Canadian Lobster Value Recovery Summit 2014

March 26 and 27, 2014
Lord Nelson Hotel
Halifax, NS

Sommet 2014 sur la récupération de la valeur du homard canadien

26 et 27 mars 2014
Lord Nelson Hotel
Halifax, N.-É.

THE CANADIAN LOBSTER VALUE RECOVERY SUMMIT 2014 REPORT

JUNE 2014

New Brunswick Canada Fisheries / Nouveau-Brunswick Pêches

Nova Scotia / Nouvelle-Écosse Fisheries and Aquaculture / Pêches et Aquaculture

Prince Edward Island Canada Fisheries and Aquaculture

Table of Contents

Executive Summary

The Canadian Lobster Value Recovery Summit 2014 occurred on March 26th and 27th, 2014 in Halifax, Nova Scotia at the Lord Nelson Hotel. This event brought together lobster sector stakeholders (harvesters, live shippers, processors and buyers), federal and provincial government partners, First Nations, and topic specific experts to review and debate four key recommendations from the report of the Maritime Lobster Panel released in the fall of 2013. The Lobster Council of Canada (LCC) organized the Summit with guidance from a Summit Steering Committee that consisted of government representatives from the Departments of Fisheries and Aquaculture in New Brunswick; Nova Scotia and Prince Edward Island as well as stakeholders from the harvesting, live shipping and processor communities. Funding for the Summit was provided by the three Maritime Provinces and the Atlantic Canada Opportunities Agency.

The report of the Maritime Lobster Panel was the guiding document for the Summit, and while the report contained 33 recommendations, the focus of the Summit was **the four key value recovery recommendations on market intelligence, generic marketing, price-setting and an industry levy.** The main elements of the Summit were the statements of the governments' positions and commitments; the sharing of experience and knowledge by panelists; and the discussions and gathering of opinions from the industry.

The Summit **confirmed that the industry wants to move forward** on some initiatives – most notably the introduction of an industry levy and the establishment of generic marketing and promotional activities. This will require a strong spirit of collaboration, a willingness to communicate and share information, and the **building of trust and transparency** among the different players in the industry. Summit participants demonstrated this collaborative spirit in their discussions.

The views of the participants on the four key value recovery recommendations were as follows.

1. Recommendation # 25 - The establishment of an Independent Market Intelligence Institute

While there was debate over who should gather market data and what a market intelligence institute should look like, participants supported the recommended provision of more accurate and timely information. The most important types of information to be gathered include:

Price information

- Pricing throughout the value chain
- Foreign market prices and exchange rates

Landings and inventory information

- By region, product types and quality

Consumer information

- Trends, behaviors, characteristics

Markets

- Potential new markets
- Competition from other products such as imported lobster or other seafood
- Global economic climate

2. Recommendation #26 – Develop a comprehensive generic marketing and promotional campaign for Canadian lobster

Participants supported the need for generic marketing to be undertaken. It is understood that an industry levy is required to raise the funds to be able to conduct generic marketing and promotional activities, therefore this endorsement came with a number of **checks and balances** to be considered, including:

- Funds from an industry levy will be split on a formula to be determined between marketing and promotion initiatives and market intelligence.
- Of the funds raised from an industry levy , the marketing and promotion funds are to be allocated equally between live product and processed product lobster
- The levy and other three value recovery initiatives will automatically cease after 5 years **unless** industry chooses to continue, after a program evaluation in year 5
- No increase to the levy during the 5-year program
- There will be a yearly audit of the funds
- There will be an annual marketing conference
- The LCC will oversee the generic marketing and promotional initiatives, however a business plan is required.

3. Recommendation #27 – That price-setting mechanisms for determining price pre-season be established

There was not a conclusion on how price-setting mechanisms would work in the complex lobster sector. Participants recognized the need for more discussion around price-setting. Some of the top priorities on strategies that might make it work that were gathered from participants involved looking at the following:

Quality grading of products

- Lobsters should be priced according to quality

Collaboration between all players to build trust and transparency is necessary to reach pricing decisions

Suggested examples of mechanisms to achieve this include:

- A price-setting board to get all players together
- Independent 3rd party entity making decisions

Profit-sharing and fairness between buyers and harvesters

- Recognition that all stakeholders need to make money throughout the value chain

4. Recommendation #29 – The introduction of an industry levy

There was strong support for the levy. In fact, a recommendation to introduce an industry levy and implement it as soon as possible in the simplest manner possible, was made by the stakeholders at the Summit. The collection system needs to respect sensitive information and transparency and use some of the guidelines that were discussed around generic marketing checks and balances.

Acknowledgements

The Lobster Council of Canada would like to thank the following people who were instrumental in making the Lobster Value Recovery Summit a success.

- All the lobster sector participants who attended the Summit
- The panelists and speakers who represented industry, government and key stakeholder groups
- The Honourable Gail Shea, Minister, Fisheries and Oceans
- The Honourable Keith Colwell, Minister of Fisheries and Aquaculture for Nova Scotia
- The Honourable Michael Olscamp, Minister of Agriculture, Aquaculture and Fisheries for New Brunswick
- The Honourable Ron MacKinley, Minister of Fisheries, Aquaculture and Rural Development for Prince Edward Island
- The Atlantic Canada Opportunities Agency
- Sharon LeBlanc, Performance Synergy Group, Facilitator
- Jim Jones, Emcee
- Jessie Wentzel, Agenda Managers
- The Summit steering committee, which consisted of:
    - Joanne Losier, New Brunswick Department of Agriculture, Aquaculture and Fisheries
    - Barry MacPhee, Nova Scotia Department of Fisheries and Aquaculture
    - Bob Creed, Prince Edward Island, Department of Fisheries, Aquaculture and Rural Development
    - Leonard LeBlanc, Gulf Nova Scotia Fishermen's Coalition
    - Stewart Lamont, Tangier Lobster Company
    - Nat Richard, Westmorland Fisheries Ltd
    - Russel Jacob, Westmorland Fisheries Ltd
    - Ian MacPherson, PEI Fishermen's Association
    - Pam Perrot, Beach Point Processing Company
    - Geoff Irvine, The Lobster Council of Canada
    - Christine Larade and Janet Hawley, The Lobster Council of Canada

Introduction

Why this Summit?

The Maritime Lobster Panel were engaged and directed by the Three Maritime Fisheries Ministers to address a number of specific issues relating to industry pricing, viability thresholds and marketing. Their report, issued in November 2013 contained 33 recommendations and strongly suggested that there be immediate focus on four key value recovery recommendations.

The Maritime Lobster Panel report also recommended that within the first six months of 2014, that provincial governments, The Lobster Council of Canada (LCC) and Industry Stakeholders should come together immediately to discuss the Value Recovery Recommendations.
With guidance from a Steering Committee composed of government and industry representatives, the Lobster Council of Canada organized the summit which occurred on March 26th and 27th in Halifax, Nova Scotia.

The purpose of the Summit was to provide an opportunity for all industry stakeholders to discuss the four key value recovery recommendations and provide direction and guidance to the provincial governments in attendance.

Organization and delivery

The planning, development and execution of the Summit was handled by the Summit Steering Committee.

Approach and methodology

To ensure the widest possible consultation was undertaken participants were invited from across the lobster industry. Participants included fishermen/harvesters, buyers, wholesalers, distributors, First Nation representatives, industry association representatives, live shippers, processors, government representatives, other industry representatives and scientists. Participants were assigned seating to allow for a mix of participants from across the industry to sit at each table to discuss questions and learn from each other. Approximately 155 people attended the Summit from across the provinces and the lobster industry.

The Summit program was designed to encourage information gathering, to ask questions and to brainstorm solutions in response to panelist presentations on generic marketing, price-setting, establishing an independent market intelligence institute and establishing a levy. Questions were posed to the participants during facilitated small round table discussions. The table discussion questions focused on looking at the best possible solutions to implement the four key value recovery recommendations contained in the Maritime Lobster Panel Report and if any additional factors needed to be taken into consideration.

Panelists were asked to present on the relevant topic along with any key learnings from their experience and knowledge in their industry and what lessons or considerations, as appropriate, might be applied to the lobster industry.   Participants were then asked to respond to a specific question in facilitated small-group round table discussions; to arrive at a consensus on each of the four questions and to record their groups' views and top priorities on flip charts.

The questions that were posed at the Summit for the small group table discussions were as follows:

Question 1 – Market Intelligence
What is the most important market intelligence data for an institute to gather and provide so that it is effective and useful for you?

Question 2 – Generic Marketing
Does the lobster sector feel that these checks and balances (as recommended in the Lobster Panel Report and described under the table discussion priorities in Part 4) are acceptable? What additional measures would you recommend?

Question 3 – Price-setting
Recognizing all the challenges that exist around price-setting for our lobster industry, what do you believe would be the best strategies to make it work?

Question 4 – Industry Levy
Understanding the technical aspects of levy regulation or legislation in each province, what action is required in your province to achieve the implementation of a levy?

Once table discussions were completed and some reporting on outcomes was done, brief facilitated Q&A periods also occurred to allow participants to ask questions of the panelists. There were also other panel talks and key note addresses that followed a similar format, and for which a longer facilitated Q&A period was provided.

This report provides a summary of the presentations given, the outcomes of participant discussions and the key conclusions. The appendices include more detailed summaries and verbatim notes from the participant discussions.

Part 1. The Governments' Views

1.1 Statements from Ministers of Fisheries from the three Maritime Provinces

The Honourable Michael Olscamp, NB Minister of Agriculture, Aquaculture and Fisheries
The Honourable Ron MacKinley, PEI Minister of Fisheries, Aquaculture and Rural Development
The Honourable Keith Colwell, NS Minister of Fisheries and Aquaculture

The Ministers' statements were consistent and supportive. The Ministers congratulated and thanked the Maritime Lobster Panel for their excellent report and recommendations, and expressed willingness to implement the recommendations, working together with industry. They emphasized that **government needs firm direction from industry,** that now is the time for action and the importance of working together as a team. The industry needs to grow, aim high, and ensure that money is made throughout the value chain. They urged the industry to:

- Seize new market opportunities especially in Europe and Asia with new trade agreements coming into place;
- Address quality issues from the boat to the end customer and develop standards for quality; and
- Put resources into marketing and promotion.

1.2 Review of the Maritime Lobster Panel Value Recovery Strategy Recommendations

Brian Rogers, Deputy Minister, NS Department of Fisheries and Aquaculture
Richard Gallant, Deputy Minister, PEI Department of Fisheries, Aquaculture and Rural Development
Robert Rioux, Deputy Minister, NB Department of Agriculture, Aquaculture and Fisheries

The three Deputy Ministers spoke about four value recovery recommendations in the Maritime Lobster Panel's report, which are the focus of the Summit: generic marketing, a market intelligence institute, price-setting and a levy to support these actions. This was followed by a Question & Answer discussion. Note: later sessions of the Summit considered each of the four recommendations in detail.

The Industry Levy
The Deputy Ministers first addressed the levy stating that they are **prepared to put necessary legislation or regulation in place** (if it does not already exist), and to work together to make it happen. There are several possible mechanisms that could be used. In previous consultations and discussions, they heard of general support for the levy from the industry and if this is reiterated clearly at the Summit they will move ahead.

Generic Marketing
The Deputy Ministers stated that they **fully support** this recommendation and have also heard of strong support from industry. Many other sectors already do this. The promotion of Brand Canada is crucial in export markets. There must be transparency and a reporting-back process to the industry.

Market Intelligence Institute
The Deputy Ministers **fully supported** that having good data is critical. There are details to be worked out including the type of data required by industry, the organization that will act as the "home" for the data, managing and providing it to industry, and the checks and balances needed (some of the information is sensitive). **They asked the industry participants to tell them what they want.**

Price-Setting Mechanism
The Deputy Ministers agreed that is a complex issue and dialogue about it is essential and of great value in itself. It needs more consideration, and the **governments are willing to explore it with the industry**. They are willing to possibly set up a pilot project and test mechanisms for price-setting.

Q&A discussion

The following issues were raised and discussed:

The levy
- The levy was supported by industry participants.
- The money raised through the levy must be focussed on its intended purposes – generic marketing, market intelligence and price-setting activity, and support for the Lobster Council. It must not be diluted by being diverted to other uses, and there must be transparency, annual audits and clear reporting of how the money is used.
- The levy and marketing campaigns need to be set up as quickly as possible, following the timelines set out in the panel report.
- The Lobster Council needs to be sustained by the industry (not dependent on government) and able to reach out to industry in Newfoundland, Quebec and other parts of Canada.

Market intelligence institute

- Market intelligence provides an important vehicle to address trust and transparency issues in the sector, as well as essential information for the industry to grow and be competitive. Implementing the recommendations will enable the industry to enlarge the pie, rather than fighting over shares of the pie.
- The provinces are willing to work together and share the data they collect, and are talking with the Department of Fisheries and Oceans about the data they collect.
- The industry must provide a clear message of what they want with regard to the data and to the "home" for the data, and the governments will act.

What will it take for government to act?

- A clear message coming from Summit participants is necessary, plus expressions of support from the organizations in the industry. Several organization representatives announced their support for the recommendations.

1.3 Statement from the Federal Minister of Fisheries and Oceans

The Honourable Gail Shea, Minister, Department of Fisheries and Oceans (DFO)

The Minister spoke during the Summit to outline her department's views on the recommendations in the panel's report; her remarks are summarized here.

- She paid tribute to the work of the Lobster Council of Canada, and stated her government's commitment to taking actions to help increase the value of the fishery and open new markets. She listed a number of beneficial actions the government has taken in recent years.
- DFO accepts all the recommendations in the Maritime Lobster Panel's report which impact DFO and will take action for implementation. Specifically:
    - DFO will work with the industry to make management changes and create clarified guidelines
    - DFO will empower and work through fisheries organizations that have a clear mandate from their members; DFO will not recognize splinter groups
    - DFO will respect those organizations' decision-making criteria and processes, but that information-gathering processes should be inclusive
    - DFO will support industry-led rationalization by showing more flexibility
    - Regarding market intelligence, DFO will work with the industry to make this happen, but needs more information from the industry as to what is required.

The Minister highlighted the need for all parts of the industry to work together, encouraged them to take the opportunity now to fundamentally change and stabilize the industry, and expressed the hope that the Summit will decide upon the next steps.

Part 2. Establishing an Independent Maritime Lobster Market Intelligence Institute

2.1 Panel discussion highlights

Mary Ann Zicarelli, Seafood Market Reporter, Urner Barry
Heather Shuve, Vice President, Ipsos Reid
Merrell Moorhead, Vice President, Shift Central

The panel of market research experts discussed how gathering market information and intelligence can help the industry. Examples of several different types of market information were presented, as well as different ways to approach the definition and gathering of market intelligence (please see Appendix D for more detail). Key points included:

- **Good, solid data are essential** for the market intelligence to be valid and trusted
- Marketing begins with consumers making choices; therefore **it is critical to understand who the consumers are**, and their motivations, needs and aspirations
- Understand the competition: other premium food products (such as meat, other seafood)
- Develop the marketing campaign based upon this knowledge
- **Generic marketing campaigns achieve market growth**
- Suggested steps in developing an independent market intelligence institute include collecting, filtering and analyzing many sources of information according to the industry's priorities, coordinating expert economic analysis and providing the data in useful formats via the most convenient channels such as mobile devices, e-mails or on websites
- Independence and industry feedback will be essential to the new Institute
- Housing the data centrally will allow the building-up of a knowledge base accessible to all stakeholders
- Sensitive proprietary data must be collected on a confidential basis and amalgamated
- It is expensive to collect proprietary data; publicly funded data is free or much more affordable

Examples presented included:

- "Lobster Insiders' Report" – Data on lobster imports into the US from about 20 countries (weight, products, prices, market share, exchange rates) – provided quarterly
- "Seafood Price Current" - Seafood prices in the US – provided twice each week
- Consumer research for specific industries to form the basis of marketing campaigns – North American fresh mussels; the PEI Potato Board; a study of Canadian attitudes towards food and farming

2.2 What was heard from Summit participants – A summary of priorities from the table discussions

The discussion question

What is the most important Market Intelligence data for the Institute to gather and provide so that it is effective and useful for you?

The discussion format

The Summit participants were seated at tables of 6-7 people representing a variety of industry stakeholders. They were asked to discuss the above question, and to note down the ideas and suggestions from their discussion. They were then asked to select their top three priorities from their discussion and note those as well. All the notes were collected and transcribed (see Appendix B).

What was heard?

The points selected by each of the tables as the top three priorities from their discussion were grouped according to the most frequently mentioned categories. In the summary below, where a point from a table includes suggestions on more than one category (e.g. prices and landings data), that point has been included under all relevant categories.

The most important types of data identified in the discussions were pricing, landings and inventory, consumer and market and economic climate data. Within those categories a wide variety of specific suggestions were made.

PRICES (18 suggestions)

A wide variety of pricing data was suggested, including:

- Pricing throughout the value chain, including price points and spread at each point
- Pricing of various products by form, size, live, processed, tails, value added, quality.
- Price related to quality, grade, size, shell, season, country of origin
- Prices in different market locations: Boston, New York City, Maine (weekly)
- Prices received by Lobster Fishing Area (LFA) (weekly)

- The factors influencing price; reasons for price differences
- Demand related to price
- Trends, market fluctuations and historic data (per season)
    - Prices today; recent trends
    - Weekly market prices (crate, box and process prices); LFA, Boston, Maine, New York

LANDINGS AND INVENTORY (16 suggestions)

Landings and inventory data to be timely (weekly), available during and after the season, accurate, independent, inclusive so all industry participants find value in the data. Landings information should be traceable. Types of data suggested:

- By region, province and product type, US and Canada,
- Inventory data – live, frozen, processed, being held, shipped; what is moving
- Landings data – volume, quality, yield, protein, shore prices, levels, trends,

CONSUMER AND MARKET DATA (13 suggestions)

Consumer profile / market definition

- Income/education level, what willing to pay, how they decide, target market, consumer trends - social, health, environment concerns
- Customer consumer feedback (experiences and how they use the product)
- What are the product forms that consumers desire? Who is buying? Geographic profile etc.
- Know base value for lobster (what is it worth to consumer, community, Atlantic Canada)

Consumer demand and market / consumption trends

- Retail/food service trends, understanding consumer requirements, understanding emerging middleclass markets
- Measure consumer/market trends (emerging, traditional, etc.).
- Consumer consumption data and trends: by product type, size, destination sector, geographic location, time (seasonal).
- Real time market info (exchange rates, consumer consumption trends, product destination)
- market predictions, current/projected short term trends

Other topics

- Food safety, analysis of threats and emerging threats to the sector that are unique to industry

ECONOMIC CLIMATE (6 suggestions)

Economic climate worldwide, currency exchange rates, emerging, developing and potential markets, ability of consumers to pay.

Part 3. Canadian Lobster Brand Presentation

Revolve Branding Inc.

Revolve Branding Inc. was selected by the Lobster Council of Canada to develop a brand identity for Canadian lobster. The Revolve team conducted research through interviews with 124 recipients (consumers, processors, live shippers, buyers, brokers, food service influencers), workshops and site visits (Nova Scotia, New Brunswick, Prince Edward Island) in developing the brand and a bilingual logo.

The Canadian Lobster Brand defines what the Canadian lobster industry stands for and what the world should expect from it. It relays the Canadian lobster industry's vision, mission and promise regarding Canadian lobster to its consumers:

- **Vision** to have Canadian lobster recognized as the 'Gold Standard' of premium protein
- **Mission** to increase demand and price of Canadian lobsters as such that it encourages economic sustainability throughout the Canadian lobster value chain
- **Promise** to deliver the highest quality Canadian lobster to consumers

The Canadian Lobster Brand also elaborates the **Core Values** of Canadian lobster to its consumers:

- **Place** (a wild, pristine and natural environment ideal for lobster harvesting)
- **People** (genuine, independent and hardworking people part of the lobster industry)
- **Product** (high-quality and flavorful lobster delivered consistently)
- **Process** (sustainability management, traceability systems and food safety guidelines in place)

The logo is in the process of being developed.

Part 4. Generic Marketing and Promotion for Canadian Lobster

4.1. Panel discussion highlights

Linda Duncan, Executive Director, Mussels Industry of North America
Bruce Chapman, Executive Director, Canadian Association of Prawn Producers
[Note: Weather conditions prevented Bruce Chapman and the third panelist, Gary Linkletter, from attending. Geoff Irvine presented The Canadian Prawn Producers Association presentation.]

The development of generic marketing strategies to promote Canadian lobster has been recommended by the Maritime Lobster Panel. **The panelists discussed their generic marketing best practices, the clear benefits gained and lessons learned**.

The Mussel Industry

- The industry is made up of 200 aquaculture producers (family businesses) and a handful of processors. In 2006 the industry's sales had been stalled for ten years, competition was growing, the industry was fragmented, and communication and trust within the industry was lacking.
- In 2008 the Mussel Industry Council was formed to undertake generic marketing. It is funded by an industry levy with membership from processors and industry harvester associations.
- The marketing campaign is a "pull-through" campaign promoting the product, engaging consumers, stakeholders, media and food influencers and chefs.
- The levy and sales data are provided monthly by the processors on a strictly confidential basis to a lawyer and an accounting firm, who provide one amalgamated cheque and sales number to the Council each month.
- To establish trust, an audit of each plant was conducted; building trust within the industry took time.
- **Results achieved:** a 25% increase in sales; shore prices up 18% and processing prices up 10-15%
- **Lessons learned:** base the strategy on high quality research; define the funding model; having agreed to the strategy, let the team get on with it; put individual and regional biases aside; fully engaged members are needed (financially and in participatory activities); everyone benefits; continued investment and effort are imperative; remember that local press is now also international press.

The Canadian Cold Water Shrimp Industry

- The industry consists of 17 members with ultra-modern factory-freezer trawlers. They compete against warm-water shrimp in global markets, and have used a generic marketing strategy since 2006 aimed at markets such as Russia and China. Focus on these markets will continue.
- **Results:** Between 2010 and 2012 prices for cold water shrimp increased by roughly 25% while those for warm water shrimp declined slightly.
- Their strategy includes trade activities with importers, distributers, retailers and food service, and promotion via effective and innovative consumer-reach platforms (e-marketing, blogs, e-recipe sites, TV Shows).

4.2 What was heard from Summit participants – A summary of priorities from the table discussions

The discussion format

The participants were seated at tables of 6-7 people representing a variety of industry stakeholders. They were asked to discuss the question below, and to note down the ideas and suggestions from their discussion. They were then asked to select their top three priorities from their discussion and note those as well. All the notes were collected and transcribed (see Appendix B).

The discussion question and its context

The Maritime Lobster Panel report prescribed that the Lobster Council of Canada co-ordinate \and suggested checks and balances. The discussion question was:

Does the lobster sector feel that these checks and balances are acceptable? What additional measures would you recommend?

Overall, participants were in agreement with a generic marketing campaign being undertaken, with consideration to the following points made under each check and balance below.

I) 85% of the funds from the levy would be directed to the LCC marketing and promotion initiative (other 15% to Lobster Market Intelligence Institute, a price-setting mechanism and to administration costs for the levy based on estimates).

- More information and discussion is needed about the appropriate division of the funds to different purposes; a more detailed budget is required for this. There must be clear agreement about the division of funds (7 tables).
- The 85/15 split looks about right (3 tables)
- Administration costs should be kept to a minimum and this should be monitored (3 tables)

- Concern that the LCC would receive sufficient funds to continue other work such as quality and structural issues (3 tables)

II) The marketing/ promotion funds portion (85%) should be allocated equally between live product and processed product lobster.

- No, the proportion needs to be more flexible (6 tables):
    - spend the money where it will be most effective;
    - adjust it to reflect changing market conditions;
    - some money would be used for a more generic campaign that promotes both;
    - define what success looks like up front and measure against that;
    - LCC should handle governance
- Yes, allocate it equally between live and processed (4 tables)

III) The levy and the other three initiatives automatically cease after the 5 years unless industry chooses to continue – after a program evaluation in year 5

- Yes: review in 5th year; define a mechanism to determine continuation or not, and who will conduct the evaluation (4 tables)
- Yes: review in 5th year and also (2 tables):
    - review parameters of levy after 3 years;
    - survey industry annually to determine if adjustments are needed during the 5 year period
- Evaluate sooner than 5 years; suggestions: annually; after 2.5 years; in year 4. (3 tables)
- No: do not stop after 5 years; levy should remain; use of money should be reviewed (2 tables)

IV) No increase in levy during the 5-year program

- Agree (4 tables)
- There should be a mechanism for industry to decide if the levy should change (increase or decrease) with proof of success or failure (1 table)

V) Yearly levy audit

- One table said no to a yearly audit, and one wanted more details about it.
- Seven tables supported it and had suggestions:
    - Yes. But need to determine base of levy and evaluate viability of that base
    - Yearly audit should include understandable and easily accessible report on expenditures, including percentage associated with administration
    - Source and activity justification (yearly). Not eaten up with administration fee disproportionately
    - Questions about audit: audit of LCC, spot audits of others in the chain
    - Who gets to see results, confidentiality

VI) Annual marketing conference

- Yes (5 tables)

- to track results; good for cross-industry input/ education

- Have meeting but not restricted to marketing only (2 tables)
  - No. Need annual reporting. What we need to do to keep buying. What is best plus most effective way to do it? Transparency. Have meeting not just on marketing only
  - No - have meeting but not just focused on marketing - need annual reporting/transparency - what is the best way plus cost effective way to do this.
- Not sure (2 tables)
  - What are we marketing?
  - More information to determine need for yearly conference
- No (3 tables)
  - Don't waste resources on unnecessary marketing conferences; annual report only

VII) Governance of the LCC, made up of members representing all parts of industry across the provinces, ensures appropriate initiatives and allocation of funds for the marketing

- Yes – governance by LCC (9 tables)
  - But need for smaller marketing committee be set up within LCC governance
  - Expert advice setting criteria to guide LCC decision
  - Governance of LCC (all parts of industry across provinces) balanced
- Issues and questions (4 tables)
  - Core LCC funding: to be covered by levy or use other sources?
  - Will levy dollars leverage other money?
  - Will governance stay with current structure?

4.3 Keynote address: Norway is Seafood and Seafood is Norway

Egil Ove Sundheim, Director, Norwegian Seafood Council.
Egil Sundheim delivered his presentation via teleconference as he was not able to participate in person.

Norway is the second largest seafood exporter in the world, even though it is a small country with a population of 5 million. In 2013 its exports were valued at NOK 61 billion (CAN$ 11.16 billion) to more than 130 countries in the world.

The Norway Seafood Council was established in 1991 with the objective of strengthening the value of the Norwegian seafood industry through increased demand for Norwegian seafood in domestic and foreign markets. Its Board of Directors comprises of representatives from the entire Norwegian seafood industry. **It is financed by the Norwegian seafood industry through a fee levied on all exports of Norwegian seafood. Its three operational activities (marketing, market information and communication) with an annual budget of approximately CAN$ 70**

million have resulted in increased profits and sustainability of the Norwegian seafood industry.

Highlights of its activities are:

Marketing
The Norway Seafood Council increases awareness and demand for Norwegian seafood through its marketing efforts. Through cooperation with the entire Norwegian seafood industry in product, pricing, and placement, it has promoted Norwegian seafood under a generic 'NORGE: Norwegian Seafood' brand amongst consumers, chefs, retailers and journalists.

Market information
The Norway Seafood Council serves as the main source of statistics, analysis and information on market conditions and trade restrictions for the Norway seafood industry. It employs experts (biostatisticians, economists, etc) to gather data, analyze industry trends, provide consumer insight, monitor markets and distribute knowledge to the Norwegian seafood industry.

Communication
The Norway Seafood Council strengthens the reputation of Norwegian seafood by actively targeting several media outlets to distribute information that enforces a positive image of Norwegian seafood industry. It also manages situations (such as site infection, etc) that can potentially damage the Norwegian seafood brand in the domestic and foreign markets

The 2011 Salmon Campaign in Spain is an example of how the operational activities of the Norwegian Seafood Council resulted in increased demand for Norwegian salmon. The Salmon Campaign consisted of 10-20 second TV-spots targeting female consumers with children aged 2-14 years. Its key messages included basic information, benefits, recipes and the flavourful taste of Norwegian salmon. The campaign increased Norwegian salmon sales by 17% in Spain. It also increased consumer preference for Norwegian salmon compared to others in various other European countries (Germany, Italy, Finland).

Part 5. Price-setting Options for Canadian Lobster

5.1 Panel discussion highlights

Heather Marriott, Vice President, Market Intelligence, Revenue Management
Stewart Lamont, Managing Director, Tangier Lobster
Ian MacPherson, PEI Fishermen's Association
Keith Sullivan, Assistant to the President, Fish Food and Allied Workers Union
Jeff Malloy, President, Acadian Fishermen's Co-op

The panelists described their experience of two price-setting pilot projects, and discussed the building blocks of value which would need to be taken into account in any price-setting model. Key points and lessons learned included:

- Price-setting mechanisms for the Canadian lobster industry are difficult to implement because of the diverse nature of products, packaging and stakeholders in the industry
- Collaboration and willingness to grow together (increase industry profits rather than individual profits) are key to successful implementation of a price-setting mechanism: a balance of disciplined collaboration and smart competition is needed
- Understanding that trust, transparency and traceability mechanisms need to be developed amongst various stakeholders in the Canadian lobster industry in order to achieve and sustain higher lobster prices
- Pilot projects of different price-setting mechanisms will give a better idea of which one will be best suited for the industry
- Good handling practices can ensure a good quality product which in turn increases prices
- The building blocks of value that determine price include demand (buyers and consumers); supply (control and gluts); and quality (standards, consistency and practices). These need to be integrated to support a pricing mechanism
- Business as usual is not enough to improve pricing of Canadian lobster; active participation and the will to change in the entire industry are required

Two pilot projects were presented:

- A group of harvesters in Lobster Fishing Area (LFA) 12 in South-Western Newfoundland were looking to create value for their lobster. In collaboration with Tangier Lobster, who were willing to pay higher prices for better quality, they took 'a leap of faith' and delivered carefully handled traceable lobster. In the year 2013, they were paid higher prices according to the value of their product, and are implementing the same approach in 2014.

- A group of harvesters and processors in Prince Edward Island started meeting in 2013 and began discussing costs and pricing throughout the value chain with the aim of starting a pilot project. Despite obstacles they are persevering, and this is building trust.

Key points from the Q&A session included:

- Price-setting according to quality grading can increase fairness and reduce stakeholder disputes
- The auction model does improve quality and can be modified to better reflect the diverse characteristics of Atlantic Canadian lobster industry
- The 'cheap-sellers' (individuals who sell lobster at extremely low prices at the beginning of the season and hence drive prices down) are a threat to price-setting mechanisms; they should be identified

5.2 What was heard from Summit participants – A summary of priorities from the table discussions

The discussion question

Recognizing all the challenges that exist around price-setting for our lobster industry, what do you believe would be the best strategies to make it work?

The discussion format

The Summit participants were seated at tables of 6-7 people representing a variety of industry stakeholders. They were asked to discuss the above question, and to note down the ideas and suggestions from their discussion. They were then asked to select their top three priorities from their discussion and note those as well. All the notes were collected and transcribed (see Appendix B).

What was heard?

The points selected by each of the tables as the top three priorities from their discussion were grouped according to the most frequently mentioned categories. In the summary below, where a point from a table includes suggestions on more than one category (e.g. quality and collaboration), that point has been included under all relevant categories.

There were three clear themes from the discussion of strategies for price-setting.

QUALITY GRADING (14 suggestions)
Create a quality regime from boat to plate and base the price-setting on quality grading. More detailed suggestions related to this included:

- the need for education about quality and handling practices;

- setting a base price (percentage split between buyer and fishermen) then picking up quality and what the market will buy
- using quality criteria plus a formula for price/ value determination
- taking into account the time of year (fishing seasons) and different fishing areas
- independently set and measured quality standards for grading

COLLABORATION, TRUST AND TRANSPARENCY (14 suggestions)

There is a great need to develop collaboration and trust between harvesters, buyers and processors. There has to be transparency and trust in price and quality, and the sharing of credible information in order to remove rumours and price manipulation. Some specific strategy suggestions were:

- Set up a pilot project for an auction model – this would deal with the quality issue
- Create two legal organizations to represent the harvesters and buyers to reach an agreement on a price-setting mechanism and agree on a formula; have the provinces legislate the price-setting mechanism

INVOLVEMENT OF AN INDEPENDENT THIRD PARTY (7 suggestions)

Independent third parties were suggested to handle the following aspects:

- Collection of the levy
- Price-setting by a price-setting board, or price negotiation facilitated by an independent third party; profit-sharing is another option
- Market information and analysis
- Setting and measuring of quality standards

Part 6. Fostering Collaborative Efforts in the Canadian Lobster Sector

Geoff Irvine, Executive Director, Lobster Council of Canada (LCC)

A brief overview of the seven main activities of the LCC and how they link to the recommendations of the Maritime Lobster Panel was presented.

I) Promotion of Canadian lobster
This is done on a continuing basis, leveraging industry assets with government programs to promote Canadian lobster with chefs, culinary students and at seafood industry trade shows. For example recently at a seafood show in Maine, the LCC had a promotional booth and co-hosted a master class lobster information session with the Maine lobster marketing collaborative.

II) Market access
Addressing issues affecting access to export markets for example eco-certification efforts, and the lobster husbandry issue in Germany, where there is misinformation about the treatment of Canadian lobster.

III) Communication (internal and external)
This includes an industry newsletter and communication with the industry's customers.

IV) Market research
This includes information on landings, exports, market prices, currency rates, and where the money goes in the value chain (how the $4 shore price becomes a $30 restaurant price).

V) Industry marketability
The LCC engaged Revolve to undertake the branding project.

VI) Projects
Projects include the traceability project – a full traceability system for the sector, and the automation project which looked at five processing plants to investigate how they could be automated. It also includes work that occurred on a quality grading standards project.

VII) Government and media relations
Ongoing liaison with governments and media are very important to ensure that the Lobster Council of Canada presents "one voice" on key issues and topics to relevant stakeholders.

Plans for the next year include:

- Completing and piloting the quality grading project
- Completing the branding project and promoting the brand
- Beginning to develop the foundation of a generic marketing plan
- Continuing to expand market research
- Preparing for the introduction of the levy

Part 7. Options for Implementing an Industry Levy that Supports Canadian Lobster Value Recovery

7.1 Panel discussion highlights

Robert Lefurgey, NS Department of Fisheries and Aquaculture
Ian MacIsaac, Secretary and General Manager, PEI Marketing Council
Joseph LaBelle, Director, NB Department of Agriculture, Aquaculture and Fisheries

The lobster industry levy panel focused on regulatory and legislative procedures and options for implementing a lobster industry levy in Atlantic Canada. The panelists spoke of unity between the Canadian lobster industry stakeholders as the key factor that will make the legislation process for an industry-wide levy easier and faster. Highlights included:

- The Canadian lobster industry levy can be collected at the first point of sale, either using sales information (from the seller) or buying information (from the buyer), although this requires that the records maintained by fishermen regarding sale of lobsters should be very accurate
- A consistent approach between the three provinces (Nova Scotia, New Brunswick, Prince Edward Island) is encouraged, although the details of the legislation might be different for each province
- There are questions to be worked out about how the remittances will be collected and administered, and the need to keep bureaucracy to a minimum is recognized.
- A strong message from industry is required to go ahead with legislative and regulatory action.

Province-specific highlights included:

- In New Brunswick there are two pieces of existing legislation that could be modified to implement the lobster industry levy. The first piece of legislation can ensure membership fees are collected from fishermen and buyers. The second one, the Seafood Processing Act, provides buyers licenses and processing rights. Alternatively, new legislation specific to the lobster industry could be introduced.

- In Prince Edward Island there is a Natural Products Act that can be used to allow producers to regulate various aspects of the marketing of natural products (which could include seafood). Hence levy implementation does not require a new Act. Under the terms of the Act, commodity groups, marketing boards and commissions can be set up to cover specific products or sectors. To introduce a levy, a marketing board would need to be set up based upon consultations with the industry and the development of a marketing plan. Then a plebiscite of the industry would need to be held to make the decision of levy implementation (a minimum 60% affirmative vote would be needed to proceed with action). This would take a minimum of around eight months.

- In Nova Scotia, there is no existing legislation that would provide the authority to collect a levy, so new legislation would be required. This could be done quickly and introduced in the spring sitting of the Legislature, if there were a strong message from the industry.

7.2 What was heard from Summit participants – A summary of priorities from the table discussions

The discussion question

Understanding the technical aspects of levy regulation or legislation in each province, what action is required in your province to achieve the implementation of a levy?

The discussion format

The Summit participants were seated at tables of 6-7 people representing a variety of industry stakeholders. They were asked to discuss the above question, and to note down the ideas and suggestions from their discussion. They were then asked to select their top three priorities from their discussion and note those as well. All the notes were collected and transcribed (see Appendix B).

What was heard?

The points selected by each of the tables as the top three priorities from their discussion were grouped according to the most frequently mentioned categories. In the summary below, where a point from a table includes suggestions on more than one category (e.g. vote and legislation), that point has been included under all relevant categories.

There was a brief discussion at the end of the session at which a participant proposed a motion. This is noted in section 7.3 at the end of this summary of the table discussions.

The suggestions fell into a number of main themes: discussing whether a vote is necessary before introducing the levy; suggestions about the point in the value chain at which the levy should be collected, suggestions about legislation needed, other suggested actions for implementation, and the need for education and buy-in, transparency and accountability. Most of the suggestions applied to more than one province.

THE NEED FOR A VOTE (15 suggestions)

- ***A vote is needed***
  Ten tables suggested that a vote of all players in the industry should be held, even though a number of organizations in the industry have already declared support. Some suggested that a 51% majority vote would be sufficient to move ahead. Several tables suggested that the provincial governments should administer the vote. A clear, consistent question must be asked in all provinces. One table expressed concern that some fishing areas are not sufficiently organized and are not communicating enough about the issues.

- ***A vote may not be needed***
  Four tables questioned whether a universal vote is needed. Some suggested that recognition should be given to areas that have already voted, and that further dialogue and a vote would only be needed in areas that are not organized (Nova Scotia groups lack organization). One suggested that a survey to gauge support would be sufficient and then government could move ahead with implementation.

LEVY COLLECTION POINT (12 suggestions)

- ***Concerns and questions***
  Several tables raised concerns around the need to determine the point at which the levy is collected, the structure to be set up to administer, monitor and report on the system, and how this administration and auditing would be paid for. Industry needs to provide clear support for the levy, and ask the provinces to collect it, or there needs to be one body to do this for all three provinces.

- ***Suggestions regarding the collection point***
  Suggestions included:
  - At first point of sale - buyers and harvesters ***(3 tables said this)***
  - Processor (easy to collect at point of trade)
  - At export point - get on with it - most cost effective and easiest
  - Condition of buyers licence - to collect 2c (1c deducted from harvesting and 1c charged onshore), remitted to province or entity under provincial regulation ***(2 tables said this)***
  - Condition of harvesters licence : as an option for harmonizing under DFO legislation - there would also be matching contribution by first level of buyer under provincial legislation - possibly less complex
  - It happens that 3-5 mechanisms are needed to get to the levy - is the federal government the best point?

LEGISLATION (12 suggestions)

Legislation changes are clearly needed for collection to take place. Suggestions included:

- There is political support and the senior officials can provide the path; it is time to move ahead.

- Can one province move ahead with legislation before another?
- It is necessary to legislate mandatory participation from the entire industry
- Amend legislation as required to collect at first point of sale
- In Nova Scotia, change the "Fisheries and Coastal Resources Act" to enable implementation of the levy; an alternative suggestion is to bring in new legislation as this can be done quickly (in spring) - opposition in the house should be minimal because of the importance of industry
- In PEI, need to look at objectives of legislation (natural products marketing act, PEI fisheries act, certified org. support act, fisheries act). PEI may be the best positioned to act; a decision will need to be made to move from a group to a board under the existing legislation.
- Federal government : consider a condition of license for harvesters under DFO legislation - with matching contribution by first level of buyer under provincial legislation

GETTING IT DONE – Other suggested actions (12)

- Urgency: the time to talk is over - get 'er done! ***(5 tables said this)***
- High-level coordination was suggested to get the ball rolling and oversee the process: an ED/ADM/DM level Interprovincial committee to coordinate; it was also suggested that the Maritime Lobster Panel should oversee the implementation process.
- Money from the levy needs to go to independent 3rd party, non-government accounting firm. (Accountants/lawyers - keeping levy confidential, similar to the mussel industry example)
- Money to province first then forwarded to council (the admin to this point should be covered by province)
- Levels of government matching the levy (1c harvester, 1c buyer, 1c provincial govt, 1c federal govt)
- Provincial bridge funding to be provided to keep pressure on provinces to act

TRANSPARENCY AND ACCOUNTABILITY (4)

- Simple as possible accounting
- Transparency, feedback and accountability of process
- Clarity of what the levy will be used for (just marketing or other LCC activities)

EDUCATION AND BUY-IN (4)

- Education sessions on what's going to happen – all players
- Good communication
- Sales pitch to show value of the organization
- Buy-in for all participants

7.3 A motion to support the levy

A motion was proposed in plenary discussion at the end of the session; due to time constraints the wording was finalized, discussed and endorsed at a later session of the Summit. The final wording of the motion is:

As a sign of support in principle, the meeting approves the levy of 1 cent a pound from harvesters and 1 cent a pound from processors for the principal purpose of generic marketing.

Part 8. Lobster Sector Roundtable - Key Learnings from the Summit

Stewart Lamont, Managing Director, Tangier Lobster
Leonard LeBlanc, Harvester, Gulf Nova Scotia Fishermen's Coalition
Jerry Amirault, Chairman, Lobster Processors Association of New Brunswick and Nova Scotia
Laurence Cook, Harvester, LFA 38
Ian Macpherson, Executive Director, PEI Fishermen's Association
Jeff Malloy, CEO, Acadian Fishermen's Co-op

The panelists each made brief remarks addressing the key learnings from the Summit that will have the most impact on moving the Industry forward, and the priority steps to take to make the Lobster Value Recovery Strategy a success. This was followed by some questions and discussion.

There was a clear consensus from the panelists and from the Summit participants who spoke. The main points are summarized below.

The industry's readiness and willingness to make changes

- There is strong agreement with the report of the Maritime Lobster Panel; it is excellent and covers all the issues. Although the Summit has focused on four key recommendations, don't neglect the other 29.
- It is recognized that the industry has reached a consensus on the need to change.
- There is willingness among the different players to work together and share the responsibility for improving the economic value for all in the industry and in our communities.
- Speakers expressed appreciation for the readiness of the four governments to play their part in making the recommended changes.
- The time for action is now: set a timetable and move ahead without delay. We cannot let this opportunity slip away.

Points about the four recommendations

- A quality grading system is needed.
- Generic marketing and market intelligence are essential. Confidential market intelligence has to be provided to a trusted source. There has to be willingness to share information if we are to grow the pie overall, rather than fight over the crumbs.
- Regarding price-setting, a quality grading system is necessary, and it was suggested that the harvesters should form their own co-op on a broad scale. Pilot projects would be a good way to start.
- There is strong support for the levy; some even suggest it needs to be higher (Norway's Seafood Council's budget is $70 million; Maine's budget is $5 million, our proposed levy

will raise $3 million). A suggestion was made that the government consider matching the levy. Another speaker emphasized that the most important support of all is for the industry to support each other.

- Some industry organizations have already voted to support the levy; other speakers stressed the importance of holding a vote. This may require educating some in the industry about the levy proposal and the expected benefits.
- The LCC provides essential infrastructure and brings all parts of the industry together.

Part 9. Final Remarks

The Facilitator and emcee thanked and congratulated all participants and summed up the outcomes of the Summit. Key messages heard from the Summit are:

- The Panel report is the guiding document: the industry told the panel what they wanted, and the Summit has confirmed that the industry wants to move forward on the issues where there is consensus
- There is a need for market intelligence data and generic marketing activities
- There is support for the proposed industry levy from those in the room, and from some industry organizations. Keep the levy simple and keep the momentum to implement it
- Keep the spirit of collaboration that has been shown at this Summit: transparency, listening, talking, and asking for information: all these actions foster collaboration, and influence others to do the same
- Leadership is needed. Some proposed actions need more work, and it is necessary to keep at it. It is not sufficient just to talk; we need action

Geoff Irvine, Executive Director of the Lobster Council of Canada, thanked participants for showing leadership and making progress possible, and thanked the Summit organizers and panelists, the provinces and ACOA for their support.

Appendices

A. Program of the Canadian Lobster Value Recovery Summit

B. Table discussion notes

B-1 Summary and analysis of top three priorities from the four table discussions

B-2 Transcripts of the four table discussions

C. List of Speakers' Powerpoint presentations

(Copies may be requested from the Lobster Council of Canada)

D. List of Participants

Appendix A. Program of the Canadian Lobster Value Recovery Summit

Canadian Lobster Value Recovery Summit 2014

March 26 and 27, 2014
Lord Nelson Hotel
Halifax, NS

Sommet 2014 sur la récupération de la valeur du homard canadien

26 et 27 mars 2014
Hôtel Lord Nelson
Halifax, N.-É.

7:30 – 8:00 am	REGISTRATION	*Georgian Lounge*
8:15 – 8:30 am	WELCOME AND REMARKS Geoff Irvine, Executive Director, Lobster Council of Canada	*Imperial Ballroom*
8:30 – 9:00 am	WELCOME AND STATEMENTS FROM MINISTERS OF FISHERIES The Honourable Michael Olscamp, NB Minister of Agriculture, Aquaculture and Fisheries The Honourable Ron MacKinley, PEI Minister of Fisheries, Aquaculture and Rural Development The Honourable Keith Colwell, NS Minister of Fisheries and Aquaculture	*Imperial Ballroom*
9:00 – 9:45 am	REVIEW OF MARITIME LOBSTER PANEL VALUE RECOVERY STRATEGY RECOMMENDATIONS Robert Rioux, Deputy Minister, NB Minister of Agriculture, Aquaculture and Fisheries Richard Gallant, Deputy Minister, PEI Minister of Fisheries, Aquaculture and Rural Development Brian Rogers, Deputy Minister, NS Minister of Fisheries and Aquaculture	*Imperial Ballroom*
9:45 – 10:15 am	Q & A DISCUSSION PERIOD Sharon LeBlanc, Facilitator, The Performance Synergy Group	*Imperial Ballroom*
10:15 – 10:30 am	BREAK *Regency Room*	
10:30 – 11:00 am	ESTABLISHING AN INDEPENDENT MARITIME LOBSTER MARKET INTELLIGENCE INSTITUTE "We need to know what is happening in the marketplace" was a message that The Maritime Lobster Panel repeatedly heard. Market research experts will discuss how gathering market information and intelligence can help the industry. PANEL MaryAnn Zicarelli, Seafood Market Reporter, Urner Barry Heather Shuve, Vice President, Ipsos Reid Merrell Moorhead, Vice President, Shift Central	*Imperial Ballroom*
11:00 – 11:45 am	TABLE DISCUSSION Small group discussions with key points facilitated by Sharon LeBlanc, The Performance Synergy Group	*Imperial Ballroom*

WEDNESDAY, MARCH 26

Agenda

11:45 – 12 noon	MORNING REVIEW Facilitated by Sharon LeBlanc, The Performance Synergy Group	*Imperial Ballroom*
12:00 – 1:00 pm	BUFFET LUNCH	*Regency Room*
	CANADIAN LOBSTER BRAND PRESENTATION BY REVOLVE	*Imperial Ballroom*
1:00 – 1:30 pm	GENERIC MARKETING AND PROMOTION FOR CANADIAN LOBSTER The Maritime Lobster Panel recommended developing generic marketing strategies to promote Canadian lobster. The panel will discuss their marketing best practices and how this has benefitted their respective industries. PANEL Bruce Chapman, Executive Director, Canadian Association of Prawn Producers Linda Duncan, Executive Director, Mussels Industry of North America Gary Linkletter, Chairman, PEI Potato Board	*Imperial Ballroom*
1:30 – 2:15 pm	TABLE DISCUSSION Small group discussions with key points facilitated by Sharon LeBlanc, The Performance Synergy Group	*Imperial Ballroom*
2:15 – 2:30 pm	BREAK	*Regency Room*
2:30 – 3:00 pm	PRICE SETTING OPTIONS FOR CANADIAN LOBSTER The Maritime Lobster Panel studied a variety of price setting options with a goal to understanding what will stabilize the industry and improve prices paid to fishermen and the overall value of Canadian Lobster. The panel will discuss price setting pilot projects currently underway. PANEL Heather Marriott, Vice President, Market Intelligence, Revenue Management Stewart Lamont, Managing Director, Tangier Lobster Ian MacPherson, Executive Director, PEI Fishermen's Association Keith Sullivan, Assistant to the President, Fish Food and Allied Workers Union Jeff Malloy, CEO Acadian Fisherman's Co-op	*Imperial Ballroom*
3:00 – 4:00 pm	TABLE DISCUSSION Small group discussions with key points facilitated by Sharon LeBlanc, The Performance Synergy Group	*Imperial Ballroom*
4:00 – 4:30 pm	REVIEW AND RECAP OF THE DAY Sharon LeBlanc, Facilitator, The Performance Synergy Group	*Imperial Ballroom*
6:00 – 7:30 pm	RECEPTION	*Regency Room*

WEDNESDAY, MARCH 26 CONTINUED

8:30 – 9:00 am	**FOSTERING COLLABORATIVE EFFORTS IN THE CANADIAN LOBSTER SECTOR** Geoff Irvine, Executive Director, Lobster Council of Canada	*Imperial Ballroom*
9:00 – 9:45 am	**KEYNOTE ADDRESS: NORWAY IS SEAFOOD AND SEAFOOD IS NORWAY** Egil Ove Sundheim, Director Market Information, Norwegian Seafood Council (NSC) Since 1991, the Norwegian seafood community has invested in generic market activities to enhance the position and demand for Norwegian seafood through the Norwegian Seafood Council. Established by law and financed and governed by the industry, the NSC is investing in common activities for the Norwegian industry through three operational programs: marketing, market information and communication. With an annual budget of CAD 85 million (2014), the NSC is working on behalf of the entire value chain in Norway to strengthen the position and value of Norwegian Seafood in the world market as well as domestically. Through cases and examples Egil will explore how the council works and what results the generic market investments are bringing back to the Norwegian seafood community.	*Imperial Ballroom*
9:45 – 10:00 am	**Q & A DISCUSSION PERIOD** Facilitated by Sharon LeBlanc, The Performance Synergy Group	*Imperial Ballroom*
10:00 – 10:15 am	**BREAK**	*Regency Room*
10:15 – 11:00 am	**OPTIONS FOR IMPLEMENTING AN INDUSTRY LEVY THAT SUPPORTS CANADIAN LOBSTER VALUE RECOVERY** This panel will focus on regulatory and legislative options for implementing a lobster industry levy. **PANEL** Joseph Labelle, Director of Strategic Planning and Program Development, NB Dept of Agriculture, Aquaculture and Fisheries Barry MacPhee, Acting Executive Director, NS Department of Fisheries and Aquaculture Ian McIsaac, Secretary and General Manager, PEI Marketing Council	*Imperial Ballroom*
11:00 – 11:45 am	**TABLE DISCUSSION** Small group discussions with key points facilitated by Sharon LeBlanc, The Performance Synergy Group	*Imperial Ballroom*
11:45 – noon	**MORNING REVIEW**	*Imperial Ballroom*
12:00 – 1:30 pm	**BUFFET LUNCH PRESENTED BY TASTE OF NOVA SCOTIA**	*Regency Room*
	GUEST SPEAKER The Honourable Gail Shea – Minister, Department of Fisheries and Oceans	*Imperial Ballroom*

THURSDAY, MARCH 27

Agenda

1:30 – 2:15 pm	LOBSTER SECTOR ROUNDTABLE A panel of harvesters, live shippers, processors, and buyers/brokers will provide a summary of key learnings from the Value Recovery Summit.	*Imperial Ballroom*
2:15 – 2:30 pm	BREAK	*Regency Room*
2:30 – 3:00 pm	Q & A DISCUSSION PERIOD This question and answer period will provide the opportunity to ask questions of the lobster sector panel. Facilitated by Sharon LeBlanc, The Performance Synergy Group	*Imperial Ballroom*
3:00 – 4:00 pm	REVIEW AND REMARKS This wrap up session will address items of accord, issues and next steps. Sharon LeBlanc, Facilitator, The Performance Synergy Group Geoff Irvine, Executive Director, Lobster Council of Canada	*Imperial Ballroom*
4:00 pm	CONCLUSION Geoff Irvine, Executive Director, Lobster Council of Canada	*Imperial Ballroom*

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THURSDAY, MARCH 27 CONTINUED

Appendix B. Table discussion notes

Appendix B-1 Summary and analysis of top three priorities from the four table discussions

Notes:

- Each table was asked to discuss the specific question put forward, and to note down the ideas and suggestions from their discussion, and select their top three priorities and note those as well.
- This analysis is of the points selected by tables as their top three priorities, grouped according to the most frequently mentioned categories.
- Where one point includes suggestions on more than one category (e.g. consumer and economic climate data), that point has been included under all relevant categories.
- Numbers in brackets beside theme headings indicate the number of comments or suggestions made that are relevant to that theme.

Part 2: Establishing an Independent Maritime Lobster Market Intelligence Institute

Discussion question: What is the most important Market Intelligence data for the Institute to gather and provide so it is effective and useful for you?

PRICES (18)

- Identify factors that impact price (what is important and what isn't)
- Demand products and locations and quantities and pricing OR price (value)
- Pricing in the value chain (raw material wharf price that is distinguished by quality and grade is possible -apples to apples is important, pricing information in other areas of value chain, boat to final customer)
- Price information: a historical price information for season with reference to quality, size and shell
- Price point
- Market prices
- Price (boat to market plate, by quality/size/season, cd at beyond, exchange rates currency)
- Data collection to include shore price,
- Weekly market prices (crate prices, box prices, process prices)
- Landing data - price info/levels/trends
- Product specifics - price, demand, etc., value chain
- Pricing (today, recent trends, throughout whole chain)
- Market and prices and trends by product form/size/live vs processed/ value added/ quality convenience/ timing

- We need to know what each LFA is receiving for lobster and also the main and Boston boat prices at any given time week by week. Along with this we need the lobster prices up the chain, processed meat, tails, restaurant prices, etc.
- Prices (Boston, New York city)
- What are the price points for the value chain? What are the spreads at each point of the value chain?
- Price data
- Shore prices and landing
- Market fluctuations (end prices for different entities)

LANDINGS AND INVENTORY (16)

- Landings and inventory (accurate) by region and product type
- Landings info: supply, traceability
- Supply (landings in a timely manner, inventory - live, frozen, being held, shipped)
- Data collection to include shore price, landings, inventory assessment, in season quality reports, data needs to be inclusive so all participants in the industry can find value in all data collected
- Volume of landing (quality, yield, protein)
- Landing data - price info/levels/trends
- Landings/supply/quality (US and Canada, inventory levels, market predictions, current/projected short term trends)
- Proper landing data available during and after the season
- What is being landed? When and what is being held/stored industry-wide
- Shore prices and landing
- General overall inventory in industry. Needs info in right hands. Independent info,
- Inventory levels around industry (catch plus held lobster)
- Inventory assessment ongoing
- Total inventory levels weekly by province assisted through DFO data
- Product inventory (live, processed). Inventory updated (live, processed, what is moving?)
- Accurate inventory

CONSUMER AND MARKET DATA (13)

- What is being consumed? And how? What product? Where being sold? Trends? Sizes?
- General overall inventory in industry. Needs info in right hands. Independent info, exchange rates, analytics, consumer behavior, what do consumers want? Who are we targeting?
- Who is our market? Flow of product by destination sector, product type, time (seasonal). Measure consumer/market trends (emerging, traditional, etc.). Customer consumer feedback (experiences and how they use the product)
- Consumer consumption data: by product type

- Define the market/consumer
- Consumer profile (income/education level, what willing to pay, how they decide, target market, consumer trends - social, health, environment concerns)
- External data to include economic climate worldwide and ability for consumer to pay, currency exchange, retail/food service trends, understanding consumer requirements, understanding emerging middleclass markets, food safety, analysis of threats and emerging threats to the sector that are unique to industry
- Real time market info (exchange rates, consumer consumption trends, product destination)
- What are the product forms that consumer's desire? Who is buying? Geographic profile etc.
- Know base value for lobster (what is it worth to consumer, community, Atlantic Canada)
- Consumer's market trends (hold/sell) egg. Valentines (hold=capital)
- Consumer demands
- Landings/supply/quality (US and Canada, inventory levels, market predictions, current/projected short term trends)

ECONOMIC CLIMATE (6)

- External data to include economic climate worldwide and ability for consumer to pay, currency exchange, retail/food service trends, understanding consumer requirements, understanding emerging middleclass markets, food safety, analysis of threats and emerging threats to the sector that are unique to industry
- Data from existing and developing markets
- Exchange rates
- Real time market info (exchange rates, consumer consumption trends, product destination)
- Foreign market currency exchange rates
- Where are potential markets?

OTHER

- Product differentiation (what market is looking for?)
- Competing products
- Quality report on the base grade % hard/soft/culls by province/LFA
- Info compiled in a way that is understandable, credible, timely, easily available, but all secure to support the industry
- Data on other competitive products - seafood
- Separate data streams for live and processed
- Data on primary competitors or major players

Part 4: Generic Marketing and Promotion for Canadian Lobster

Does the lobster sector feel that these checks and balances are acceptable? What additional measures would you recommend?

Ten tables were in favor of all seven checks and balances, with some additional comments. The comments made have been organized under the seven checks and balances.

CHECKS AND BALANCES

1. 85% of the funds from the levy would be directed to the LCC marketing and promotion initiative (other 15% to Lobster Market Intelligence Institute, a price-setting mechanism and to administration costs for the levy based on estimates)

- Concern that under proposed funding structure the LCC's mandate would change to exclude work on quality and structural issues
- Revenue stream important: put money into matching increase. Sales = more money through levy. What does 85% = $ and 15% = $. What is cost to administer? And therefore what is left for market intelligence?
- 85/15 spy. Need some of 85% put towards LCC
- Clear agreement on use of remaining and where it is spent - 15%)
- More discussion required on if split 85%-15% is the right mix
- however, require more info to determine appropriate allocations
- 85% - how much would be administration?
- caution that too much does not go to program administration
- 85/15 split
- budget viability
- 85% marketing
- 85% market, 15% administration (need checks and balances on the administration side. no jobs for 8 people when it would take only 3) no consultations when could be Done in house
- But a more detailed budget is needed

2. Funds portion (85%) allocated equally between live product and processed product lobster

- Ratio to live/processor maybe not hard and fast (more generic)?
- No. because it should be spent on where most effective
- Way to adjust percent attributed to live and processed if markets soften
- Automatic in many cases that you are promoting both live/processed. More ideas define up front what success looks like. And measure against that
- 85% allocated equally between live and processed ***(4 tables said this)***
- governance - LCC

3. Levy and other three initiatives automatically cease after the 5 years unless industry chooses to continue – after a program evaluation in year 5

- No. levy should remain. Use of dollars will be reviewed
- Three year review of the parameters of the levy. Not challenging 5 year clause,
- evaluate at the end of 2.5 years
- program evaluation at 5 years with decision to continue or not
- Need program evaluation every year
- 5 year time – yes
- Cease after 5 years with review in year 5 who is giving the program evaluation
- Evaluation should be in year 4
- No
- Review/stop in 5 years
- Annual survey to check in with industry to obtain feedback and determine if adjustments needed during 5 year period
- Support for 5 years. Mechanism to determine support to continue. Organizations/buyers

4. No increase in levy during 5-year program

- There should be a mechanism for industry to decide if the levy should change (increase or decrease) with proof of success or failure
- No increase to levy in 5 year program
- Yes. To get stakeholders proof of concept
- No increases on levy during 5 year agreed
- No increase - yes

5. Yearly levy audit

- Yearly audit should include understandable and easily accessible report on expenditures
- expand on/ clarify the audit activities - more details
- audit needs to indicate what percentage of expenditures associated with administration
- Source and activity justification (yearly). Not eaten up with administration fee disproportionately
- Yearly levy audit
- Questions about audit: audit of LCC, spot audits of other in the chain
- Yes. But need to determine base of levy and evaluate viability of that base
- Yearly audit – no
- Yearly audit - who gets to see results, confidentiality

6. Annual marketing conference

- What are we marketing?
- Yes. Good for cross industry input/education
- annual report only
- NO
- Don't waste resources on unnecessary marketing conferences
- No. need annual reporting. What we need to do to keep buying. What is best plus most effective way to do it? Transparency. Have meeting not just found on marketing only part of it
- Annual marketing meeting. No - have meeting but not just focused on marketing - need annual reporting/transparency - what is the best way plus cost effective way to do this.
- More info to determine need for yearly conference
- Annual marketing conference
- Yes, annual marketing conference to track results
- Annual conference – yes
- Annual market conference agreed

7. Governance of the LCC, made up of members representing all parts of industry across the provinces, ensures appropriate initiatives and allocation of funds for the marketing

- Committee of LCC focused on marketing and promotion
- core LCC funding
- Expert advice setting criteria to guide LCC decision
- Yes. Already dealt with it
- LCC admin costs not intended to be covered by levy
- Will levy dollars leverage other money, other - how much report on?
- governance – LCC
- LCC governance ***(4 tables said this)***
- Governance of LCC (all parts of industry across provinces) balanced
- Will governance stay with current structure?
- Yes, but need for smaller marketing committee be set up within LCC governance

Part 5: Price-Setting Options for Canadian Lobster

Recognizing all the challenges that exist around price-setting for our lobster industry, what do you believe would be the best strategies to make it work?

QUALITY/GRADING (15)

- Quality regime boat to plate; price-setting based on quality (grading) (6 tables said this)
- Grading standards (quality, size, price differential based on different standards, incentives, poor quality = lower price, better quality = better price, quality handling practices
- Need for quality grading = price (but varies by area) also require education
- Widespread and industry wide quality grade standards as a baseline to begin with
- Pricing according to quality - criteria plus formula - for price/value determination
- Get rid of crate run price (that is price for entire crate). Sort lobsters - different prices for different standards of lobsters
- Ensure quality. See that quality/branding results in measurable outcome for the all sector
- Set base price (percentage split between buyer and fishermen) then pick up quality and what the market will buy
- Emphasis on quality (handling practices, time of year - fishing seasons)
- Price-setting based on quality (grading)
- Independently set and measured quality standards

COLLABORATION, TRUST AND TRANSPARENCY (14)

- Need for transparency and trust in price and quality; sharing information (7 tables said this)
- Develop collaboration and trust between harvesters/buyers/processors (4 tables said this)
- Strategy (need to build trust, available/credible info, maybe best established minimum price, price has to be connected to quality, flexible to supply/demand, risk/reward)
- Transparency about demand for lobster, only way to build trust. A detailed list of all inventories live and processed to remove the rumors and price manipulation
- Need dialogue, need trust and understanding and good information, pilot project for auction model (would deal with quality issue), need to know info (real numbers on live vs processing)
- create two legal organizations A) to represent the harvesters and buyers to reach an agreement on a price-setting mechanism B) agree on a formula C) legislate the price-setting mechanism (provinces)
- Transparency

INVOLVEMENT OF AN INDEPENDENT THIRD PARTY (6)

- Money from levy needs to go to independent 3rd party, non-government accounting firm (i.e. mussel example)
- Transparency in collection to third party
- Price negotiation facilitated by an independent 3rd party or profit-sharing
- Information from 3rd party tied to price
- Need price-setting board (similar to OPEC type model), positive messaging to media, need for sustainable fishermen and fishery, need viable business plan to base/form sound decision for upcoming season (i.e. operational costs), need for industry organization
- Market analysis (marketing body)
- Independent body for information on which markets can handle
- Independently set and measured quality standards

OTHER

- Set understanding costs to harvest, costs to produce
- Avoid gluts
- Win-win process, everyone benefits. Openness and educate each other
- Market analysis (marketing body)
- Completely stop brokers from selling lobster processed and live for fire sale prices right
- before a season starts
- Learning from other sectors e.g. snow crab
- Set a minimum price that could be supplemented later in the year
- Have the infrastructure in Canada to manage demand

Part 7: Options for Implementing Industry Levy that Supports Canadian Lobster Value Recovery

Discussion Question: Understanding the technical aspects of levy regulation or legislation in each province, what action is required in your province to achieve the implementation of a levy?

ANALYSIS BY THEME

VOTE (13)

A vote is needed

- Vote from all players (NS + NB)
- A vote with majority (51%) support from LFA's and Buyers who collect levy in each province
- Agree vote on levy, should be done YES or NO
- Province wide (NS) vote - all (each province) license holders, administered by the province, same day 50% plus 1, non-vote = yes!
- Vote by harvester buyer?
- PEI a vote of all fishers
- MOA - voted plus approved (ratified by parties)
- Vote on 2c/lbs.
- Need governments to implement provincial or maritime wide votes - mandated
- Some fishing areas are not communicating/organized enough

A vote may not be needed

- Recognize where vote have been held - hold a vote in other areas that are not organized
- Do we need a vote? (NS + others) we = fishermen, buyers, processors, live shippers
- No need for another vote. If there are areas of industry that need more dialogue then reach to those areas
- Government can hold survey to sense support and simply do it.

COLLECTION POINT (12)

These are the concerns raised about collection

- Need to determine what point the levy is collected
- Draft structure of fee collecting and administration and monitoring (auditing) detail costs and who will pay (not to come out of fees)
- Clear support from industry on ways to collect levy and industry has to ask province to collect levy or one body for three provinces - who will administer

These are some of the suggestions given regarding collection point

- Collect at first point of sale (buyers and harvesters); amend legislation as required ***(3 tables said this)***
- Processor (easy to collect at point of trade) – (NB)
- It happens that 3-5 mechanisms are needed to get to the levy - is the federal government the best point?
- Suggested - collect the 2 cents at export point - get on with it - most cost effective/easiest
- As an option for harmonizing consider a condition of license for harvesters under DFO legislation - there would also be matching contribution by first level of buyer under provincial legislation - possibly less complex
- Condition of buyers license - to collect 2c (1c deducted from harvesting and 1c charged onshore)
- Mechanism via buyers license conditions and remitted to province or entity under provincial regulation

LEGISLATION (13)

- Collection legislation in a timely manner
- Political support - legislation changes
- Answer the question: can one province move ahead with legislation before another? (All provinces)
- Senior government sources provide the path - get on with it
- Need to change legislation to allow government to collect
- Need to legislate mandatory participation from entire industry
- NS - change the "Fisheries and Coastal Resources Act" to enable implement the levy
- Table feels - not in position to advice on a government function such as legislation and technical issues
- New legislation in NS as this can be done quickly - house is sitting now so could be a spring decision - opposition in the house should be minimal because of importance of industry
- As an option for harmonizing consider a condition of license for harvesters under DFO legislation - there would also be matching contribution by first level of buyer under provincial legislation - possibly less complex
- Amend legislation as required to collect at first point of sale
- Need to look at objectives of legislation in PEI (natural products marketing act, PEI fisheries act, certified org. support act, fisheries act)
- NS - change the "Fisheries and Coastal Resources Act" to enable implement the levy

GETTING IT DONE – Other suggested actions

- Time to talk is over - get ER done! ***(5 tables said this)***
- High-level coordinating committee to get the ball rolling - ED/ADM/DM level

- Panel needs to continue to work on overseeing 'a process' to move with the provinces to legislation, collection, and future action items leading to use of levy money
- Clear support from industry on ways to collect levy and industry has to ask province to collect levy or one body for three provinces - who will administer
- Mechanism via buyers license conditions and remitted to province or entity under provincial regulation
- Money from levy needs to go to independent 3rd party, non-government accounting firm (i.e. mussel example)
- Provincial bridge funding to keep pressure on province to act
- Government can hold survey to sense support and simply do it.

ANALYSIS BY PROVINCES

NOVA SCOTIA

- Legislation in place to collect a levy
- Buy in from local fishers (association representation)
- Levels of government matching the levy (1c harvester, 1c buyer, 1c provincial go, 1c federal government). Group put in place to set up collection method? Accountants/lawyers - keeping levy confidential
- Vote on 2c/lbs.
- Need governments to implement provincial or maritime wide votes - mandated
- Some fishing areas are not communicating/organized enough
- Nova Scotia groups lack organization - get ER done!
- Simple as possible accounting
- Money to province first then forwarded to council (the admin to this point should be covered by province)
- Base on weekly report the 2c
- New legislation in NS as this can be done quickly - house is sitting now so could be a spring decision - opposition in the house should be minimal because of importance of industry
- Province wide (NS) vote - all (each province) license holders, administered by the province, same day 50% plus 1, non-vote = yes!
- Advancement of processors association/also dea/ets - organization of fishing associations in NS - improved communication
- NS - change the "Fisheries and Coastal Resources Act" to enable implement the levy
- Education of all players
- Vote from all players
- Harvester + processor + buyer vote
- Need to change legislation to allow government to collect
- Need to legislate mandatory participation from entire industry
- Need to determine what point the levy is collected
- Need a tracking mechanism

- Education sessions on what's going to happen - look at the best practices - collect at first point of sale. Amend legislation as required. Time lines are important. Good communication
- Vote by harvesters buyers?

NEW BRUNSWICK

- Education of all players
- Vote from all players
- Harvester + processor + buyer vote
- Processor (easy to collect at point of trade)

PRINCE EDWARD ISLAND

- Decision to move from group to board
- Maybe the best positioned to move
- A vote of all fishers
- Need to look at objectives of legislation in PEI (natural products marketing act, PEI fisheries act, certified org. support act, fisheries act)
- Vote on 2c/lbs.
- Need governments to implement provincial or maritime wide votes - mandated
- Some fishing areas are not communicating/organized enough
- Nova Scotia groups lack organization
- Collect at first point-of-scale buyers and harvesters
- Sales pitch to show value of the organization

ALL PROVINCES

- NFLD all provinces
- Fishing industry support
- Collection legislation in a timely manner
- Transparency, feedback and accountability of process
- Education of all players
- First buyer sends 2c (1st point of sale)
- Political will - define what politicians need to hear
- Interprovincial committee to coordinate and get moving quick DM/ADM/ED level
- Clarity of what the levy will be used for (just marketing or other LCC activities) (all provinces)
- Answer the question: can one province move ahead with legislation before another? (All provinces)
- Agree vote on levy, should be done YES or NO
- Transparency in collection to third party

- Clear consistent question must be asked (3 offices - 1 in each province)
- Province wide (NS) vote - all (each province) license holders, administered by the province, same day 50% plus 1, non-vote = yes!
- Buy-in for all participants

Appendix B-2 Transcripts of the four table discussions

Each table was asked to discuss the specific question put forward, to note down the ideas and suggestions from their discussion, and select their top three priorities and note those as well. The transcribed discussion notes and priorities from each table for each of the four questions are presented here.

Part 2: Establishing an Independent Maritime Lobster Market Intelligence Institute

Discussion Question: What is the most important Market Intelligence data for the Institute to gather and provide so it is effective and useful for you?

Table 1
Discussion
1. Identify things that effect prices (what is important and what isn't? ferry costs, freight, exchange rate, inventory)
2. Product differentiation
3. Impact of traceability (MSC) certification (what prices premium to expect?)
- Market supply - quality and amount
- knowing where markets are
- changing seasons impact on supply
- Consumer demand (understanding changes)
- Price forecast
- sharing (transparency)

Priorities
1. Identify factors that impact price (what is important and what isn't)
2. Product differentiation (what market is looking for?)
3. What is the impact for MSC certification (traceability etc.?)

Table 2
Discussion
1. Supply from other sources
2. Demand - products (volume)
3. Price (value), market conditions, locations, specialized products, currency exchange, financial availability

Priorities
1. Demand products and locations and quantities and pricing
2. Supply all lobsters and other countries
3. Competing products

Table 3

Discussion and Priorities
1. What is being consumed? And how? What product? Where being sold? Trends? Sizes?
2. How the market works back to the boat? What can be sold, needs to be caught (what lobster is being sold, where, how)? Matching catch to the market
3. General overall inventory in industry. Needs info in right hands. Independent info, exchange rates, analytics, consumer behavior, what do consumers want? Who are we targeting?

Table 5
Discussion
- Landings
- Inventory
- Who is market? (Flow of product by destination, sector, product type, time, year, and season)
- Emerging markets, traditional markets
- Measure consumer trends
- Raw materials (wharf) price, quality if possible (need to compare apples to apples as much as possible)
- Price information throughout value chain
- Customer experience info and feedback
- How customers use lobster

Priorities
1. Landings and inventory (accurate) by region and product type
2. pricing in the value chain (raw material wharf price that is distinguished by quality and grade is possible -apples to apples is important, pricing information in other other areas of value chain, boat to final customer)
3. Who is our market? Flow of product by destination sector, product type, time (seasonal). Measure consumer/market trends (emerging, traditional, etc.). Customer consumer feedback (experiences and how they use the product)

Table 6
Discussion
1. Price information: historical pricing for season or pricing through supply chain costs
2. Quality: shell and size
3. Landings data: supply traceability
4. Consumer consumption data: behaviors

Priorities
1. Price information: a historical price information for season with reference to quality, size and shell
2. Landings info: supply, traceability
3. Consumer consumption data: by product type

Table 7
Discussion
- Current landing data
- Consumption data current markets (where - geography, how much - weight, product forms, price point)
- Potential markets (principle purchaser in the household and at restaurants, wealth distribution)
- identify major quality deficiencies in the market

Priorities
1. Where are potential markets?
2. Define the market/consumer
3. Price point

Table 8
Discussion
1. Quantity levels
2. Market price (regional)
3. Inventory levels
- catch levels
- Shore price
- How is the product viewed/used

Priorities
1. Quantity levels of lobster
2. Market prices
3. Inventory levels around industry (catch plus held lobster)

Table 9
Discussion
- Quality of product (lobster) - need grading standards
- Prices per quality
World-wide
- season/size
- Ongoing price info (retail, wholesale, wharf, prices through the chain)
- Traceability
- Inventory levels
- market info (domestic vs international exports consumption, what other countries importing and from where, who is our competition, live vs processed/value added products, demand, what are the people willing to pay and what do they base decision on, who is our consumer/target market)
- Info on currency exchange rates
- supply/demand
- Why do some get higher prices e.g.? Australian vs Canadian lobster

- shipping opportunities/limitations (info on distribution networks)
- Landings and holdings in a timely fashion
- Inventory info, spoilage (live vs going to processing frozen, cad plus other countries)
- Consumer trends (egg social concerns/health)
- Consumer characteristics plus need for education. Put face of fishermen and what he makes vs what consumer pays

Priorities

1. Price (boat to market plate, by quality/size/season, cd at beyond, exchange rates currency)
2. Supply (landings in a timely manner, inventory - live, frozen, being held, shipped)
3. Consumer profile (income/education level, what willing to pay, how they decide, target market, consumer trends - social, health, environment concerns)

Table 10

Discussion

1. Resource and competing product projections at the beginning of the year. Taking into account other species and a global overview
2. Inventory assessment ongoing
3. Economic climate worldwide and ability of consumer to pay external factors
4. Data collection (shore price, landings, quality, data needs to be inclusive so all participants in industry can find value in all data collected)
5. Currency evaluation and impacts on market place
6. retail/food service trends
7. Understanding consumer and requirements
8. Understanding emerging middleclass markets
9. Food safety (analysis of threats and emerging threats to sector that are unique to industry)

Priorities

1. Resource and competing product projections at beginning of year and continuous updating through the year. Needs to take into account other species and a global overview
2. data collection to include shore price, landings, inventory assessment, in season quality reports, data needs to be inclusive so all participants in the industry can find value in all data collected
3. external data to include economic climate worldwide and ability for consumer to pay, currency exchange, retail/food service trends, understanding consumer requirements, understanding emerging middleclass markets, food safety, analysis of threats and emerging threats to the sector that are unique to industry

Table 11

Discussion and Priorities

- Total inventory levels weekly by province assisted through DFO data
- Weekly market prices (crate prices, box prices, process prices)
- Quality report on the base grade % hard/soft/culls by province/LFA

Table 12

Discussion

1. Volume of landings
2. Product inventory (live, processed)
3. Economic data from current and prospective markets
4. Quality of yields/protein
5. Data on primary competitors or major players
6. Data on primary competitor's egg. Other proteins
7. Sales data/what is moving

Priorities

1. Volume of landing (quality, yield, protein)
2. Inventory updated (live, processed, what is moving?)
3. Data from existing and developing markets

Table 13

Discussion

- supply info
- landing data (timely)
- Pricing trends in lobster chain (harvesters, what market is paying)
- Production specifics (live, tail, frozen by product)
- Access by stakeholders but not customers (into available to industry but not competitors)
- build/design database for Canadian industry
- Info easily understood and explained, understand the industry, transparent to industry
- Market/consumer trends
- be specific what you want
- reporting price is different than trends
- Inventory (need to be sensitive, careful)
- export data (weekly, US/CAN/timely available/has to be accurate/accessible)
- Currency all
- World economic indicators
- Seafood sales
- World events i.e. japan, US

Priorities

1. Landing data - price info/levels/trends
2. Product specifics - price, demand, etc., value chain
3. Info compiled in a way that is understandable, credible, timely, easily available, but all secure to support the industry

Table 14

Discussion

- Market segment profiles (comprehensive)
- Levels of consumer education (product handling)
- Value chain data (i.e. prices margins) at each level from boat to plate
- Exchange rates (fluctuations and impacts on price)
- Tariffs and impacts on price
- Inventories
- Data on other competitive products (seafood)

Priorities

1. Data on other competitive products - seafood
2. Value chain data
3. Exchange rates

Table 15

Priorities

1. Pricing (today, recent trends, throughout whole chain)
2. landings/supply/quality (US and Canada, inventory levels, market predictions, current/projected short term trends)
3. Real time market info (exchange rates, consumer consumption trends, product destination)

Table 17

Discussion

- Price at every stage
- Demographics (quantity and convenience)
- Trends
- What the various markets are willing to pay
- market place barriers i.e. standards/certificates/etc.
- Market split by product form
- Sizes (live vs processed, value added)
- Foreign currency exchange
- Transparency
- is competition impacting price downwards
- Group marketing

Priorities

1. Market and prices and trends by product form/size/live vs processed/ value added/ quality convenience/ timing
2. Market place barrier i.e. standards/certificates/available transport/traceability
3. Foreign market currency exchange rates

Table 18

Discussion

- We need to know what each LFA is receiving for lobster and also for Maine and Boston boat prices. At any given time
- Proper landing data available as soon as an LFA is finished for the season or throughout
- track those buyers that are paying more for quality. Make that informative publishing
- If different prices are paid based on size, structure, explain why and where this is done
- Also make available the lobster prices up the chain, processed meat, tails, restaurant prices, etc.

Priorities

1. We need to know what each LFA is receiving for lobster and also the main and Boston boat prices at any given time week by week. Along with this we need the lobster prices up the chain, processed meat, tails, restaurant prices, etc.
2. Proper landing data available during and after the season
3. Track those buyers that are paying more for quality, make that information public. If different prices are paid based on size, structure, explain why and where this is done

Table 19

Discussion and Priorities

1. Prices (Boston, New York city)
2. Accurate inventory
3. Chain of custody dissemination (cost throughout chain, quality handling)

Table 20

Priorities

1. Data to understand the distribution/value chain
2. What are the price points for the value chain? What are the spreads at each point of the value chain?
3. What are the product forms that consumer's desire? Who is buying? Geographic profile etc.

Table 21

Discussion and Priorities

1. Know base value for lobster (what is it worth to consumer, community, Atlantic Canada)
2. know market demand and value (real time) follow the dollars
3. Know potential of market growth and what issues (processed/transport) if addressed could open or expand markets. Communication throughout industry. Need for simplified and accessible data. Know what product is in storage. Build trust. Fair trade component

Table 22

Discussion and Priorities

1. Consumers market trends (hold/sell) egg. Valentines (hold=capital)
2. Transparency. Following dollars (ocean to plate, where/how value is added, by LFA/traceability, by quality indicators

3. Separate data streams for live and processed

Table 23
Discussion
- Landings/price/place by week
- Product shipments (form/destination/price)
- Competition (quantity/dollars/month/destination)
- Condition indicator

Table 23
Priorities
1. What is being landed? When and what is being held/stored industry-wide
2. Condition indicator measure

Table 24
Discussion
- price data, buyers are getting info shared between harvesters and processors for collection)
- supply/demand (market data, information behind competition, market dynamics, and circumstance, what are the best markets)
- Independent reporting
- egg unmet berry price current

Priorities
1. Price data
2. Market data/brand reputation
3. Third party data collection

Table 25
Discussion
1. Shore prices in all areas
2. Local market information (Canada)
3. Consumer demands
- Price and landing
- Quality
- Market fluctuations (economy)

Table 25
Priorities
1. Shore prices and landing
2. Consumer demands
3. Market fluctuations (end prices for different entities)

Part 4: Generic Marketing and Promotion for Canadian Lobster

Checks and Balances

The Maritime Lobster Panel report prescribes that the LCC coordinate and manage a generic marketing and promotional campaign, with funding from an industry levy and checks and balances.

Checks and balances

1. 85% of the funds from the levy would be directed to the LCC marketing and promotion initiative (other 15% to Lobster Market Intelligence Institute, a price-setting mechanism and to administration costs for the levy based on estimates)
2. Funds portion (85%) allocated equally between live product and processed product lobster
3. Levy and other three initiatives automatically cease after the 5 years unless industry chooses to continue – after a program evaluation in year 5
4. No increase in levy during 5-year program
5. Yearly levy audit
6. Annual marketing conference; and,
7. Governance of the LCC, made up of members representing all parts of industry across the provinces, ensures appropriate initiatives and allocation of funds for the marketing

Discussion Question: Does the lobster sector feel that these checks and balances are acceptable? What additional measures would you recommend?

Each table was asked to discuss the above question, and to note down the ideas and suggestions from their discussion.

Table 1
Priorities
7 noted checks and balances
1. Committee of LCC focused on marketing and promotion

Table 2
Discussion
- All checks and balances acceptable/needed
- No additional

Priorities
No conditions agree with all checks and balances

Table 3
Discussion
Yes (good with checks and balances)

Need Q. live vs processed? What is the process? What are we marketing? Ratio to live/processor maybe not hard and fast (more generic)? Core LCC funding?

Priorities
Yes (audit, conference, governance)
No (need more info) (% of funding, ratio of pro/live, core LCC funding, type of marketing - audience, target)

Table 5
Discussion
1. Yes. But a more detailed budget is needed
2. no. because it should be spent on where most effective
3. no. levy should remain. Use of dollars will be reviewed
4. Yes
5. Yes
6. no. annual repost only
7. Yes

Priorities
No (2-3-6)
Yes (1-4-5-7)
Refer to page 1 recommendation
1. Success must be measured against all protein sources not just lobster

Table 6
Discussion
1. Way to adjust percent attributed to live and processed if markets soften
2. Yearly audit should include understandable report on expenditures
3. Further explanation on annual marketing conference

Priorities
1. Way to adjust % attributed to live and processed if markets soften
2. Yearly audit should include understandable and easily accessible report on expenditures
3. Expert advice setting criteria to guide LCC decision
4. Don’t waste resources on unnecessary marketing conferences

Table 7
Discussion and Priorities
1. Concern that under proposed funding structure the LCC's mandate would change to exclude work on quality and structural issues
4. There should be a mechanism for industry to decide if the levy should change (increase or decrease) with proof of success or failure
Yes -2, 3, 5, 6 and 7

Table 9

Discussion

1. Revenue stream important: put money into matching increase. Sales = more money through levy. What does 85% = $ and 15% = $. What is cost to administer? And therefore what is left for market intelligence?
2. Automatic in many cases that you are promoting both live/processed. More ideas define up front what success looks like. And measure against that.
3. Yes
4. Yes
5. Yes
6. no. need annual reporting. What we need to do to keep buying. What is best plus rest effective way to do it? Transparency. Have meeting not just found on marketing only part of
7. Yes. Already dealt with it

Priorities

1. 85/15 spy. Need some of 85% put towards LCC
6. Annual marketing meeting. No - have meeting but not just focused on marketing - need annual reporting/transparency - what is the best way plus cost effective way to do this.

Other idea: define what success looks like and measure against that

Table 10

Discussion and Priorities

1. Funds portions between live and processed may be too prescriptive and more debate on topic should be given. Yearly or reviews as required given market conditions
2. Consideration to applying levy to imported lobster. More discussion required
3. three year review of the parameters of the levy. Not challenging 5 year clause, just ensure that the 85/15 split, 50/50 split between live and processed)

Table 11

Discussion and Priorities

Yes

#5 - expand on/ clarify the audit activities - more details

- funding 85% evenly split
- Review/stop in 5 years

Table 12

Discussion and Priorities

1. 50-50 split is key (live, processed)
2. Clear agreement on use of remaining and where it is spent - 15%)
3. More discussion required on if split 85%-15% is the right mix

Table 13

Discussion and Priorities

- Current checks - agreed in principal - need to understand the spending dollars

- Have a marketing plan (straw dog) developed early to present to industry to get off on the right foot
- Carefully distinguish between generic marketing and product education
- Important to recognize the complicated lobster industry - keep the message simple/directly powerful
- take/leave some dollars in reserve too
- keep focus on Canadian brand
- detail on effort/resources on existing markets vs new markets
- Good commas plan with industry

Table 14
Discussion
A) Yes; however, require more info to determine appropriate allocations (#1) and need for yearly conference (#6)
B) LCC admin costs not intended to be covered by levy

Priorities
- audit needs to indicate what percentage of expenditures associated with administration
- Annual survey to check in with industry to obtain feedback and determine if adjustments needed during 5 year period

Table 15
Discussion
1. Yes
2. Yes
3. Yes
4. Yes
5. Yes - source and activity justification (yearly). Not eaten up with administration fee disproportionately
6. Yes
7. Yes - will levy dollars leverage other money, other - how much report on?

Priorities
Other:
Levy dollars (how they are leveraged, how spent, report back)

Table 17
Discussion
Yes
85% - how much would be administration?
- caution that too much does not go to program administration
- should know upfront where the money is going
- Evaluation should be in year 4

Priorities
Yes
- Governance model must be accountable
- Who do we go to address issues?

Table 18
Discussion and Priorities
Add
- A way to track and measure impacts within the 5 year period (benefits to those contributing)
- 85/15 split
- 85% allocated equally between live and processed
- evaluate at the end of 2.5 years
- program evaluation at 5 years with decision to continue or not
- No increase to levy in 5 year program,
- Yearly levy audit
- Annual marketing conference
- Governance of LCC (all parts of industry across provinces) balanced

Table 19
Discussion and Priorities
Yes.
1. Questions about audit: audit of LCC, spot audits of other in the chain
2. Will governance stay with current structure?
3. Support for 5 years. Mechanism to determine support to continue. Organizations/buyers

Table 20
Priorities
1. Yes but
Top 3:
1. A) 50%-50% allocation B) yearly budget C) 5 year plan
2. 6, 7 governance - LCC
3. 2, 3 simple 50%-50%

Table 21
Discussion
Key
Need framework plan (active business plan)
Proposed annual budget (5 years)
Proposed activities
Staff needed
- Communication of business plan to industry = accountability and trust and dollars and action
- need to know costs $ (re plan)
7. Yes, but need for smaller marketing committee be set up within LCC governance
6. Yes, annual marketing conference to track results

Yes to 1,2,3,4
Yes

Table 21
Priorities
Top 3
1. Business plan
2. A) levy B) 85% of funds for marketing and promotion
3. Funds allocated equally between live and processing

Table 22
Discussion and Priorities
0. Choose markets
1. Yes but budget viability
2. Yes
3. Yes to 5 years. Need program evaluation every year
4. Yes. To get stakeholders proof of concept
5. Yes. But need to determine base of levy and evaluate viability of that base
6. Yes. Good for cross industry input/education
7. Yes. Live and processed equally - must be
Base - only Canadian, also us and Canadian

Table 23
Discussion
Yes
1. Fee upfront on history
2. Reduce admin costs
3. Avoid sharp practice (how to ensure everybody pays their share)
4. HSHO will collect fees in dollars to pay the expense
5. Efficiencies in systems required to avoid increased costs-electronic data monitoring

Priorities
Yes
2. Reduced administration costs
5. Efficient systems required like electronic data monitoring

Table 24
Discussion
1. 85% marketing
2. processed/live split
3. 5 year time - yes
4. No increase - yes
5. Yearly audit - no
6. Annual conference - yes

7. LCC governance

Priorities
Recommendation - flexibility in regards to challenging outcomes of the 7 decisions
- Quality at each side. Handling practices harvester and processors

Table 25
Discussion
1. 85% market, 15% administration (need checks and balances on the administration side. no jobs for 8 people when it would take only 3) no consultations when could be done in house
2. 50-50 split on live vs processed produce. Should dollars match percentage of market? Eat lobster
3. Cease after 5 years with review in year 5 who is giving the program evaluation?
4. No increases on levy during 5 year agreed
5. Yearly audit - who gets to see results, confidentiality
6. Annual market conference agreed
7. Governance of the LCC - agreed all parts of industry represented

Priorities
- Annual audit - credibility
- Checks on the money spent on administration

Part 5: Price-Setting Options for Canadian Lobster

Discussion Question: Recognizing all the challenges that exist around price-setting for our lobster industry, what do you believe would be the best strategies to make it work?

Each table was asked to discuss the above question, and to note down the ideas and suggestions from their discussion, and select their top three priorities and note those as well.

Table 1
Discussion
1. Trust
2. Transparency
3. The problem of establishing fair prices with company owner licenses/outfits
4. The companies have guaranteed product therefore controlling the price

Table 2
Discussion
- ensure no glut
- Consistent quality
- Stability in price
- Predictable supply (catch control or daily quota)

Priorities
1. Predictable supply
2. Consistent quality
3. Avoid gluts

Table 3
Discussion
Info on
- Baseline harvesting costs
- Baseline processing costs
- Willingness of consumer to pay
- Costs dependent on value
- Different areas have different costs
- need to identify the challenges/benefits
- need to trust/have transparency
- benchmarking (agreed upon)
- Not mandatory, must be regional
- need pilots
- Volume versus value

Priorities
1. Set understanding costs to harvest, costs to produce

2. Determine the willingness of consumer to pay or pay more!
3. Better understand volume versus value

Table 5
Discussion
1. Industry wide buy-in
2. Sharing information
3. Transparency and trust building
4. Quality standards (protein, size, shell handling)
5. Small scale pilot projects
6. Independent body to judge quality
7. Shore price could be only set as minimum
8. Need to move away from shore price model
9. Pay based on quality and sale ability

Priorities
1. Transparency and trust in price and quality
2. Independently set and measured quality standards
3. Move away from the shore price model and pay based on quality and suitability

Table 6
Discussion
1. Fishing to the market
2. Profit sharing (buyer and fishermen) to address distress from unknown
3. Reward quality; grade each guy individually
4. Independent 3rd party to help agree on price
5. Identify objective pricing criteria
6. Live able price dollars

Priorities
1. Reward quality incentivizes harvesters to grade
2. Fishing to the market
3. Price negotiation facilitated by an independent 3rd party or profit-sharing

Table 7
Discussion and Priorities
- Information from 3rd party tied to price
- Short term agreement to maintain flexibility
- Transparency

Table 8
Discussion and Priorities
1. Minimum price (guarantee)
2. Price-setting based on quality (grading)

3. Two tier pricing system to fisher

Table 9
Discussion
- Grading, quality based standards - size a factor
- need to be penalized for poor quality (lower price)
- Reward for good quality "incentives"
- get rid of crate run $1 price
- sort different dollars for different categories
- Better handling practices - better quality --> better price
- What should price differential be?
- Collaboration, harvesters, buyers, processor
- What approach works best on setting price?
- Pilot projects
- build trust
- building value together
- make sure product put in right place e.g. Soft shell goes processing and hard shell goes live market
- What is reasonable return to each link in the chain?
- Research such as lobster mount plus quality (LINQ) project needed

Priorities
Pilot projects key
1. Develop collaboration between harvesters/buyers/processors
2. Grading standards (quality, size, price differential based on different standards, incentives, poor quality = lower price, better quality = better price, quality handling practices
3. Get rid of crate run price (that is price for entire crate). Sort lobsters - different prices for different standards of lobsters

Table 10
Discussion and Priorities
1. Build collaboration and trust leading to a price that both parties feel is fair
2. Market intelligence is essential. Sharing the information to all parties is important
3. Tangible incentives to provide premium quality product

Table 11
Discussion and Priorities
1. Widespread and industry wide quality grade standards as a baseline to begin with
2. Key factors to impact price are volume, quality and existing inventory

Table 12
Discussion and Priorities
1. Getting all the key players at the table
2. Should this be mandatory? Attending pre-info sessions

Table 13

Discussion

- Serious concerns (due to complexity, dollars to support or outweigh benefits)
- Auction model (if it could be done, represent best options, challenge, onshore sectors have stake in harvest operations, some areas in Maritimes, onshore sector not motivated)
- Auction model (could reward quality, requires legislation, timings of landings vs demand factors)
- Price-setting (is it legislated or voluntary, can be advantageous or disadvantageous)
- Longer LFA seasons present unique challenges
- Strategy (need to build trust, available/credible info, maybe best established minimum price, price has to be connected to quality, flexible to supply/demand, risk/reward

Table 14

Discussion and Priorities

1. win-win process, everyone benefits. Openness and educate each other
2. Separate price-setting mechanisms for live vs processed
3. create two legal organizations A) to represent the harvesters and buyers to reach an agreement on a price-setting mechanism B) agree on a formula C) legislate the price-setting mechanism (provinces)

Table 15

Discussion and Priorities

1. Daily price based on quality grading i.e. blood protein levels
2. Reference end market price for live and processed trade at any given time of the year - cross reference with known inventory info from LMII
3. Pilots on profit sharing dealer/harvester
4. Pilot of auction mechanism
5. Pre-negotiated price prior to season - fixed quantity or period of time - between buyer and harvester or importer and market source
6. Base price negotiated plus profit share/bonus

Table 17

Discussion

- Analysis of the market (what the marketing body would provide)
- Trust (create climate)
- controlling and sharing supply
- Price should be paid according to quality
- Codes of practice (industry)
- Formula based
- Criteria for priced value determining

Priorities

1. Market analysis (marketing body)

2. Create climate for trust
3. Pricing according to quality - criteria plus formula - for price/value determination

Table 18
Discussion
1. Transparency about demand for lobster (only way to build trust), selling lobster as a block, stability of price. Also, a detailed list of all inventories live and processed to remove the rumors and price manipulation. Engage the provinces to collect inventory information as a condition of acquiring a buyer's license
2. Completely stop brokers from selling lobster processed and live for a fire sale price right before a season starts
3. Basic quality standards! To have DFO enforce measuring lobster right out of the trap

Priorities
1. Transparency about demand for lobster, only way to build trust. A detailed list of all inventories live and processed to remove the rumors and price manipulation
2. Completely stop brokers from selling lobster processed and live for fire sale prices right before a season starts
3. Basic quality standards from boat to the plate

Table 19
Discussion and Priorities
Price-setting:
1. Very uncomfortable in trying to set a price in a very diverse market place
2. Quality, processing, handling, size, shell hardness, too many products, markets
3. Should not spend much effort on this file at this time

Table 20
Discussion and Priorities
1. Need for quality grading = price (but varies by area) also require education
2. Learning from other sectors e.g. snow crab
3. Set a minimum price that could be supplemented later in the year
4. Look at options for spreading supply over a longer period or during times when prices are higher e.g. change seasons or holding tanks

Table 21
Discussion and Priorities
1. Quality regime
2. need dialogue, need trust and understanding and good information, pilot project for auction model (would deal with quality issue), need to know info (real numbers on live vs processing)
3. need price-setting board (similar to opec type model), positive messaging to media, need for sustainable fishermen and fishery, need viable business plan to base/form sound decision for upcoming season (i.e. operational costs), need for industry organization

Table 22

Discussion and Priorities

1. transparency/traceability
2. See that quality/branding results in measurable outcome for the all sector
3. Have the infrastructure in Canada to manage demand
4. Cooperation must be through commitment not legislation
5. All sectors must contribute equally
6. Major product market 5/6 tested from ocean to plate (LEA - CRAMER)

Table 23

Priorities

1. Manage quantity
2. Ensure quality
3. Fresh auction

Table 24

Discussion and Priorities

1. Emphasis on quality (handling practices, time of year - fishing seasons)
2. 2 prices - alive vs processed?
3. Transparency (sellers and buyers, information sharing)
4. Would be a challenges due to all the complexities/factors in the industry

Table 25

Discussion and Priorities

1. Concern over transparency, trust and honesty
2. Independent body for information on which markets can handle
3. Set base price (percentage split between buyer and fishermen) then pick up quality and what the market will buy
4. Co-op questions
5. Shrimp pre-season underquotes, price of season given, winning bid gets all product

Part 7: Options for Implementing Industry Levy that Supports Canadian Lobster Value Recovery

Discussion Question: Understanding the technical aspects of levy regulation or legislation in each province, what action is required in your province to achieve the implementation of a levy?

Each table was asked to discuss the above question, and to note down the ideas and suggestions from their discussion, and select their top three priorities and note those as well.

Table 1
Discussion and Priorities
NFLD all provinces
1. Fishing industry support
2. Collection legislation in a timely manner
3. Transparency, feedback and accountability of process

Table 2
Discussion
Change fuel economics - political support (change in legislation) - wharf monitoring

Priorities
1. Wharf monitoring
2. Political support - legislation changes
3. First point of sale collection

Table 3
Discussion
All provinces
2. First buyer sends 2c (1st point of sale)
- Record keeping
1. Political will - define what politicians need to hear
- What is the criteria for voting?
- Need buyer processor buy-in
- All or nothing participation
3. Interprovincial committee to coordinate and get moving quick DM/ADM/ED level

Priorities
1. Point of sale
2. Political will/defining what they want to hear
3. High-level coordinating committee to get the ball rolling - ED/ADM/DM level

Table 5
Discussion
1. Harvester + processor + buyer vote NB NS
2. Education of all players
3. Structure must be simplified and clear
4. Decide who is financial responsible plus and who decides when to disburse funds
5. Create a single account for all funds the group raised concern about imported lobster to be processing

Table 5
Priorities
1. Education of all players (NS + NB)
2. Vote from all players (NS + NB)
3. Clear path for funds to be collected Business Plan

Table 7
Discussion and Priorities
1a. do we need a vote? (NS + others) we = fishermen, buyers, processors, live shippers
1b. NL: FFAW would consult with membership
2. Clarity of what the levy will be used for (just marketing or other LCC activities) (all provinces)
3. Answer the question: can one province move ahead with legislation before another? (All provinces)

Table 8
Discussion and Priorities
Nova Scotia
1. Need to change legislation to allow government to collect
2. Need to legislate mandatory participation from entire industry
3. need to determine what point the levy is collected
- need a tracking mechanism

Table 9
Discussion and Priorities
1. Advancement of processors association/also dea/ets - organization of fishing associations in NS - improved communication
2. Clear support from industry on ways to collect levy and industry has to ask province to collect levy or one body for three provinces - who will administer
3. Make decision on what regulatory framework lobsters will be weighed/how will weighing happen to determine levy - does 2c apply to landings or point of scale and processing

Table 10
Discussion and Priorities
1. Panel needs to continue to work on overseeing 'a process' to move with the provinces to legislation, collection, and future action items leading to use of levy money

2. Money from levy needs to go to independent 3rd party, non-government accounting firm (i.e. mussel example)
3. No need for another vote. If there are areas of industry that need more dialogue then reach to those areas

Table 11
Discussion and Priorities
- A vote with majority (51%) support from LFA's and Buyers who collect levy in each province
- NS - change the "Fisheries and Coastal Resources Act" to enable implement the levy
- Details of management of levy finds from collection to distribution to LCC for marking projects
- what is/will be the process and approval

Table 12
Discussion and Priorities
PEI - decision to move from group to board
NB - processor (easy to collect at point of trade)
All-
1. Agree vote on levy, should be done YES or NO
2. Transparency in collection to third party
3. Clear consistent question must be asked (3 offices - 1 in each province)

Table 13
Discussion and Priorities
- Suggested - collect the 2 cents at export point - get on with it - most cost effective/easiest
- Table feels - not in position to advice on a got function such as legislation and technical issues
- It happens that 3-5 mechanisms are needed to get to the levy - is the federal government the best point
- PEI - maybe the best positioned to move
- Senior government sources provide the path - get on with it

Table 14
Discussion and Priorities
1. Province wide (NS) vote - all (each province) license holders, administered by the province, same day 50% plus 1, non-vote = yes!
2. Levy at 1st point of sale
3. Mechanism via buyers license conditions and remitted to province or entity under provincial regulation

Table 15
Discussion
NS
New legislation in NS as this can be done quickly - house is sitting now so could be a spring decision - opposition in the house should be minimal because of importance of industry

- industry support evident in panel report back, lobster summit, some industry groups already voted to support, already supported earlier LCC "cent a pound" concept/business plan
- would like to see harmonized approaches in all provinces for legislation and 1 marketing council plus marketing initiation for "Canada" not by province

Priorities
As an option for harmonizing consider a condition of license for harvesters under DFO legislation - there would also be matching contribution by first level of buyer under provincial legislation - possibly less complex

Table 17
Discussion
Nova Scotia
1. Education sessions on what's going to happen - look at the best practices - collect at first point of sale. Amend legislation as required. Time lines are important. Good communication
2. Vote by harvesters buyers?

Priorities
1. education/communication on what is being proposed
2. Vote by harvester buyer?
3. Amend legislation as required to collect at first point of sale

Table 18
Discussion and Priorities
1. PEI a vote of all fishers
2. Recognize where vote have been held - hold a vote in other areas that are not organized
3. Government can hold survey to sense support and simply do it. Time to talk is over Leonard LeBlanc says so!

Table 19
Discussion and Priorities
NS
- get ER done!
1. Simple as possible accounting
2. Money to province first then forwarded to council (the admin to this point should be covered by province)
3. Base on weekly report the 2c

Table 20
Priorities
1. Clarify issues around how buyers/processors would pay levy - different scenarios on moving lobster along the chain - pay on live weight, processed weight
2. Draft structure of fee collecting and administration and monitoring (auditing) detail costs and who will pay (not to come out

Of fees)
3. Definitive lists of fishers, buyers, processors (what about outside Maritimes?)
4. buy-in for all participants

Table 21
Discussion and Priorities
- need to look at objectives of legislation in PEI (natural products marketing act, PEI fisheries act, certified org. support act, fisheries act)
- explore benefits of flat fee vs c/lbs.

Table 22
Discussion and Priorities
1. MOA - voted plus approved (ratified by parties)
2. Condition of buyers license - to collect 2c (1c deducted from harvesting and 1c charged onshore)
3. DFO common data collection system for landings. Key talking points - all parties - to take back to constituents - NSC - presentation - could assist flowcharts - showing participation
4. Consideration of landings from NL, QUE, MAGS, MAINE
5. What is the timing of the payment? Daily? Monthly
6. Provincial bridge funding to keep pressure on province to act

Table 24
Discussion and Priorities
NS + PEI
- Vote on 2c/lbs.
1. Need governments to implement provincial or maritime wide votes - mandated
- Some fishing areas are not communicating/organized enough
- Nova Scotia groups lack organization
2. Collect at first point-of-scale buyers and harvesters
3. Sales pitch to show value of the organization

Table 25
Discussion and Priorities
Nova Scotia
- Legislation in place to collect a levy
- buy in from local fishers (association representation)
- Levels of government matching the levy (1c harvester, 1c buyer, 1c provincial gov, 1c federal gov). Group put in place to set up collection method? Accountants/lawyers - keeping levy confidential

Appendix C. List of Speakers' PowerPoint Presentations

Copies of these presentations may be requested from the Lobster Council of Canada
Tel (902) 423-1155 E-mail Geoff.Irvine@lobstercouncilcanada.ca

Establishing an Independent Maritime Lobster Market Intelligence Institute – Panel presentations

- Heather Shuve, Vice President, Ipsos Reid
- Merrell Moorhead, Vice President, Shift Central

Canadian Lobster Brand Presentation

- Revolve

Generic Marketing and Promotion for Canadian Lobster – Panel presentations

- Bruce Chapman, Executive Director, Canadian Association of Prawn Producers (presented by Geoff Irvine)
- Linda Duncan, Executive Director, Mussels Industry of North America

Keynote address - Norway is Seafood and Seafood is Norway

- Egil Ove Sundheim, Director, Market Information, Norwegian Seafood Council

Price- Setting Options for Canadian Lobster - Panel presentations

- Heather Marriott, Vice President, Market Intelligence, Revenue Management
- Stewart Lamont, Managing Director, Tangier Lobster
- Keith Sullivan, Assistant to the President, Fish, Food and Allied Workers Union

Appendix D. List of Participants

First Name	Last Name	Organization	Industry Role
Emily	Bernard	Lennox Island First Nation	Buyer/wholesaler/distributor
Bernie	Macdonald	Ceilidh Fishermen Co-op	Buyer/wholesaler/distributor
Kimberly	MacDonald	North Bay Fisherman's Co-op	Buyer/wholesaler/distributor
Natasha	Mood	James L Mood Fisheries	Buyer/wholesaler/distributor
Adrian	Morgan	Adrian's Trading	Buyer/wholesaler/distributor
Rick	Murphy	Lobsterworld	Buyer/wholesaler/distributor
Lisa	Nickerson	Paturel International	Buyer/wholesaler/distributor
Gary	Pothier	Paturel International	Buyer/wholesaler/distributor
James	Robarts	Advocate Seafoods	Buyer/wholesaler/distributor
Jennifer	Robarts	Advocate Seafoods	Buyer/wholesaler/distributor
Patrick	Swim	CAL	Buyer/wholesaler/distributor
Michael	Tourkistas	East Coast Seafood, Inc.	Buyer/wholesaler/distributor
David	Hollett	Spartan Marine	Exhibitor
Tommy	Harper	Workers' Compensation Board of NS	Exhibitor
Shaun	Allain	Fishermen and Scientists Research Society	Exhibitor
Patty	King	Fishermen and Scientists Research Society	Exhibitor
Jean	Lavallée	Aquatic Science & Health Services	Exhibitor
Tricia	Pearo	Fishermen and Scientists Research Society	Exhibitor
Shannon	Scott-Tibbetts	Fishermen and Scientists Research Society	Exhibitor
Sandra	Canning	Agriculture and Agri-Food Canada	Federal government
Ghislain	Chouinard	Department of Fisheries and Oceans Canada	Federal government
Katerina	Daniel	Department of Fisheries and Oceans Canada	Federal government
Patrick	Dorsey	ACOA	Federal government
Stephanie	Hopper	Department of Fisheries and Oceans Canada	Federal government
Rhea	King	Department of Fisheries and Oceans Canada	Federal government
Morley	Knight	Department of Fisheries and Oceans Canada	Federal government
Stefan	Leslie	Department of Fisheries and Oceans Canada	Federal government
Andrew	Maw	Department of Fisheries and Oceans Canada	Federal government
Richard	Nadeau	Department of Fisheries and Oceans	Federal government

		Canada	
Faith	Scattolon	Department of Fisheries and Oceans Canada	Federal government
The Honourable Gail	Shea	Minister, Department of Fisheries and Oceans	Federal government
Nick	Sylvestri	Department of Agriculture and Agri-Food Canada	Federal government
Mark	Townsend	ACOA	Federal government
Liz	Murphy	Department of Fisheries and Oceans Canada	Federal government
Kayle	Allen	Gulf Nova Scotia Fisherman's Coalition	Fisherman/Harvester
Walley	Allen	Gulf NS Fisherman's Coalition	Fisherman/Harvester
Dan	Baker	FFAW / UNIFOR	Fisherman/Harvester
Michael	Barron	LFA 27 Management Board	Fisherman/Harvester
Gordon	Beaton	Maritime Fishermen's Union - Nova Scotia	Fisherman/Harvester
Bill	Bond	Guysborough County Inshore Fishermen's Association	Fisherman/Harvester
Rob	Boyd	Gulf NS Bonafide Fishermen	Fisherman/Harvester
Randy	Burns	Eastern Shore Fishermen's Protective Association	Fisherman/Harvester
Peter	Connors	Eastern Shore Fishermen's Protective Association	Fisherman/Harvester
Laurence	Cook	Grand Manan Fishermen's Association	Fisherman/Harvester
Eben	Elliot	Gulf NS Fisherman's Coalition	Fisherman/Harvester
Dwayne	Falconer	Northumberland Fisherman's Association	Fisherman/Harvester
David	Ferguson	LFA 27 Management Board	Fisherman/Harvester
Johnny	Flynn	Colville Bay Oyster	Fisherman/Harvester
Paul	Gallant	Prince County Fishermen's Association	Fisherman/Harvester
Brian	Guptill	Grand Manan Fishermen's Association	Fisherman/Harvester
Kevin	Hardy	FFAW / UNIFOR	Fisherman/Harvester
Chris	Harris	LFA 27 Management Board	Fisherman/Harvester
Rickey	Harris	Gulf NS Fisherman's Coalition	Fisherman/Harvester
Ronnie	Heighton	Northumberland Fisherman's Association	Fisherman/Harvester
Rick	Jollymore	Northumberland Fisherman's Association	Fisherman/Harvester
Lee	Knox	Prince County Fishermen's Association	Fisherman/Harvester
Leonard	LeBlanc	Gulf NS Fisherman's Coalition	Fisherman/Harvester
David	Lewis	Western Gulf - Area 24	Fisherman/Harvester
Dan	MacDougall	Gulf NS Bonafide Fishermen	Fisherman/Harvester
Eugene	O'Leary	Guysborough County Inshore	Fisherman/Harvester

		Fishermen's Association	
Joey	Rambeau	LFA 27 Management Board	Fisherman/Harvester
Glen	Richardson	Eastern Shore Fishermen's Protective Association	Fisherman/Harvester
Donald	Ross	Gulf NS Bonafide Fishermen	Fisherman/Harvester
Ray	Sherwood	LFA 27 Management Board	Fisherman/Harvester
Kevin	Squires	Maritime Fishermen's Association - Nova Scotia	Fisherman/Harvester
Craig	Avery	Western Gulf Fishermen's Association	Fisherman/Harvester
Grahm	Cook	Fundy North Fishermen's Association	Fisherman/Harvester
Ed	Frenette	Mi'kmaq Confederacy of PEI	Fisherman/Harvester
Jordan	Nikoloyuk	Atlantic Policy Congress of First Nations Chiefs	Fisherman/Harvester
Barry	Augustine	Elsipogtog First Nation	Fisherman/Harvester
Jonathan	Augustine	Elsipogtog First Nation	Fisherman/Harvester
Brian	Adams	North of Smokey Fisherman’s Association	Industry associations
Lori	Baker	Eastern Shore Fishermen's Protective Association	Industry associations
Nellie	Baker Stevens	Eastern Shore Fishermen's Protective Association	Industry associations
Angela	Bishop	Aquaculture Association of Nova Scotia	Industry associations
Ginny	Boudreau	Guysborough County Inshore Fishermen's Association	Industry associations
Robert	Courtney	North of Smokey Fisherman’s Association	Industry associations
Malcolm	Ferguson	Central Northumberland Strait	Industry associations
Ruth	Inniss	Maritime Fishermen's Union	Industry associations
Geoff	Irvine	The Lobster Council of Canada	Industry associations
Dennis	King	PEI Seafood Processors Association	Industry associations
Ian	MacPherson	PEI Fisherman's Association	Industry associations
Mike	McGeoghan	PEI Fisherman's Association	Industry associations
Patrick	McGuinness	Fisheries Council of Canada	Industry associations
Bonnie	Morse	Grand Manan Fishermen's Association	Industry associations
Norma	Richardson	Eastern Shore Fishermen's Protective Association	Industry associations
Melanie	Sonnenberg	Grand Manan Fishermen's Association/EFF	Industry associations
Keith	Sullivan	FFAW/UNIFOR	Industry associations
Monty	Way	FFAW / UNIFOR	Industry associations
Zach	Whynot	TriNav Fisheries Consultants Inc	Industry associations
Wendy	Carter	The Lobster Council of Canada	Industry associations

Janet	Hawley	The Lobster Council of Canada	Industry associations
Tim	Wilcox	Fundy North Fishermen's Association	Industry associations
Charlie	McGeoghan	PEI Fisherman's Association	Industry associations
Jim	Wood	Alma Fisherman's Association NB	Industry associations
David	Adams	Oceans Alive Seafoods Ltd.	Live shipper
Greg	Digout	Beach Point Processing Company	Live shipper
Barry	Gidney	Gidney Fisheries Limited	Live shipper
Marc	Keats	Clearwater Seafoods	Live shipper
Stewart	Lamont	Tangier Lobster Company	Live shipper
Robert	MacDonald	Gidney Fisheries Ltd	Live shipper
Bernard	MacLennan	Fisherman's Market International Inc.	Live shipper
Adam	Morris	Clearwater Seafoods	Live shipper
Alain	Meuse	Navigator Magazine	Media
Dave	Bollivar	TriNav Fisheries Consultants Inc.	Other
Nelson	Angel	Revolve	Other
Rabeyl	Aslam, Facilitator	The Performance Synergy Group	Other
Mike	Bardsley	Revolve	Other
Kay	Crinean, Facilitator	The Performance Synergy Group	Other
John	Hanlon	Maritime Lobster Panel	Other
Jim	Jones, emcee		Other
Sharon	LeBlanc, Facilitator	The Performance Synergy Group	Other
Charles	Malloy	CharlesMalloy.Com	Other
Greg	Roach	DFO - LFA 34 project	Other
Katie	Schleit	Ecology Action Centre	Other
Gilles	Theriaut	Maritime Lobster Panel	Other
Yang	Xue	Atlantic Canada Business Network (NS)	Other
Egil Ove	Sundheim	Norwegian Seafood Council	Panelist
Linda	Duncan	Mussel Industry Council	Panelist
Heather	Marriott	Revenue Management Ltd	Panelist
Merrell	Moorhead	Shift Central	Panelist
Heather	Shuve	Ipsos Reid	Panelist
MaryAnn	Zicarelli	Urner Barry	Panelist
Melissa	Hicken	Beach Point Processing Co.	Processor
Pam	Perrot	Beach Point Processing Co.	Processor
Spiros	Tourkakis	East Coast Seafood	Processor
Jerry	Amirault	Lobster Processors Association of New Brunswick and Nova Scotia	Processor

Osborne	Burke	Victoria Co-operative Fisheries Limited	Processor
Frank	de Waard	Aquashell	Processor
Russel	Jacob	Westmorland Fisheries Ltd.	Processor
Gilles	Maillet	Shediac lobster shop.ca	Processor
Jeff	Malloy	Acadian Fishermen's Co-operative	Processor
Marcel	Richard	BA Richard Limited	Processor
Nat	Richard	Westmorland Fisheries Ltd.	Processor
Jan	Spinney	Orion Seafood Group Canada	Processor
Brett	Loney	NS Department of Fisheries & Aquaculture	Provincial government
Sean	Barry	NL Department of Fisheries and Aquaculture	Provincial government
Helene	Bouchard	NB Department of Agriculture, Aquaculture and Fisheries	Provincial government
The Honourable Keith	Colwell	Minister, NS Department of Fisheries and Aquaculture	Provincial government
Bob	Creed	PEI Department of Fisheries, Aquaculture & Rural Development	Provincial government
Richard	Gallant	Deputy Minister, PEI Department of Fisheries, Aquaculture and Rural Development	Provincial government
Scott	Hosking	Nova Scotia Department of Economic and Rural Development and Tourism	Provincial government
Jennifer	Keenan	PEI Department of Fisheries, Aquaculture and Rural Development	Provincial government
Valerie	Kilfoil	NB Department of Agriculture, Aquaculture and Fisheries	Provincial government
Joseph	LaBelle	NB Department Agriculture, Aquaculture and Fisheries	Provincial government
Joanne	Losier	NB Department of Agriculture, Aquaculture and Fisheries	Provincial government
Mark	MacPhail	NS Department of Fisheries and Aquaculture	Provincial government
Ian	McIsaac	PEI Marketing Council	Provincial government
The Honourable Michael	Olscamp	Minister, NB Department of Agriculture, Aquaculture and Fisheries	Provincial government
Robert	Rioux	Deputy Minister, NB Department of Agriculture, Aquaculture and Fisheries	Provincial government
Brian	Rogers	Deputy Minister, NS Department of Fisheries and Aquaculture	Provincial government
Daniel	Gaudet	NS Department of Fisheries and Aquaculture	Provincial government
Brennan	Goreham	NS Department of Fisheries and	Provincial government

		Aquaculture	
The Honourable Ron	MacKinley	Minister, PEI Department of Fisheries, Aquaculture and Rural Development	Provincial government
Mario	Gaudet	NB Department of Agriculture, Aquaculture and Fisheries	Provincial government
Dan	Mombourquette	SMU/CFRN	Science community
Dennis	Ryan	Seaside Research and Analysis	Science community