

*Ensemble*

**POUR LA VIABILITÉ  
DE L'INDUSTRIE**

*Together, for a thriving industry*

| Temporary loan repayment  
relief for fishing businesses

**2008 - 2009**



Québec 



## 1 — OBJECTIVE

The Ministère de l'Agriculture, des Pêcheries et de l'Alimentation wishes to help fishing businesses in the catch sector affected, since 2003, by the elimination of temporary quotas and by the significant cuts in cod and snow crab quotas in some inshore fishing areas (IFA) as well as business affected by sharply lower shrimp, snow crab and scallop landing prices since 2005.

## 2 — MEANS

The Ministère de l'Agriculture, des Pêcheries et de l'Alimentation proposes temporary loan repayment relief to fishery businesses receiving government financial aid in the form of loans or loan guarantees to avoid their nonpayment under the terms of the financing agreements they have signed.

## 3 — ELIGIBLE BUSINESSES

Any Québec fisher who is a member of a core group or holder of a business licence as designated by the Department of Fisheries and Oceans (DFO), and who owns a vessel, is bound to the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation or a financial institution under the terms of a loan or loan guarantee affecting his vessel, whose primary source of income in 2008 is connected to the operation of one of the licences mentioned below and who:

**In the case of a fishing business affected, since 2003, by the elimination of temporary quotas or by significant cuts in cod and snow crab quotas for inshore fishing areas:**

- In 2002, held a mobile gear groundfish fishing licence; or
- In 2002, held a fixed gear groundfish fishing licence; or
- In 2002, held a permanent snow crab fishing licence for inshore fishing areas (IFA) 13 or 14; or
- In 2002, held temporary snow crab quotas for inshore fishing areas (IFA) 14, 15 or 16 and did not hold a permanent snow crab fishing licence.

**In the case of a fishing business affected by sharply lower earnings derived from shrimp, snow crab or scallop fishing since 2005:**

- In 2005, held a permanent snow crab fishing licence or a temporary quota for inshore fishing areas 12A, 12B, 12C, 12E, 12F, 15, 16 or 17; or
- In 2005, held a permanent shrimp fishing licence or a temporary Group A or Group B quota as defined by the Department of Fisheries and Oceans Canada (DFO); or
- In 2007, held a scallop fishing licence for inshore fishing areas (IFA) 16A to 16H, 17, 18A, 18B, 18C, 19A, 20A, 20B or 20E.

**In addition, to be eligible a groundfish fishing business must:**

- Operate a fishing vessel using mobile gear and show that over 50% of the average annual value of its landings during two of the four years from 1988 to 1991 was derived from groundfish; or
- Operate a fishing vessel using fixed gear with average annual landings of groundfish and pelagic fish of at least 5 metric tonnes during two of the four years from 1988 to 1991, as long as over 50% of the average annual value of its total vessel landings during those two years was generated by groundfish and pelagic fish; or
- Operate a vessel using fixed gear or mobile gear, and have earned at least 25% of its gross income from the groundfish fishery, and have earned an average annual gross income of at least \$5,000 from the groundfish fishery in 2000, 2001 and 2002.

## **4 — AID OFFERED TO FISHING BUSINESSES**

Eligible fishing businesses that have received a loan or loan guarantee from the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation can apply for temporary loan repayment relief for fishing businesses. The aid offered will enable recipients to defer payment of monies due under the terms of loans granted or guaranteed by the Ministère.

Consequently, any non-payment on the part of eligible fishing businesses that would occur if this aid measure were not applied shall therefore be lawfully excused.

This measure applies only to financing granted prior to April 1, 2006.

## 5 — SPECIFIC CONDITIONS

- 5.1** Eligible businesses must sign the *Temporary loan repayment relief for fishing businesses* agreement.
- 5.2** Eligible businesses earning income from fishing, boat rental or any other activity involving a boat during the period this aid measure applies must set aside the following minimum deduction:
- 5.2.1** In the case of a fishing business operating in IFAs 15, 16 or 17, at least 25% of all its gross earnings, said monies to be applied in the following manner up to an amount sufficient to avoid any late payment of loans at any time while the relief agreement is in effect:
- first, to pay the insurance premium for the vessel;
  - second, to repay the capital due or the capital that will fall due during the relief period; and
  - third, to repay interest due on the financing granted.
- 5.2.2** In the case of any other business, at least 18% of all its gross business earnings, up to an amount sufficient to pay the insurance premium for the vessel.
- 5.3** Eligible businesses must land their marine product catches in Québec and must:
- In the case of marine products other than seal, sell, cede, deliver or transfer them only to one of the following:
    - a) An operator, within the meaning of Section 3 of the *Marine Product Processing Act* (R.S.Q., c. T-11.01), who is the holder of a licence issued by the Ministère pursuant to Section 9, Subparagraph e, of the *Food Products Act* (R.S.Q., c. P 29);
    - b) A holder of an acquirer's licence issued by the Ministère pursuant to Division III of the *Marine Product Processing Act*;
    - c) A retailer who deals exclusively in retail sales, who holds the required municipal permits and, if said retailer also prepares foods, who holds a food processor's licence issued by the Ministère pursuant to Section 9, Subparagraph m, of the *Food Products Act*;
    - d) A restaurateur, within the meaning of Section 3 of the *Marine Product Processing Act*; or
    - e) A consumer.

- In the case of seal, sell, cede or transfer the products only to the holder of a licence or an autorisation required under the Food Products Act allowing its holder to prepare, condition or process said products for wholesale sale purposes.

Eligible fishing businesses recognise that it is their responsibility to ensure that the buyers with which they do business meet these criteria, and to prove, to the satisfaction of the Ministère, that they have complied with this commitment if requested to do so by the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation.

The fishing business further recognises that it has been informed that this commitment is one of the essential considerations motivating its acceptance into the program by the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation and that, barring fortuitous circumstances, any failure to fulfill this commitment not authorised in advance in writing shall constitute an act of non-compliance that may result – without the need for advance legal notice – in the loss of any benefits provided under this program; a non-compliant beneficiary can notably lose its financial support and be required to repay any amounts already received.

## 6 — PROCEDURE

Fishing businesses seeking to take advantage of this measure must contact one of the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation regional directorates responsible for commercial fisheries and aquaculture.

## 7 — GENERAL PROVISION

When eligible businesses obtain financial aid from another ministry, public organisation or the federal government for expenditures for which the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation has offered aid under this program, the amount of said outside aid shall be deducted from that provided or established under this program.

## 8 — DURATION OF PROGRAM

The *Temporary loan repayment relief program for fishing businesses* shall be in effect until March 31, 2009.

N.B.: This English translation is provided as a courtesy to English-speaking parties. For any interpretation purposes, at all times and in all cases, the original French version of this program shall have precedence and force of law.





*Agriculture, Pêcheries  
et Alimentation*

Québec 

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