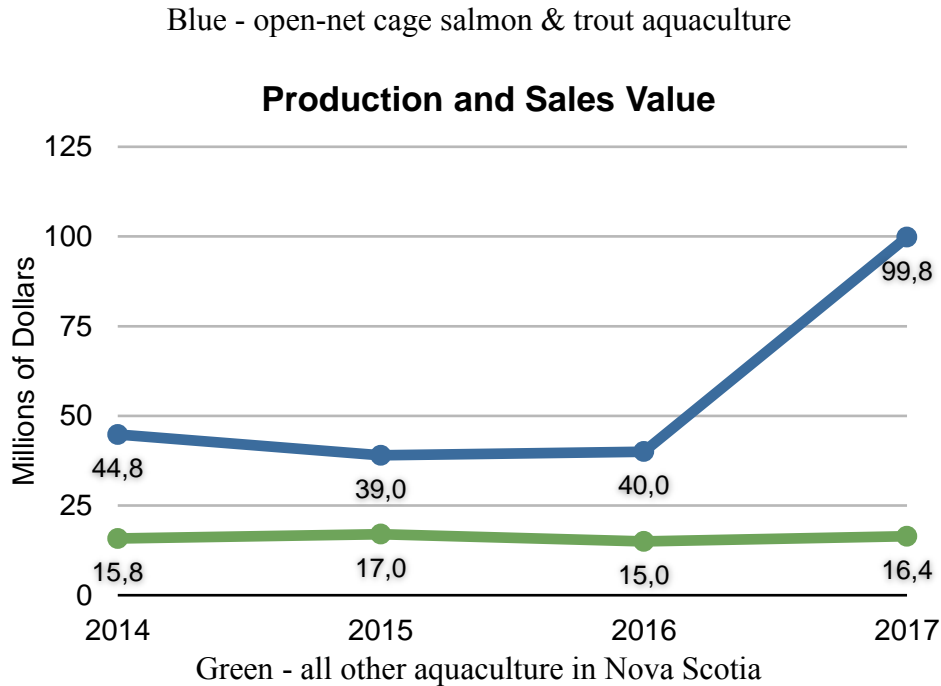


Marine Cage Salmon Aquaculture in NS

We calculate that for all of the conflict with fishermen and residents, for the huge amount of plastic pollution in our ocean and for the negative impact on the few remaining wild salmon in NS and NB, open-net cage salmon aquaculture is not even providing NS with enough money to cover the cost of regulating it.

The table below uses data from DFA's website.¹



The Minister and staff have been using these values as the actual dollar amount received by NS. For example on Oct 14, 2015 the Director of Aquaculture, Mr Bruce Hancock, stated to the Committee on Public Accounts:

Right now aquaculture plays a big role in the rural economy. As I mentioned, our farm-gate value is around \$60 million a year, and that's just the direct farm-gate sales. That does not reflect the processing that occurs, it doesn't reflect the feed mill operations that we have in Truro, all the logistical support that backs that up. *So it's an industry that's worth substantially more than that number,* (italics added)

And in DFA's News Releases:²

May 1, 2013, "The aquaculture industry generates about \$50 million annually."

Jan 12, 2016, "Aquaculture is worth more than \$60 million to the provincial economy..."

¹ see the full table at: <https://novascotia.ca/fish/aquaculture/economic-impact/>

² Find all DFA news releases here: <https://novascotia.ca/news/results.asp?deptnum=110>

Feb 01, 2017, "Aquaculture is worth about \$60 million annually to the Nova Scotia economy...".

In the following paragraphs we summarize the benefits and costs of open-net cage salmon aquaculture in NS as we know them.

Benefits to NS from the Marine Cage Aquaculture Industry

- Kelly Cove Salmon(KCS), in 2016, stated in a news article that they have 140 employees in NS, including those at the Truro feed mill.³
- In 2014 Minister Colwell stated that the average salary in the business is \$35,000⁴.
- For the value to NS of the 140 employees we calculated the provincial sales tax (10%) on the average salary times 140 and arrived at \$490,000.
- We have calculated the income received from KCS's leases and licenses to be approximately \$10,600 per year.
- Add the lease/licence revenue for a total benefit to NS of \$500,600.

Kelly Cove Salmon Ltd. (Cooke Aquaculture) is by far the largest producer of farmed salmon in the province. As far as we know, all of the salmon that they grow in NS are taken to New Brunswick for processing. They also bring their slaughter boats, well boats and crews from NB. Cage repairs are done by a NB company. Many of the salmon smolts that are destined for cages in NS come from hatcheries in NB. When the fish are transported by truck it is done by Shoreland Transport from NB, a division of Cooke Aquaculture.

There will, of course, be other sources of revenue from businesses that support the industry and we can only estimate that value. However, being very generous, *we are left to conclude that NS receives a benefit from salmon aquaculture of less than \$1 million per year.*

NS receives no income from the sale of aquaculture products as the producers are not taxed and it is not taxed when we buy it at the grocery store. To suggest that the Production and Sales Value is what salmon aquaculture is worth to NS is nothing more than myth-making.

³ <http://thechronicleherald.ca/novascotia/1335972-nova-scotia-to-cooke-aquaculture-pay-up-on-18m-loan>

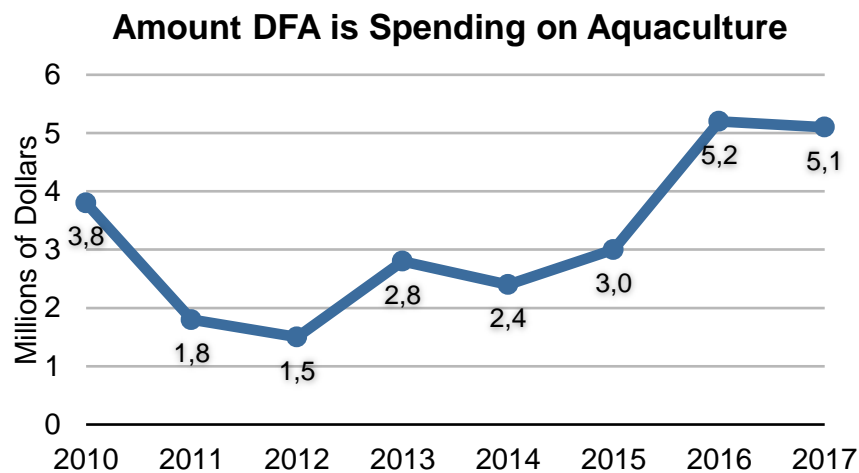
⁴ http://nslegislature.ca/index.php/committees/committee_hansard/c13/subsupplyapr8

What NS Spends on Aquaculture

The chart below, using data from the province's website⁵, shows that DFA has been spending millions every year on aquaculture. In 2016 they began a \$12 million five year program to develop the aquaculture industry, adding about \$2.4 million per year. That means we are now paying just over \$5 million per year for aquaculture.

DFA does not break down the numbers for finfish and shellfish but it would seem that most of their money and time is spent on finfish since that is the focus of the new legislation and regulations and the main purpose of the new lab, the new ROV and the additional staff.

Also, since NSE has taken on the role of enforcement there will be additional costs to taxpayers as they try to enforce regulations at open-net cage salmon leases.



Summary

We believe that NS is actually losing money on marine cage salmon aquaculture.

We estimate that it generates income of less than \$1 million while the province is spending far more than that on the staff hired to promote it, along with all the research grants and financial contributions.

⁵ See Department of Fisheries and Aquaculture Accountability Reports.
<https://novascotia.ca/government/accountability/>