

## Navigating COVID-19 Financial Support Programs – A Guide for First Nations in Fisheries

The COVID-19 pandemic has impacted global markets, resulting in financial strain and instability across Canada's fishing and aquaculture industries. Additionally, the implementation of public health and safety measures challenge the feasibility of fishing activities. First Nations are experiencing these impacts acutely as many communities depend on fish for their physical, cultural, and economic livelihood.

Fisheries and Oceans Canada has established a [Frequently Asked Questions site](#) for COVID-related information. As part of the COVID-19 response plan, the federal government is providing \$305 million for an Indigenous Community Support Fund and has also announced \$306.8 million in [support for Indigenous businesses](#). Nonetheless, there is currently no response program directed specifically at First Nations fisheries and aquaculture businesses and individuals.

The following is a summary of the income support programs currently available to individuals or companies in the fisheries and aquaculture industries.

### Support for Fisheries and Aquaculture Production and Processing Industries

## Fish Harvester Benefit and Grant Program

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This program was announced by the Prime Minister in May 2020 and will provide up to \$470 million dollars to fishers. The **Fish Harvester Benefit** offers income support to self-employed fish harvesters and sharepersons. The benefit covers up to 75% of income losses beyond a 25% threshold for the 2020 tax year when compared to 2018 or 2019. The **Fish Harvester Grant** is a non-repayable grant to self-employed fish harvesters with a valid commercial fishing licence in 2020 (issued by DFO or their Province or Territory for freshwater commercial harvesters).

### Canadian Seafood Stabilization Fund

This \$62.5 million fund announced on April 25, 2020, will be delivered through the Atlantic Canada Opportunities Agency, Canada Economic Development for Quebec Regions, and Western Economic Diversification Canada.

The aquaculture industry will be eligible to apply for support if they are a processing business. Businesses are able to access funds to add storage capacity, new manufacturing technologies, transportation for shipping products, and other emerging pressures such as implementing safety measures.

The fund is intended to assist the fish and seafood processing sector:

- access short-term financing to pay for maintenance and inventory costs;
- add storage capacity for unsold product;
- comply with new health and safety measures for workers;
- support new manufacturing/automated technologies to improve productivity and product quality; and
- adapt products to respond to changing requirements and new market demands.

More information on this fund can be found at the [DFO FAQ site](#) under 'Canadian Seafood Stabilization Fund'.

### [Farm Credit Canada Support](#)

This applies to fishing and aquaculture businesses and fish processors who may need lending services, such as a deferral of principal and interest payments on existing loans for 6 months **or** a deferral of principal payments for up to 12 months, access to additional line of credit of up to \$500,000, and access to an additional term loan up to \$2.5 million. This loan applies to operational business expenses to address cashflow issues.

[Two additional benefit programs](#) have been announced recently. The Fish Harvester Benefit is a \$267.7M program provides income support to self-employed harvesters and sharepersons crew who cannot access the Canada Emergency Response Benefit program. Those experiencing fishing income declines of more than 25 percent in the 2020 tax year can receive up to a maximum of \$847 per week for up to 12 weeks. The \$201.8 million Fish Harvester Grant provides grants to help impacted fish harvesters who may be ineligible for the Canada Emergency Business Account. The program provides a non-repayable support of up to \$10,000 to self-employed fish harvesters with a valid fishing licence. This program is intended to allow individuals to address their non-deferrable business costs.

### [Business Credit Availability Program](#)

These programs are a series of loans from Export Development Canada and the Business Development Bank of Canada. These loans will have to be paid back in regular payments over a set period of time. Interested parties should contact their primary financial institutions for more information.

- The [Canada Emergency Business Account](#) provides up to \$40,000 in 0% interest loans until Dec 31, 2022, for small businesses and not-for profits that had a 2019 payroll between \$20,000 and \$1.5 million. If the loan is paid off by Dec 31, 2022, a quarter of the loan will be forgiven.
- Export Development Canada has a [Loan Guarantee for Small and Medium-sized Enterprises \(SMEs\)](#) to provide credit and cash flow loans of up to \$6.25 million from their existing financial institutions. These funds are for operational expenses (not dividend payouts, shareholder loans, bonuses, stock buyback, increases to executive compensation or repayment/refinancing of other debt). Government organizations or bodies owned by government organizations are not supported by this program.
- The [Business Development Bank of Canada](#) has some programs for small businesses, including a co-lending program for SMEs that provides loans for operational cash flow requirements, which could include interest payments on existing debt.

### Wage Subsidy Programs

- The [Canada Emergency Wage Subsidy](#) is available to employers who have experienced a drop of at least 30% of their revenue, and provides employers a temporary wage subsidy of up to 75% for 3 months to help prevent lay-offs. Eligible employers include individuals (including trusts), taxable corporations, partnerships consisting of eligible employers, non-profit organizations and registered charities. More details on eligibility requirements and subsidy calculation can be found [here](#).
- The [10% wage subsidy program](#) is another program to provide small businesses a 10% wage subsidy over three months to reduce the amount of payroll deductions required to Canada Revenue Agency (CRA). Eligible employers include individuals (excluding trusts), partnerships, non-profit organizations, registered charities, or Canadian-controlled private corporations

(including cooperative corporations). More details on eligibility requirements can be found [here](#).

### Support for Individuals

Individuals (harvesters, fishing crew, processing plant workers, etc.) can apply for temporary income support either through [Employment Insurance Fishing Benefits](#) and/or the [Canada Emergency Response Benefit](#) (CERB - closed September 26, 2020. See **[Employment Insurance new recovery benefits program](#)**). Employment Insurance rules will be changed so that fish harvesters can apply based on earnings from previous seasons.