



Collaborative Campaigning for Food Sovereignty & Environmental Justice

To: The Honourable Diane LeBouthillier, Minister of Fisheries, Oceans and the Canadian Coast Guard;  
The Honourable Zack Bell, Minister of Fisheries, Tourism, Sport and Culture, Province of Prince Edward Island;  
Darren Noonan, Auditor General of Prince Edward Island;  
Karen Hogan, Auditor General of Canada.  
CC: The Honourable Zack Bell, Minister of Fisheries, Tourism, Sport and Culture, Province of Prince Edward Island;  
Mike Kelloway, Parliamentary Secretary to the Minister of Fisheries, Oceans and the Canadian Coast Guard;  
The Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food Canada, Member of Parliament for Cardigan;  
Sean Casey, Member of Parliament for Charlottetown;  
Heath MacDonald, Member of Parliament for Malpeque;  
Bobby Morrissey, Member of Parliament for Egmont.

**RE: Request to investigate decisions to provide public funds to AquaBounty**

December 2, 2024

Dear Ministers and Auditors General,

We are writing to express our concern about government funding for the company AquaBounty including the most recent funding announcement of November 13, 2024 and to ask for a review of decision-making relating to this latest decision and the history of decision-making at the federal and provincial levels that has resulted in the continued allocation of public funds despite the company's ongoing financial struggles and a continued public controversy over the company's lead product.

The biotechnology/aquaculture company AquaBounty, headquartered in the US with a Canadian subsidiary, is built on the promotion and production of its controversial genetically engineered (genetically modified or GM) salmon, which was the first GM animal in the world (first sold in Canada in 2017<sup>1</sup>). AquaBounty began raising GM salmon in Canada in 2019/2020 (with a first "harvest" in 2021) but the company has now closed all its GM salmon production facilities (in Canada, the US and Panama).

The federal and PEI governments have been providing various loans, financing and grants to AquaBounty since at least 1999 and departmental decisions to provide such supports have

repeatedly been made despite the high-profile public controversy over its GM product and the company's poor track record repaying government loans and its ongoing financial struggles.

We are concerned that departments have not been doing their due diligence in decision-making relating to funding supports for AquaBounty and we are additionally concerned that AquaBounty is misrepresenting their business to the public. We question the ability of the company to successfully use the public funds provided on November 13<sup>th</sup> and repay its outstanding loan from the Government of Prince Edward Island.

**We therefore ask the Auditor General of Canada and the Auditor General of Prince Edward Island to undertake an investigation into government decision-making relating to AquaBounty to ensure that the allocation of public funds is in the public interest and to provide transparency and accountability to Canadians.**

In the following, we provide information on the current financial state of AquaBounty, the company's outdated website, and the public controversy over its GM salmon as well as a timeline of public funding to AquaBounty with a timeline of the company's financial struggles.

### **AquaBounty's Financial Situation Should Make it Ineligible for Funding**

On November 13, 2024, the Government of Canada and Government of Prince Edward Island announced funds of \$231,095 for the company AquaBounty. Of the \$231,095 announced, \$99,949 came from Atlantic Fisheries Fund of the Department of Fisheries and Oceans.<sup>2</sup> AquaBounty was one of 39 companies funded "to help improve quality, productivity and sustainability in the provincial fish and seafood sector"<sup>3</sup>

These funds provided to AquaBounty were categorized under the "Infrastructure" pillar "to adopt or adapt new technologies, processes, or equipment to improve the effectiveness and sustainability of the fish and seafood sector." However, AquaBounty has been selling off its assets and has little remaining infrastructure. The provided funds are to be used for: "Adoption of new equipment to gain efficiency and increase production of the salmon hatchery incubation system."<sup>4</sup> However, it is unclear that AquaBounty has the infrastructure to implement this work because its "state-of-the-art hatchery" at Rollo Bay<sup>5</sup> is closed, leaving only a small R&D facility in Bay Fortune, PEI.

AquaBounty describes its now-closed Rollo Bay hatchery as follows: "*AquaBounty's Rollo Bay farm is home to a state-of-the-art R&D hatchery and broodstock facility. Located in the eastern portion of Prince Edward Island, our Rollo Bay farm is focused on caring for AquaBounty's broodstock and for ongoing salmon egg production. The facility is expanding to support a growing demand for traditional Atlantic salmon egg production.*"<sup>6</sup>

AquaBounty also describes the role of Rollo Bay in a vertical integration which no longer exists: "*AquaBounty's Rollo Bay farm cares for our salmon broodstock eggs, and fry in a state-of-the-art hatchery using Recirculating Aquaculture Systems technology. We are unique among land-based RAS farms due to our vertical integration in all aspects of salmon production – from egg to harvest.*"<sup>7</sup>

AquaBounty now only retains a small, long-standing research and development facility at Bay Fortune, PEI, which the company says will produce GM salmon eggs for its not-yet-built salmon production facility in Ohio. However, construction of the Ohio facility has been on hold since June 2023. The facility at Bay Fortune (Fortune Bay) is described by AquaBounty as “The First of Our Farms Turned R&D Lab: The original home of our aquaculture innovations and AquaAdvantage salmon, our Fortune Bay location now operates primarily as an R&D facility.”<sup>8</sup>

### **AquaBounty’s Financially Viability**

We are concerned that the departments have not done their due diligence to research the status of this company to discover the following relevant information:

- In February 2023, AquaBounty announced it was closing its GM salmon production facility at Rollo Bay, PEI.<sup>9</sup> The building went up for sale in September 2024.<sup>10</sup>
- In September 2024, the company sold their only other plant, in Indiana, US.<sup>11</sup>
- The company has a small research and development facility at Bay Fortune, PEI, which they say will produce GM salmon eggs for its not-yet-built production facility in Ohio but construction of this facility been on hold since June 2023.<sup>12</sup> AquaBounty reports selling equipment from the Ohio facility.<sup>13</sup>

Additionally, the November 13, 2024, announcement of funding was followed by the November 19 article “AquaBounty lays off staff as company denies rumors of shutting down” in the seafood industry media *Undercurrent News* which reported sources as saying that AquaBounty laid off twenty staff in PEI in October and “another handful” in November.<sup>14</sup>

Founded in 1991, AquaBounty has never been consistently profitable and based on the last quarter’s filing their financial position has never been more precarious.<sup>15</sup> The company reported a loss of USD \$3.4 million and stated cash, cash equivalents and restricted cash totaled \$500,000 as of September 30, 2024, as compared to \$9.2 million as of December 31, 2023. Without revenue from the sale of its Indiana facility, the last quarter loss would have been significantly greater. AquaBounty’s share price has lost 75% of its value in the last four years. In 2022, the NASDAQ threatened AquaBounty with delisting because of its low share price (below USD \$1.00 for over 30 consecutive days)<sup>16</sup> – this threat was lifted in November 2023 but AquaBounty’s the current price, at the end of November 2024, is hovering around a dollar.

### **AquaBounty Appears to be Misrepresenting its Business to the Public**

We are additionally concerned that, though the company’s sales of assets have been widely reported in the media, as of November 25, 2024, AquaBounty’s website was still profiling its Rollo Bay and its Indiana sites (under the section “Our Farms”) without reference to the closure of these facilities.<sup>17</sup> This adds to our concern that departments are not doing their due diligence to research the status of companies that are eligible for government funds.

## **Ongoing Controversy Over AquaBounty's GM Product**

AquaBounty's primary product is a genetically engineered (genetically modified) Atlantic salmon containing genetic material from two other species that the company claims grows faster than conventional salmon. It was the world's first commercialized GM food animal, and the world's first GM fish for food use. Canada was the first country in the world where the GM salmon was sold starting in 2017 (from a small pilot plant in Panama that is now closed).

The first demonstration against this GM salmon was outside AquaBounty's research site in Bay Fortune, PEI, in March 2021, coordinated by Greenpeace International with participation from local residents. Protests and public events outlining concerns over the environmental, health and social issues have continued since.<sup>18</sup>

There is no mandatory labelling of GM foods in Canada and the GM salmon was never labelled as GM for Canadians. Public opinion polls over the past thirty years consistently show that a vast majority of Canadians want mandatory labelling.<sup>19</sup> Despite this lack of transparency on the market, Canadian consumers still made their opposition to this GM salmon known. In 2022, the Ontario/Quebec grocery chain Metro made a public commitment in its Corporate Responsibility Plan 2022-2026<sup>20</sup> that it will not sell the GM salmon and in 2018 at least one Farm Boy store in Ottawa was declaring the salmon at its fish counter as "non-GMO".

A 2015 public opinion poll commissioned by CBAN found that almost half (45%) of Canadians said they would definitely not eat the GM salmon (11% said they would; 32% say maybe; and 12% say they don't know or did not have an opinion). Six in ten (59%) oppose genetically modifying crops and animals to produce food, and one in three (34%) say they support it.<sup>21</sup>

## **Decades of Government Funding and AquaBounty's Track Record**

AquaBounty has benefited from at least five federal government loans, one federal government grant, and two provincial government loans. Between 2002 and 2017, the Government of P.E.I. provided \$818,000 in non-repayable support to AquaBounty including grants and labour incentives.<sup>22</sup> By March 2018, public funds of at least \$8.2 million had been invested in the development of the GM salmon.<sup>23</sup>

The following is a timeline of federal and provincial government grants and loans to AquaBounty with a concurrent timeline of events in AquaBounty's financial history:

In 1999, AquaBounty Canada received an interest-free loan of just under \$3 million from the federal government's Technology Partnerships Canada with repayment to take the form of a small royalty on company revenues. The financing was never repaid, because in 2014, the year the term of the agreement expired, AquaBounty had not generated any revenues from its fish.<sup>24</sup>

In 2009, the federal government's Atlantic Canada Opportunities Agency (ACOA) provided \$2.87 million to AquaBounty to support research. This agreement provided for a 10% royalty from product sales to the federal government. (In 2018, the Canadian Biotechnology Action

Network requested information on this royalty agreement from the Minister of Innovation, Science and Economic Development<sup>25</sup> but the request was denied.<sup>26</sup>)

In 2016, ACOA gave the company an unconditionally repayable fund of \$337,000 to develop its hatchery.

In 2016, Finance PEI provided \$574,678 to partially finance the purchase of the assets of the former Atlantic Sea Smolt plant in Rollo Bay West.

In 2016, The Island Investment Development Inc. approved a PEI government loan of \$717,000.

In 2018, The Government of PEI, under the Century 2000 Fund Inc., provided a \$2.7 million loan to help AquaBounty finish construction of its GM fish factory at Rollo Bay.<sup>27</sup>

In 2020, AquaBounty entered into a contribution agreement with the Department of Fisheries and Ocean's Atlantic Fisheries Fund whereby it was eligible to receive up to \$1.9-million to finance new equipment for its Rollo Bay farm. On April 6, 2022, it borrowed an additional \$53,456 under the term loan. Borrowings are interest free and monthly repayments commence in March 2023, with maturity in August 2032.<sup>28</sup>

On July 8, 2021, AquaBounty entered into a contribution agreement with the ACOA under its REGI-Business Scale-up and Productivity program to provide up to C\$250 thousand (\$200 thousand) in funding assistance. On August 20, 2021, the Canadian Subsidiary received C\$250,000 (\$200,075). All funds received are to be repaid over a 36-month term commencing January 2023 at a 0% interest rate.<sup>29</sup>

***On October 31, 2022, the Nasdaq Stock Market threatened to delist AquaBounty if it did not raise its share price above USD \$1. (The threat was removed on November 1, 2023.)***

***In February 2023, AquaBounty announced it will sell its facility in Rollo Bay, PEI.<sup>30</sup>***

***In June 2023, AquaBounty paused construction of its new facility in Pioneer, Ohio.<sup>31</sup>***

In December 2023, ACOA provided up to \$612,000 to support business productivity and scale-up for its Rollo Bay farm.

In February 2024, ACOA loaned \$158,246 to AquaBounty.

***On February 14, 2024, AquaBounty announced it would sell its facility in Indiana, US.<sup>32</sup>***

***In July 2024, AquaBounty sold its facility in Indiana, US.<sup>33</sup>***

***In September 2024, AquaBounty put its facility in Rollo Bay, PEI up for sale.<sup>34</sup>***

On November 13, 2024, the Government of Canada and Government of Prince Edward Island announced funds of \$231,095 to AquaBounty.

## Request for Response and Investigation

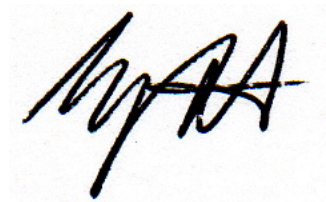
The Canadian Biotechnology Action Network has continued to raise concerns publicly about this ongoing government funding including in the press releases of October 23, 2018 ( P.E.I. Government Loans Additional \$2 Million to Build GM Fish Factory<sup>35</sup>) and October 2, 2024 (GM Fish Factory in P.E.I. for Sale: Taxpayers Should Get Their Money Back<sup>36</sup>). We have also continued to report on public protests and other actions opposing GM salmon<sup>37</sup> and to monitor consumer opinion on the GM fish<sup>38</sup> and GM labelling<sup>39</sup>.

Given the above, we ask the Auditor General of Canada and the Auditor General of Prince Edward Island to undertake an investigation into government decision-making relating to funding AquaBounty to ensure that the allocation of public funds is in the public interest and to provide transparency and accountability to Canadians.

The Canadian Biotechnology Action Network is pleased to provide further information or discuss the issues raised here.

Thank you for your attention to this matter.

Sincerely,



Lucy Sharratt  
Coordinator

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<sup>1</sup> <https://cban.ca/environmental-groups-discover-first-shipment-of-gm-salmon-likely-sold-into-quebec/>

<sup>2</sup> <https://www.canada.ca/en/fisheries-oceans/news/2024/11/government-of-canada-and-province-of-prince-edward-island-fund-projects-under-the-atlantic-fisheries-fund.html>

<sup>3</sup> <https://www.canada.ca/en/fisheries-oceans/news/2024/11/government-of-canada-and-province-of-prince-edward-island-announce-funding-for-39-companies-to-help-improve-quality-productivity-and-sustainability.html>

<sup>4</sup> <https://www.canada.ca/en/fisheries-oceans/news/2024/11/government-of-canada-and-province-of-prince-edward-island-fund-projects-under-the-atlantic-fisheries-fund.html>

<sup>5</sup> AquaBounty, Rollo Bay Farm, <https://aquabounty.com/our-farms/rollo-bay> Accessed November 25, 2024

<sup>6</sup> AquaBounty, Our Farms, <https://aquabounty.com/our-farms> Accessed November 25, 2024

<sup>7</sup> AquaBounty, Rollo Bay Farm, <https://aquabounty.com/our-farms/rollo-bay> Accessed November 25, 2024

<sup>8</sup> AquaBounty, Our Farms, <https://aquabounty.com/our-farms> Accessed November 25, 2024

<sup>9</sup> <https://investors.aquabounty.com/news-releases/news-release-details/aquabounty-technologies-provides-update>

<sup>10</sup> <https://www.saltwire.com/halifax/news/canada/aquabounty-technologies-selling-rollo-bay-pei-salmon-farm-100991640/>

<sup>11</sup> <https://www.seafoodsource.com/news/business-finance/aquabounty-selling-indiana-based-ras-facility-to-superior-fresh-for-usd-9-5-million>

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- <sup>12</sup> <https://finance.yahoo.com/news/aquabounty-announces-pause-ohio-farm-120000918.html>
- <sup>13</sup> <https://investors.aquabounty.com/static-files/881c04ad-b0c6-4a56-a119-42b9f5c59ccb>
- <sup>14</sup> <https://www.undercurrentnews.com/2024/11/19/aquabounty-lays-off-staff-as-company-denies-rumors-of-shutting-down/>
- <sup>15</sup> <https://investors.aquabounty.com/news-releases/news-release-details/aquabounty-technologies-announces-third-quarter-2024-financial>
- <sup>16</sup> <https://www.marketstreet.com/quote/stock/AQUABOUNTY-TECHNOLOGIES-I-33339395/news/AQUABOUNTY-TECHNOLOGIES-INC-Notice-of-Delisting-or-Failure-to-Satisfy-a-Continued-Listing-Rule-o-42207830/>
- <sup>17</sup> <https://aquabounty.com/our-farms> Accessed November 25, 2024
- <sup>18</sup> [www.cban.ca/fish](http://www.cban.ca/fish) ; <https://www.intrafish.com/aquaculture/activists-protest-aquabountys-participation-in-fish-health-symposium/2-1-412634?message=%5Bnuxt%5D+instance+unavailable&stack=&statusCode=404&statusMessage=%5Bnuxt%5D+instance+unavailable&url=%2Faquaculture%2Factivists-protest-aquabountys-participation-in-fish-health-symposium%2F2-1-412634>
- <sup>19</sup> [www.cban.ca/labellingpolls](http://www.cban.ca/labellingpolls)
- <sup>20</sup> <https://corpo.metro.ca/en/corporate-social-responsibility.html>
- <sup>21</sup> <https://cban.ca/2015poll>
- <sup>22</sup> <https://www.theguardian.pe.ca/news/local/regulatory-acrobatics-helps-gm-fish-facility-pei-greens-accuse-60167/>
- <sup>23</sup> <https://www.vice.com/en/article/how-canadians-bankrolled-the-worlds-first-genetically-engineered-food-animal/>
- <sup>24</sup> <https://www.vice.com/en/article/wj78dn/how-canadians-bankrolled-the-worlds-first-genetically-engineered-food-animal>
- <sup>25</sup> <https://cban.ca/wp-content/uploads/CBAN-Request-to-Minister-on-ACOA-royalties-re-GM-Salmon-July-12-2018-1.pdf>
- <sup>26</sup> <https://cban.ca/wp-content/uploads/Government-Response-to-CBAN-re-ACOA-2019.pdf>
- <sup>27</sup> <https://www.princeedwardisland.ca/en/information/finance-pei/proactive-disclosure>  
<https://www.cbc.ca/news/canada/prince-edward-island/pei-aquabounty-provincial-loan-1.4879564>
- <sup>28</sup> <https://investors.aquabounty.com/static-files/fcfcfd89-db44-4823-a9df-5f425bf360a7>
- <sup>29</sup> <https://investors.aquabounty.com/static-files/82d6271b-37f0-43b4-a1f6-e7e924f509e4>
- <sup>30</sup> <https://investors.aquabounty.com/news-releases/news-release-details/aquabounty-technologies-provides-update>
- <sup>31</sup> <https://finance.yahoo.com/news/aquabounty-announces-pause-ohio-farm-120000918.html>
- <sup>32</sup> <https://www.intrafish.com/salmon/aquabounty-selling-us-land-based-salmon-farm/2-1-1598528>
- <sup>33</sup> <https://www.seafoodsource.com/news/business-finance/aquabounty-selling-indiana-based-ras-facility-to-superior-fresh-for-usd-9-5-million>
- <sup>34</sup> <https://www.saltwire.com/halifax/news/canada/aquabounty-technologies-selling-rollo-bay-pei-salmon-farm-100991640/>
- <sup>35</sup> <https://cban.ca/p-e-i-government-loans-additional-2-million-to-build-gm-fish-factory/>
- <sup>36</sup> <https://cban.ca/gm-fish-factory-in-p-e-i-for-sale-taxpayers-should-get-their-money-back/>
- <sup>37</sup> <https://cban.ca/fish>
- <sup>38</sup> <https://cban.ca/2015poll>
- <sup>39</sup> <https://cban.ca/gmos/issues/labelling/polls-on-gm-food-labelling-canada/>