?

Yes: 94% No: 6%

Q18- Would you like to have another Summit in-

2008 (next year): 51%
2009 (two years): 39%
2010 (three years): 4%
Other: 2%
Never: 4%

Q19- Did you find that the electronic voting provided valuable insight regarding industry perspectives?

Yes: 80% No: 20%

VIII

DAY 3 SESSION FIVE: FROM THE PLATE TO THE OCEAN

1. MAXIMIZING THE VALUE OF THE LOBSTER FISHERY RECOGNIZING MARKET REALITIES, MARKET CHALLENGES AND MARKET OPPORTUNITIES

1.1 Strategic Analysis

Michael Gardner
Gardner Pinfold Consulting

Summary

The strategic analysis session of the Summit was the culmination of the presentations, discussion panels, and interactive exercises. Michael provided a synthesis of these proceedings and emulated the Plan A notion from Marks and Spencer and used it as framework to explain the existing structure of the industry and several options-feasible and not feasible. The presentation concludes with key questions for the industry to move forward.

Plan A in the lobster industry

Using the Plan A slogan of Marks & Spencer, Michael applied it to the lobster industry by changing it to “Plan C because Plan A is not working and Plan B is not an option.” Figure 1 below explains this statement beginning with Plan A (see table 7).

Plan A looks at the existing structure of the industry, both from the perspective of the harvesting sector and processing/shipping sectors. Each sector contains their own structural make-ups with limited or unlimited entry and overcapacity and continuing challenges and obstacles like cash flow constraints or rising costs.

In more detail, on the harvesting side, harvesters are faced with an industry of: limited entry, overcapacity, intense competition, increasing capital, increasing fishing effort, short seasons, rising costs, poor handling and uncertainty in many levels (i.e.: fishing).

On the processing/shipping side, processors and shippers are faced with a sector of: unlimited entry, overcapacity, insecure supply, cash flow constraints, gluts/poor quality, exchange rate nuisances, distress selling, limited innovation, and market concentration.

Plan B on the other hand, looks at the option of an integrated structure and declares it not an option as it inhibits too many problems for the harvesting sector. Such problems apply to: owner operator, fleet separation, price maximization, limited options and license value. In the processing/shipping side such an option would alleviate the sector with: access to the resource, better predictability and planning, less cash flow constraints, and more product and market

development. Since there is a lack of agreement from both sectors on an integrated structure, then this become “not an option”.

Plan C becomes the potential option as it promotes a collaborative approach to the fishery. Given the current challenges of the industry structure and the issues that come about from an integrated approach, then a collaborative approach, as proposed in Plan C becomes a good candidate as an option for the industry. In approaching this option, several questions need to be cleared up: How to simulate an integrated structure? What issues need to be addressed? (i.e.: sustainability, supply, price, cash flow and market intelligence.

Table 7: Plan C because Plan A is not working and Plan B is not an option

Plan A-existing structure		Plan B-integrated structure	
Harvesting	Processing/shipping	Harvesting	Processing/shipping
<ul style="list-style-type: none"> <input type="checkbox"/> Limited entry <input type="checkbox"/> Overcapacity <input type="checkbox"/> Competitive fishery <input type="checkbox"/> Increasing capital <input type="checkbox"/> Increasing effort <input type="checkbox"/> Short season <input type="checkbox"/> Rising costs <input type="checkbox"/> Poor handling <input type="checkbox"/> Uncertainty 	<ul style="list-style-type: none"> <input type="checkbox"/> Unlimited entry <input type="checkbox"/> Overcapacity <input type="checkbox"/> Insecure supply <input type="checkbox"/> Cash flow constraint <input type="checkbox"/> Gluts/poor quality <input type="checkbox"/> Exchange rate <input type="checkbox"/> Distress selling <input type="checkbox"/> Limited innovation <input type="checkbox"/> Market concentration 	<ul style="list-style-type: none"> <input type="checkbox"/> Owner-operator <input type="checkbox"/> Fleet separation <input type="checkbox"/> Price maximization <input type="checkbox"/> Keep options open <input type="checkbox"/> Licence value 	<ul style="list-style-type: none"> <input type="checkbox"/> Access to resource <input type="checkbox"/> Predictability/planning <input type="checkbox"/> Ease cash flow <input type="checkbox"/> Product development <input type="checkbox"/> Market development

Plan C- collaboration

How to simulate an integrated structure?

What issues need to be addressed?

- Sustainability - resource health
- Supply - timing/quantity/quality
- Price - greater predictability/stability
- Cash flow - easing the strain
- Market intelligence - demand/supply/price

Questions to move forward...

What do we want?

- Extract more value from the resource.
- Share the gains equitably.

Why can't we get it?

- Structure defies product markets.
 - Prone to short-term decisions.
 - Inadequate innovation.
 - Limited market diversification.
 - Difficult to meet product specifications.
 - Too much cost in the production system.

What to do (Plan C)?

- Agree on an understanding of the issues.
- Agree on key objectives.
- Agree on a process for addressing issues
 - Resource sustainability for market access.
 - Improving terms of raw material supply.
 - Market intelligence to facilitate price formation.

How to do it?

- Create a stakeholder organization (include: Fisher, Processor/shipper and DFO).
 - Give it a mandate & process.
 - Devise pilot projects to demonstrate workability and success.
 - Communicate to build trust and confidence.
-

APPENDICES

AGENDA

**Market Realities, Market Challenges
and Market Opportunities
“A Plate to Ocean Approach”
ATLANTIC LOBSTER SUMMIT**

Day One

- 7:45 a.m. Registration
- 8:20 a.m. Welcome, Introduction & Objectives of the Summit
Carey Bonnell, Managing Director
Canadian Centre for Fisheries Innovation
- 8:30 a.m. Welcome and Opening Remarks
Hon. Ron Chisholm
Nova Scotia Minister of Fisheries and Aquaculture

Session One

- Status Report: Overview of Current Supply Issues
Moderator: Carey Bonnell, CCFI
- 8:40 a.m. Industry Overview and Resource Supply Status
(U.S. & Canada)
Michael Gardner, Gardner-Pinfold Consulting
- 9:10 a.m. Current Issues Facing Lobster Harvesters: Four
lobster harvesters discuss issues of importance to fishermen.
- Francis Morrissey, PEI
George Feltham, NL
Donald Walker, QE
Craig Prouty, NS (LFA 34).

October 15-16, 2007
Holiday Inn Select
Halifax, NS

9:50 a.m. Current Issues Facing Processors and Shippers:
Lobster processors and shippers discuss issues of importance to exporters.

Jeff Malloy, Acadian Fishermen's Co-op, PEI
(representing fishermen-owned cooperatives)
Gilles LeBlanc, Westmorland Fisheries, NB
(representing independent processors)
Stewart Lamont, Ferguson's Lobster, NS.

10:30 a.m. Questions & Answers

10:45 a.m. Break

Session Two

What do Buyers and Consumers Want? A Reality Check
Moderator: Melanie Sonnenberg, Eastern Fishermen's Federation

11:00 a.m. Global Demand and Consumption of Lobster: An Assessment of Live and
Processed Markets & Opportunities
John Sackton, Seafood.com

11:30 a.m. Market Demand for Live and Processed Lobster in the EU: An Overview
Richard Stead, EU Seafood Counsellor
Department of Foreign Affairs & International Trade

12:00 p.m. The UK Lobster Market: A Retail Perspective
Andrew Mallison, Manager – Seafood Procurement
Marks & Spencer, UK

12:30 p.m. Selling Lobster in the U.S.
Mike Powers, Director of Seafood Procurement
Darden Restaurants, Orlando, FL

1:00 p.m. Questions & Answers

1:15 p.m. Lunch
Speaker: Michelle d'Auray, Deputy Minister
Department of Fisheries and Oceans

Session Three

What's Around the Bend? Understanding Emerging
Market Challenges
Moderator: Denny Morrow, Nova Scotia Fish Packers Association

- 2:15 p.m. Understanding Emerging Market Issues
Dr. Michael Tlusty, Director of Research
New England Aquarium
- 2:45 p.m. Sustainability Certification and Eco-Labeling
Steve Devitt, TAVEL Certification
- 3:15 p.m. Questions and Answers
- 3:30 p.m. Break
- 3:45 p.m. Breakout Session: Meeting Market Requirements
Moderator: Michael Gardner
- 4:45 p.m. Report from Breakout Session
- 5:15 p.m. Adjourn
- 6:30 p.m. Reception and Dinner
Keynote Speaker: Colin MacDonald, CEO, Clearwater

Day Two

Session Four

Growing the Pie for the Atlantic Lobster Industry:
Turning Challenges into Opportunities
Moderator: Patrick McGuinness, President, Fisheries Council of Canada

- 8:30 a.m. Banker: Friend or Foe? Maximizing financial opportunities
Russell A. Dorey, Business Consultant
- 9:00 a.m. Options for Development of a Market Intelligence
Vehicle for Canadian Lobster Industry
John Sackton, seafood.com
- 9:30 a.m. Industry Panel Discussion on Options for Increasing the Value from the
Atlantic Lobster Fishery
Blaine Sullivan, Ocean Choice International, PEI
Tony Jabbour, Clearwater Seafood Ltd Partnership,

Eugene O'Leary, Harvester, Canso, NS
Doug McRae, Canadian Gold Seafood Co., NS
Jan Spinney, Orion Seafood Group Canada, NB
Laurence Cook, Harvester, NB
-

- 10:30 a.m. Break
- 10:45 a.m. Case Study: The Maine Lobster Promotion Council Building an Organization to Build Industry Development
Dane Somers, Executive Director-
Maine Lobster Promotion Council
- 11:15 a.m. Moving Forward: Developing Next Steps Through Interactive Survey
New audience response technology will be used to survey industry participants.
Questions relating to industry issues will be developed, participants will provide their feedback and results will be immediately available.
- 12:30 Lunch

Session Five

From the Plate to the Ocean: Maximizing the Value of the Lobster Fishery Recognizing Market Realities, Market Challenges and Market Opportunities

- 1:30 p.m. A Strategic Analysis
Michael Gardner, Gardner Pinfold Consulting
- 2:00 p.m. Plenary session and open discussion, including discussion of survey results, establishing and prioritizing next steps.
Michael Gardner to lead discussion
- 2:45 p.m. Next Steps
Carey Bonnell, CCFI Managing Director
- 3:00 p.m. Conference Wrap Up
-

ATTENDEES

NOVA SCOTIA

Industry

Hubert Saulnier	Maritime Fishermen's Union Local 9
Glenn Wadman	DB Kenney Fisheries Ltd
Tim Martin	Mime'j Seafoods Limited
Nellie Baker-Stevens	Eastern Shore Fisherman's Protective Association
Dannie Hansen	Louisbourg Seafoods Ltd.
Jim Kennedy	Louisbourg Seafoods Ltd.
Adam Mucridge	Louisbourg Seafoods Ltd.
Leonard LeBlanc	Gulf Nova Scotia Fishermen's Association
Robert Newell	LFA 34 Advisory Committee & Mgmt Board
Jerry Cremer	Darcy Dean Fisheries
Gina Symonds	Atksym Fisheries
Earl Chase	Chase's Lobster Ltd
Anna Magera	Sea Choice/Ecology Action Centre
Sadie Beaton	Sea Choice/Ecology Action Centre
Kay Wallace	Gulf NS Bonafide Fishermen's Assoc
Patty King	Fishermen & Scientists Research Society
Dave Crawford	Gulf NS Bonafide Fishermen's Assoc
George Zinck	Prospect/St Margaret's Full time Fishers
Jesse Diepeveen	Clearwater Seafood Limited Partnership
Wallace Allen	Gulf NS Fishermen's Coalition
Anne Castonguay	Savvy Seafood
Peter Norsworthy	Pisces Consulting Ltd
Allen Tobey	NSCC School of Fisheries
Kevin Henderson	NSCC School of Fisheries
Ron Heighton	Northumberland Fishermen's Assoc.
Brian Everett	South Shore Independent Fishermen's Association
Bill Williams	South West Nova Fixed Gear Assoc
Christine Penny	Clearwater Seafood Limited Partnership
Eric Roe	Clearwater Seafood Limited Partnership
Terry Zinck	Xsealent Seafood Company
Ryosuke Tokuda	Marine Fresh Trading
Paul Logan	North Nova Seafoods Ltd
Mike Duffy	North Nova Seafoods Ltd
Mitchell Jacquard	James L Mood Fisheries Ltd
Peter Swim	Island Marine Products
James Shand	Know Tech Environmental Inc
Cory Nickerson	Port Rep LFA 34
Dennis Smith	Maritime Fishermen's Union
Kevin Squires	Maritime Fishermen's Union
Dave Ferguson	Maritime Fishermen's Union
Hasse Lindblad	Maritime Fishermen's Union

Jeff d'Entremont	Port Rep LFA 34
Albert Gaudet	ACD Ltd
Winfred Risser	Lobster Fisherman
Bernie MacDonald	Ceilidh Fishermen's Co-op
Lloyd Lamey	Ceilidh Fishermen's Co-op
Ginny Boudreau	Guysborough Co
Peter Titus	Port Rep LFA 34
Tina Comeau	Sou' Wester
Robert Courtney	North of Smokey Fishermen's Association
Frank DeWaard	Aquashell Holdings Inc
Gordon Beaton	Maritime Fishermen's Union
Gussie MacInnis	Maritime Fishermen's Union
Reginald Hartlen	H & H Fisheries Limited
Glenn LeBlanc	Port Rep LFA 34
David Boughner	H & H Fisheries Limited
Colin MacDonald	Ocean Choice International(Nova Scotia)
Melvin Huskins	Lower Argyle Fisherman's Co-op
Stacey Denton	Port Rep LFA 34
L Wayne Spinney	Bay of Fundy Inshore Fishermen's Association
Bruce Gidney	Gidney Fisheries
Robert Amirault	Fisherman
Joe Fillmore	Glitnir Bank
Dick Malone	Woods Harbour Lobster
Wayne Banks	Harbour Lobster
Jean Paul Arseneau	Poissonnerie Arseneau Fish Market
Patrick Gray	Halifax West Commercial Fishermen's Association
Cedric Robicheau	BMC Seafoods
Jim Kennedy Sr	Louisbourg Seafoods
Andy Chapman	Canadian Centre for Fisheries Innovation
Lisa Anderson	NS Fisheries Sector Council
Jennifer Mosley	NS Fisheries Sector Council
Michael Gardner	Gardner Pinfold Consulting Economists Ltd.
Tony Jabbour	Clearwater Seafoods Limited Partnership
Denny Morrow	NS Fish Packers Association
Stewart Lamont	Ferguson's Lobster
Ashton Spinney	Fishermen - LFA 34
Doug McRae	Canadian Gold
Norma Richardson	Eastern Shore Fisherman's Association
Craig Prouty	Fisherman - NS
Steve Devitt	Tavel Certification
Russell Dorey	Business Consultant
Eugene O'Leary	Fisherman - NS
Colin MacDonald	Clearwater Seafoods Limited Partnership

Government

Jim Jamieson	Department of Fisheries and Oceans
Faith Scattolon/ Gerard Peters	Regional Director General-Fisheries and Oceans Canada
David Surette	Export Development Canada
Michelle Egan-Blanchard	Export Development Canada
Donald Robertson	Export Development Canada
Nadene MacAulay	NS Department of Fisheries and Aquaculture
Doug Pezzack	Fisheries and Oceans Canada
Clary Reardon	NS Department of Fisheries and Aquaculture
David Bollivar	Tri Nav Fisheries Consultants Inc.
Linda MacDonald	NS Department of Fisheries and Aquaculture
Linde Greening	NS Department of Fisheries and Aquaculture
Dale Crory	US Consulate General
Sterling Belliveau	MLA Shelburne Co
Jennifer Knickle	Office of Gerald Keddy, MP for South Shore- St Margaret's
Greg Roach	NS Department of Fisheries and Aquaculture
Estelle Bryant	NS Department of Fisheries and Aquaculture
Leslie Burke	DFO Maritimes Region
Ron Chisholm	Minister – NS Department of Fisheries and Aquaculture

NEW BRUNSWICK**Industry**

Roger Foulem	GEM Fisheries
Michel Richard	Union des Pecheurs des Maritimes
Kurtis MacGillivray	Maritime Fishermen's Union
Bryce Thompson	Maritime Fishermen's Union
Kevin Thompson	Maritime Fishermen's Union
Francois Beaudin	Union des Pecheurs des Maritimes
Daniel Landry	Federation Regional Acadienne des Pecheurs Professionnels
Paul-Amie Mallet	Union des Pecheur des Maritimes
Ruth Inniss	Maritime Fishermen's Union
Doris Losier	Cape Bald Packers Ltd.
Olin Gregan	Barry Group Inc
Jean-Eudes Poirier	Union des Pecheurs des Maritimes
Rejean Comeau	Union des Pecheurs des Maritimes
Reginald Comeau	Maritime Fishermen's Union
Andre Martin	Maritime Fishermen's Union
Christian Brun	Maritime Fishermen's Union
Melanie Sonnenberg	Eastern Fishermen's Federation
Gilles LeBlanc	Westmorland Fisheries
Jan Spinney	Orion Seafood Group Canada
Laurence Cook	Fisherman – NB

Government

J.B Jones	Regional Director General-Fisheries and Oceans Canada
Monique Baker	Department of Fisheries and Oceans
Byron James	New Brunswick Department of Fisheries
Roland Cormier	New Brunswick Department of Fisheries
Paul Cormier	New Brunswick Department of Fisheries
Michel Audet	DFO Gulf Region

PRINCE EDWARD ISLAND**Industry**

Dana Drummond	Ocean Choice International
Kenny Drake	PEI Fishermen's Association
Eugene Bernard	Royal Star Foods
Lenus Bungay	Ocean Choice International
Derek Mitchell	North Lake Fish Co-op
Douglas Fraser	Alberton Fisheries Ltd
Donald Johnston	PEIFA
Ken Campbell	PEI Fishermen's Association
Jeff Malloy	Acadian Fishermen's Co-op
Ed Frenette	PEI Fishermen's Association
Craig Avery	Western Gulf Fishermen's Association
Michael MacInnes	PEI Seafood Producers Association
Jerry Amirault	AVC Lobster Science Centre
Francis Morrissey	Fisherman - PEI
Blaine Sullivan	Ocean Choice International

Government

Honorable Allan V Campbell	PEI Department of Fisheries and Aquaculture
Richard Gallant-Deputy Minister	PEI Department of Fisheries and Aquaculture
Robert MacMillan	PEI Department of Fisheries and Aquaculture
Bill Drost	Fisheries & Oceans Canada
Parnell Trainor	PEI Department of Fisheries and Aquaculture

NEWFOUNDLAND AND LABRADOR**Industry**

James Beals	Meridian Products
Mildred Skinner	Fish Food and Allied Workers
Loomis Way	Fish Food and Allied Workers
Wayne Tucker	Fish Food and Allied Workers
Alfred Fitzpatrick	Fish Food and Allied Workers
Jim Wellman	The Navigator Magazine
Carey Bonnell	Canadian Centre for Fisheries Innovation
Keith Sullivan	FFAW/CAW
George Feltham	Fisherman - NL

Government

Wayne Follett	Fisheries and Oceans Canada
Larry Yetman	Fisheries and Oceans Canada
Fred Phelan	Fisheries and Oceans Canada
Alastair O'Rielly	NL Department of Fisheries and Aquaculture

QUEBEC**Industry**

Jacques Martin	Cowie Inc
Bill Sheehan	AQIP
David Burke	Assoc of Inshore Fishermen-Magdalen Islands
M. Claude Larose	Pecheries Atlantiques
Helene Fauteux	Peche Impact/ CFIM-MI
Raymond Sheehan	L'AQIP Degust-Mer
David Burns	L'AQIP Degust-Mer
Francis Coulombe	MAPAQ-Centre technologique des produits aquatiques
Jean-Yves Cyr	Pecheries Gros Cap Inc
Michel Noel	Pecheries Gros Cap Inc
Daniel Mercier	Regroupement des pecheurs Professionnels du Sud de la Gaspé
Pierre Roussy	Regroupement des pecheurs Professionnels du Sud de la Gaspé
Leonard Poirier	Association des pecheurs des Iles de la Madeline
Mario Deraupe	Association des pecheurs des Iles de la Madeline
O'Neil Cloutier	Regroupement des pecheurs Professionnels du Sud de la Gaspé
Donald Walker	Regroupement des pecheurs Professionnels du Sud de la Gaspé

Government

Ali Magassouba	Peches et Oceans Canada
Roger Simon	Fisheries and Oceans Canada
Rabia Sow	Quebec Ministry of Agriculture, Fisheries and Food
Yvon Forest	Quebec Ministry of Agriculture, Fisheries and Food

ONTARIO**Industry**

John Sutcliffe	Cdn.Council of Professional Fish Harvesters
Jennefer Griffith	National Seafood Sector Council
Patrick McGuinness	Fisheries Council of Canada

Government

Leslie Waite	Agriculture & Agri-Food Canada
Doree Kovalio	Agriculture & Agri-Food Canada
JoAnne Roy-Foster	Agriculture & Agri-Food Canada
Jason Simms	Fisheries and Oceans Canada
Kenneth D Hirtle	Agri-Food Canada
Dr. Bill Doubleday	Director General-Economic Analysis & Stats.- Fisheries & Oceans
David Beven	Fisheries and Oceans Canada
Susan Bray	Export Development Canada
Jennifer Buie	Fisheries and Oceans Canada
Victoria Pederson	Canadian Food Inspection Agency
Jane Barnett	Agriculture and Agri Food Canada
Michelle d'Auray	Fisheries and Oceans Canada

International

Paul Jamieson	Darden Restaurants
Spiros Tourkakis	East Coast Seafood Inc
Michael Tourkakis	East Coast Seafood Inc
Bill Demond	Inland Seafood
Nancy Nelson	US Embassy
Deb Trefts	Marine Stewardship Council
Ted Adams	Seafood Resources Ltd
George Murphy	Canadian Consulate General
Jeff Holden	Claw Island/Portland Shellfish
John Sackton	Seafood.com
Richard Stead	EU Seafood Counsellor - Depart.of Foreign Affairs & Int'l Trade
Andrew Mallison	Manager - Seafood Procurement, Marks & Spencer, UK
Mike Powers	Director of Seafood Procurement, Darden Restaurants
Dr. Michael Tlusty	Director of Research - New England Aquarium
Dane Somers	Executive Director - Maine Lobster Promotion Council