

# Reimagining Economic Development on The Great Northern Peninsula: A PLACE Case Study of St. Anthony Basin Resources Inc.

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SABRI is a salient example of what is possible in rural places when traditional industry is reimagined as a community-owned social enterprise. On April 23, 1997, the federal Minister of Fisheries and Oceans announced a 57% increase in total allowable catch of northern shrimp throughout Newfoundland and Labrador. A special 3000 metric tonne allocation was secured for the 17 communities along the northern part of Newfoundland's Great Northern Peninsula (GNP). The quota was to be collectively administered by a new organization, St. Anthony Basin Resources Inc. (SABRI). SABRI's mission was to reinvest all royalties from the shrimp quota "to expand the economic base and create employment opportunities in harmony with a rural setting and lifestyle".<sup>2</sup>

For twenty-five years, SABRI has carved out a path to rural resilience through place-based social enterprise across the St. Anthony Basin region. Through ongoing diversification of its revenue streams and a relentless commitment to partnerships, SABRI has forged its own place as a new player in the centuries-old fishing industry in Newfoundland and



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<sup>2</sup> SABRI, "Home," 2023, <https://sabrnl.com>.

Labrador. SABRI has been met with hard lessons as well as successes, momentum as well as set-backs. But, despite the challenges, SABRI's story is one of successful community economic development. Some of its key accomplishments include: rebuilding the local fish plant, developing a state-of-the-art cold storage facility, constructing the regional Iceberg Trail, establishing the local cruise ship industry, providing grants for healthcare, youth recreation and student scholarships, and building a senior's housing development.

Highlighted via the five pillars of the PLACE Framework—**promote community leaders, link divergent perspectives, amplify local capacities & assets, convey compelling stories**, and **engage both/and thinking**—the SABRI story serves to spark hope and inspiration for other rural leaders seeking to re-think how traditional industry can support and sustain jobs, the economy, and a rich quality of life in their communities.

### **Securing a Piece of Industry for the Community**

Before the 1992 groundfish moratorium, seafood processor, Fishery Products International Ltd. (FPI), held two shrimp licenses in St. Anthony Basin. With the onset of the moratorium, FPI left and the quotas disappeared. St. Anthony-native, Wayne Noel, was a long-standing volunteer board member of Rising Sun Developers, a small economic development subsidiary of the St. Anthony Town Council. Unable to resurface the licenses, Noel and the Rising Sun team requested a quota of their own.

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In May 1997, despite intense protest from industry players, the Fisheries Minister granted a special 3,000 metric tonne quota to the 17 communities from Big Brook to Goose Cove East (this changed to 16 communities in 2004 with the

resettlement of Big Brook). SABRI was formed to administer the quota on behalf of the communities. A new non-profit organization with a 15-member volunteer board, SABRI **promoted community champions** from across local communities, the fishing sector, and economic development groups to sit on its board and set the course for rural

economic development in the St. Anthony Basin region.<sup>3</sup> Noel was elected to the seat representing Rising Sun, a position he would hold for the next 25 years.

SABRI's first major order of business was selecting a private contractor to fish the quota in return for royalties. But SABRI wasn't just looking for a shrimp harvester, they were seeking a community partner. In addition to harvesting the designated quota, the successful organization would hire local fishers, land a portion of the catch in St. Anthony, and help re-establish the local fish plant. The board selected Clearwater Fine Foods (Clearwater) out of Nova Scotia. The next year, SABRI, Clearwater, and two Icelandic companies partnered to build a new fish plant for the region, St. Anthony Seafoods. The operation saw the reinstatement of the multi-species licence, and by 1999, employed 150 people with a processing capacity of 100,000 products per day for distribution throughout the world.<sup>4</sup> "Clearwater was very good," reported Noel, "They lived up to all requirements and are still fishing that quota today."

### **Regional Impact: Where to Start**

With the opening of St. Anthony Seafoods, Sam Elliott stepped up as SABRI's Executive Director. Born and raised in St. Anthony, Elliott recalled, "My role with SABRI was looking for new opportunities. Money was still good and the only initiative at the time was the fish plant." With the fish plant open and royalties flowing, how could SABRI use the proceeds to best benefit the communities in the St. Anthony Basin region over the long-term?

After considerable debate, the board decided to divide the royalties among the communities, granting \$10,000 to three communities each year, on a rotating basis. With the funds came the autonomy for each community to determine its own socio-economic needs and priorities (**promote community champions**). After the first few years, however, the approach proved less effective than hoped. The individual communities were small and without formalized processes for managing the funds. "It was a very good lesson," reflected Noel, "The communities didn't have the resources to use the money effectively. They were looking to SABRI for leadership."

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<sup>3</sup> SABRI, "Background," SABRI, 2023, <https://sabinl.com/background>.

<sup>4</sup> Paul Foley, Charles Mather, and Barbara Neis, "Fisheries allocation policies and regional development: successes from the Newfoundland and Labrador shrimp fishery," The Harris Centre, Memorial University, September 2013, <https://research.library.mun.ca/6237/1/FISHERIES.ALLOCATION.POLICIES.pdf>

SABRI held a regional meeting to seek a more effective way forward. The board decided to pool the royalties to leverage additional funding for major projects and infrastructure on behalf of the entire region. It would be up to SABRI to determine what ideas could be viable and to pull together the partners and resources to make it happen. It was a change that saw SABRI settle into the role it would hold in the community going forward.

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### Discovering Partnerships in Community

Now came the opportunity for SABRI to open its doors to the diverse ideas and perspectives of all 16 communities; collecting ideas for regional economic development from individuals and organizations all across the St. Anthony Basin region (**link divergent perspectives**). Noel shared, “SABRI became the ‘go to’ group for ideas. Local board members, mayors, council representatives, members of the chamber of commerce, and general folks would put forth ideas. SABRI became the economic engine moving those ideas forward. If it was worth pursuing, we did.”

The Port Authority stepped forward with a request for a new public wharf in St. Anthony Harbour. This time, SABRI approached the federal and provincial government for support. A key partnership formed between SABRI, the Port Authority, the Town of St. Anthony, Atlantic Canada Opportunities Agency (ACOA), and the Government of Newfoundland and Labrador. “Today, it’s hard for communities to make money. They have to come up with 30% to leverage funds. What community can do that?” posed Noel. “SABRI filled the gap. We created the partnership to raise the money for the wharf.”

The successes that flowed from these early partnerships with Clearwater, local groups, and government were only the beginning of SABRI’s deep commitment to partnership. **Linking divergent perspectives** remained an essential element of SABRI’s every initiative, from building the over 40 kilometer Iceberg Trail system, to dredging the harbour to invite international cruise ships to port. Through partnership, SABRI brought diverse talents, opinions, and expertise from across the region, province, and the world to the St.

Anthony Basin region on the GNP.<sup>5</sup> “Partnership and collaboration were what we fed on,” confirmed Noel.

## Thinking Beyond Financial Returns

As the community stepped forward with ideas, SABRI felt there was one outstanding project needed to further **amplify local capacities & assets** in the region—a state-of-the-art cold storage facility. Without cold storage, all product processed at St. Anthony Seafoods was immediately transported, fresh, out of the region at a significant opportunity cost. “There was a lot of fish going through. It was sitting over in Europe waiting for a buyer” recalled Elliott. Holding the product locally in a cold storage facility would invite the international market to the GNP, allowing St. Anthony Seafoods to maximize their product lines and gain a stronger position for price negotiations. The 50,000 square foot state-of-the-art facility would cost \$10 million.

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The first step was presenting the idea to their partners. “We want to do this” Noel recalls telling Clearwater CEO, accomplished businessman, John Risley. But Risley wasn’t interested, “You’re crazy. There’s not a cold storage in the country that makes money,” he replied. Disappointed but not discouraged, Noel responded, “I’m not in the

business of making money. I’m in the business of making economic activity” (**engage both/and thinking**). As a social enterprise operating in traditional industry, SABRI had become proficient at thinking differently, engaging a both/and approach rather than optimizing only for financial gain. “But no one would look at us,” recalls Elliott of their attempts to partner. Given the importance of the project to the region, SABRI secured a \$3 million loan from ACOA, and pursued the cold storage project on their own.

Construction of the facility began June 2003 and the doors opened November the following year. Recognizing they had no in-house knowledge of operating a cold storage facility, SABRI did what they did best, sought out a partner. This time they brought a new

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<sup>5</sup> Brennan Lowery, Sam Elliot, Sam Langer, Mark Stoddart and Kelly Vodden, “Linking Divergent Perspectives and Stakeholders: A Case Study of St. Anthony Basin Resources Incorporated,” in *Revitalizing PLACE through Social Enterprise*, eds. Natalie Slawinski, Brennan Lowery, Ario Seto, Mark Stoddart and Kelly Vodden (St. John’s: Memorial University Press, 2023), 81-106.

international perspective to the region (**link divergent perspectives**), signing a 25-year lease with Icelandic shipping company, Eimskip. The benefits were two-fold: SABRI gained a new revenue stream as landlord of the cold storage facility, and St. Anthony became an international container port creating tremendous economic activity for the region. As of 2023, the facility was still in operation, open year-round, and employed 50 people at peak season. “[The cold storage facility] achieved what it set out to do”, boasted Elliott. Noel agreed, “It was a good investment.”

### Finding the Silver Lining

In 2016 SABRI faced a challenging blow. The Minister of Fisheries and Oceans reduced the total allowable catch of northern shrimp by 42.3%. SABRI’s quota dropped by over 80%, from 3,000 metric tonnes to approximately 400.<sup>6</sup> “We had to scale back the big projects we were dreaming up,” recalled Elliott. At the time, SABRI was working on a mussel farm in the St. Lunaire-Griquet area. The farm itself wasn’t profitable, but it served to increase employment and helped attract seasonal tourists for restaurants and grocery stores selling fresh local mussels. “We weren’t out to make a profit. If we had to spend a little to create employment, we would do it,” recalled Elliott. But with the quota cut, the mussel farm, and several other projects, ceased operation.

Despite the setbacks, there was a silver lining. SABRI lobbied government for a permanent quota. Instead of waiting each year to hear whether or not their allocation would change, SABRI gained a 4.5% lifetime quota of northern shrimp in St. Anthony Basin. And while annual royalties from the shrimp fishery dropped from \$1.5million to \$450,000, SABRI had worked hard to build a diverse business portfolio which included a 25% share in St. Anthony Seafoods, rental proceeds from the cold storage facility, and income for administrating the ongoing construction of the Iceberg Trail system. By **engaging both/and thinking** SABRI had both bolstered economic activity across their region and generated enough financial diversity to weather a major blow to their primary industry. Going forward, **engaging both/and thinking** would be more important than ever to maintain social purpose while generating meaningful revenue.

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<sup>6</sup> SABRI, “Background,” SABRI, 2023, <https://sabrini.com/background>.



## A Full-Circle Opportunity

In 2019, SABRI launched SABRI Estates, a 26-unit retirement housing project. More than a residential real estate opportunity, SABRI Estates was a “full-circle” opportunity for the organization.” Noel reflected, “We’ve been at this 25-years, and most of the fishermen we supported [with jobs] in the beginning are now seniors.” Just as the lack of post-moratorium jobs risked fishers leaving the region in the 1990s, two decades later, a lack of retirement housing posed the same threat. Not only did SABRI Estates retain the community’s senior population, it freed up a surplus of large family homes key for attracting new families and young professionals to the area (**amplify local capacities & assets**). The regional economic benefits were tremendous and the rental model provided SABRI with yet another reliable revenue stream (**engage both/and thinking**).

After 22 years as Executive Director of SABRI, Elliott himself was ready for retirement. Once again, the organization attracted a successful candidate from the St. Anthony Basin region to take the reins. Christopher Mitchelmore moved from his

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role as Provincial Minister of Advanced Education, Skills and Labour into SABRI’s Executive Director position after 10-years as a Member of the House of Assembly. He commented on the benefits of SABRI Estates to his home community, “We have an aging population throughout our region and across the province. But wherever there’s a challenge, there’s an opportunity. It puts pressure on our organization to do more, to bring together our partners. We have a job to do, to expand the population base.”

SABRI Estates attracted partners from all levels of government and the community. By now, the organization’s propensity for partnering had become more than best practice, it had become a core value and a central part of SABRI’s success story (**convey compelling stories**). Mitchelmore reiterated, “Everything we’ve done has been through partnerships. We don’t exist or move without a partner and a plan for how to progress forward.” Noel agreed, “Everything we do is about partnerships,” he echoed.

## Rural Resilience through Reimagining Traditional Industry

St. Anthony Basin Resources Inc. is a compelling model of place-based social enterprise in Newfoundland and Labrador. From conception, SABRI has successfully supported its

social mission via participation in the province's traditional fishing sector. But achieving rural resilience hasn't been easy. Decades—sometimes centuries—of evolving policies, laws, players, and history can make for a complicated and frustrating business arena, especially for a new-entrant with a social mission. Noel reflected, “[When SABRI was founded] there was so much opposition from the fishermen that government never did it again. No other quota has been given to any other community since. A colossal mistake.” Mitchelmore insisted there's an opportunity for more social enterprises to get involved in traditional industry. He encouraged rural leaders to question: “Are there resources like mining, the forestry sector or others where a royalty can be administered for the community?”

Despite its success, SABRI doesn't take its northern shrimp quota for granted. In anticipation of the northern shrimp's eventual decline, SABRI is lobbying for their 4.5% share to apply to any quota that comes into the region, while continuing to pursue other creative approaches to financing economic activity. Mitchelmore elaborated, “SABRI has to remain true to its mandate—the fishery will always be core to what we do. But we're also looking at other aspects of food security, housing and transportation to support our rural way of life.”

While other organizations and indigenous communities throughout the province hold fishing quotas, it has been SABRI's reimagining of this traditional industry that has incited rural resilience across the St. Anthony Basin region over the past 25 years. The novelty of SABRI's approach can be highlighted through the five pillars of the PLACE Framework. By **promoting** the ideas of diverse **community leaders**, **linking divergent perspectives** through a deep commitment to partnerships, selecting initiatives that **amplify** regional **capacities and assets**, promoting strategic partnership to **convey** a **compelling** organizational **story**, and making unconventional decisions through a lens of **engaging both/and thinking**, SABRI has brought meaningful socio-economic advancements to the St. Anthony Basin region on Newfoundland and Labrador's Great Northern Peninsula.