

COMMENTARY: Aquaculture a broken business model that's ruinous for the environment

Contributed

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A Cooke Aquaculture salmon farm in Nova Scotia. - File



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Given the current awarding of "options for leases" for open-net aquaculture in our South Shore bays, it's important to gain a higher perspective on the business and economic

model being proposed, its effects on our local communities, and what alternatives may exist.

We live in one of those areas in North America where governments still allow a broken business and economic model for our natural resource utilization. The model tends to be the same across all natural resource sectors — forestry, mining and, in this case, the fishery.

In fact, both the method of open-net aquaculture and the business model being proposed to develop it will allow use of the valuable resource of our ocean bays in a way that will minimize local economic and social benefit while maximizing degradation of local environments.

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Simply stated, this broken model allows for:

1. Foreign or non-local corporations coming in to the area;
2. Extracting of maximal value out of the resource;
3. Using the lowest-cost technologies to maximize profits;
4. Extracting those profits, leaving little or none in the local area;
5. Leaving behind the maximum allowable environmental degradation for free (also called "externalities"), constrained by local regulations;
6. Creating the least number of local jobs possible (while using inflated job numbers to sell the project at the beginning).

The end result is that value from the resource is extracted, the profits are extracted, the resource is degraded, and communities only get a few part-time, hourly wage jobs — a

broken business model for local economics.

It is surprising that these options for leases have even seen the light of day, given the conclusions reached in the 2014 Doelle-Lahey Panel's report, A New Regulatory Framework for Low-Impact/High-Value Aquaculture in Nova Scotia:

"We conclude that a fundamental overhaul of the regulation of aquaculture in Nova Scotia is called for. We conclude that this overhaul should be guided by the idea that aquaculture that integrates economic prosperity, social well-being and environmental sustainability is one that is low impact and high value. By this, we mean aquaculture that combines two fundamental attributes: it has a low level of adverse environmental and social impact, which decreases over time; and from the use of coastal resources it produces a positive economic and social value, which is high and increases over time."

Options for leases for open-net aquaculture in our South Shore bays fulfils none of the criteria set out above. But that should come as no surprise. The economic and business model needed to fuel open-pen fish farming of the scale proposed for Nova Scotia is neither long-term economically nor environmentally sustainable. It is not community-friendly. It also does little to provide tax revenue to the government. This may be a case of effectively giving away an increasingly rare and valuable natural resource in an increasingly crowded world.

Yes, the world needs seafood. We have already reduced the natural biomass in our oceans by 90 per cent, largely using these same extractive models in the form of off-shore trawlers. Locals will tell you that there are few fish left in St. Margarets Bay, except small tinkers and squid. Aquaculture can and will be an essential and critical source of protein for an increasingly hungry world, and aquaculture production will need to increase.

It does not have to be this way. There are alternatives. Let's change the model. Let's grow fish in ways that maximize the local job count, retain profits for reinvestment in the local economy, and restore the health of the natural resource.

How?

There are an increasing number of examples around the world and in our region of locally owned businesses, socially responsible businesses, worker-owned businesses, community-owned businesses and co-operatives, which retain profits locally while utilizing a natural resource in a proper strategy of stewardship. The primary operating purpose and goals of these businesses can actually be to increase the number of jobs in a community and reinvest the profits locally.

Local ownership also means there is a locally vested interest in restoring and maintaining the health of the resource for the benefits of local residents, and a safeguard for the long-term health of the businesses that use the resource. These business models stand in stark contrast to those of foreign or non-local businesses that seek to extract maximum

value to their head offices with little regard for the long-term health of the resource.

A new locally owned business model can take advantage of existing and new aquaculture technologies. There are closed-loop, land-based aquaculture systems (e.g., recirculating aquaculture systems) that are well-proven and profitable. Some of these are operating in Nova Scotia. There are new designs for land-based systems that use wave-energy pumping of seawater to grow multiple species in a multi-tank ecosystem model, which has little or no impact on the natural resource. Importantly, proven and viable alternatives exist today to the antiquated open-pen approach.

We are at an important juncture. We can continue to support a broken business model or we can adopt new models that create opportunities for local communities in the St. Margarets Bay and South Shore region. There are proven ways to organize, finance and develop these models at the community level. The door is open for communities to secure their own economic futures.

Let's grow fish, but let's do it in a way that assures the maximum long-term economic benefit to our communities and the essential long-term stewardship of the beautiful bays that we call our home.

Robert Cervelli and Gregory Heming are, respectively, executive director and president of the Centre for Local Prosperity, a Nova Scotia non-profit organization promoting local economic solutions for rural communities throughout Canada.

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