

Fishery and Aquaculture

The value of seafood production in Newfoundland and Labrador in 2012 was about \$1 billion, on par with the previous year. The industry continued to be challenged by high operating costs and a strong Canadian dollar relative to currencies in key export markets. The province's seafood products were exported to over 50 countries in 2012.

Capture Fisheries

Fish landings in 2012 were 251,952 tonnes, down 6.2% compared to 2011 (see chart). Catch volumes were lower for the major species groups, with groundfish, pelagics and shellfish experiencing 19.4%, 6.3% and 3.8% declines respectively. The landed value of the 2012 harvest was \$575 million, down 6.3% compared to \$614 million in the previous year. This decrease was the result of lower landings and lower raw material prices paid for some species, particularly snow crab.

The shellfish sector continued to be the major contributor to the capture fisheries in 2012, accounting for 66.6% of total landings and generating 83.1% of total landed value. Shellfish landings decreased 3.8% compared with 2011 to 167,715 tonnes, while the landed value dropped 6.4% to approximately \$478 million (see table). Quota reductions in the snow crab fishery and a reduction in offshore shrimp landings were the main reasons for the decrease in overall shellfish landings.

Groundfish landings decreased 19.4% to 25,621 tonnes in 2012, and the corresponding landed value declined 3.5% to \$79 million. While the majority of groundfish species experienced declines in harvest volumes, landings of yellowtail flounder, redfish and cod recorded the most notable decreases due to lower fishing effort and, in the case of cod, a quota reduction in NAFO Division 4R.

Pelagic landings were down 6.3% to 58,616 tonnes in 2012. The landed value decreased 18.0% from 2011 to \$17 million in 2012. These declines were primarily the result of lower mackerel landings, which dropped 65.3% from 7,337 tonnes in 2011 to 2,545 tonnes in 2012, as the result of lower availability of fish.

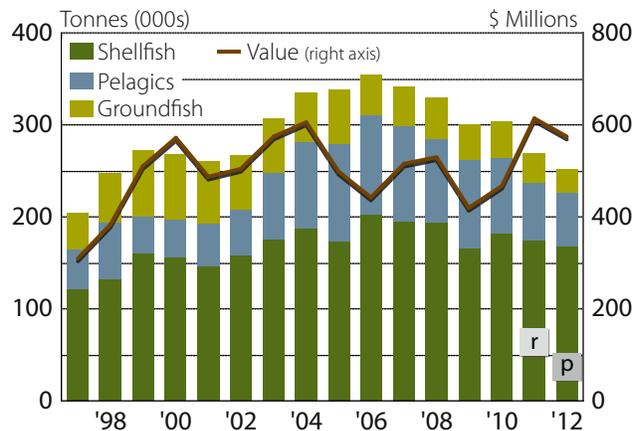
Restrictions on the sale of seal products continue to challenge this fishery. However, seal landings increased in 2012 compared 2011, due to an increase in harvesting effort. Landings in the province were up 78.2% in 2012, to 67,567 seals from 37,918 seals in 2011. The associated landed value more than doubled, reaching \$1.6 million compared to \$735,000 in the previous year.

Processing and Marketing

In 2012, there were 100 active processing facilities in the province, down from 2011. Of these, 83 were primary facilities, 3 were secondary, 4 were aquaculture and 10 were retail. Total seafood production declined 4.7%, from 143,708 tonnes in 2011 to 136,961 tonnes in 2012. This decrease in production was the result of lower landings. There were seven processing plants designated as permanently closed in 2012.

Some of the province's seafood products are sold within the province, a portion is sold to other provinces, but the vast majority is exported to international markets. Newfoundland and Labrador continued to export significant volumes of seafood products globally in 2012. The province exported over \$766 million worth of seafood, down 11.0% from 2011. Persistent uncertainty in the global economic environment, unfavourable exchange rates, and lower market prices for a number of seafood products contributed to this decline.

Capture Fishery Landings



r: revised; p: preliminary

Source: Fisheries and Oceans Canada; Department of Fisheries and Aquaculture

Landings and Landed Value

Species	2011 Revised		2012 Preliminary		% Change	
	Volume (tonnes)	Value (\$000s)	Volume (tonnes)	Value (\$000s)	Volume	Value
Shrimp	86,813	\$188,920	85,583	\$191,588	-1.4%	1.4%
Snow Crab	52,951	\$250,978	50,514	\$217,140	-4.6%	-13.5%
Other Shellfish	34,590	\$71,133	31,618	\$69,513	-8.6%	-2.3%
SHELLFISH	174,354	\$511,030	167,715	\$478,240	-3.8%	-6.4%
Turbot	11,050	\$52,968	10,823	\$53,801	-2.1%	1.6%
Cod	9,746	\$11,228	8,139	\$9,390	-16.5%	-16.4%
Other Groundfish	11,002	\$17,695	6,659	\$15,818	-39.5%	-10.6%
GROUNDFISH	31,798	\$81,891	25,621	\$79,009	-19.4%	-3.5%
Capelin	30,166	\$5,387	31,145	\$6,860	3.2%	27.4%
Herring	24,863	\$6,523	24,871	\$6,525	0.0%	0.0%
Mackerel	7,337	\$7,232	2,545	\$2,525	-65.3%	-65.1%
Other	203	\$1,052	55	\$641	-72.9%	-39.1%
PELAGICS	62,569	\$20,194	58,616	\$16,551	-6.3%	-18.0%
Seals (Number)	37,918	\$735	67,567	\$1,647	78.2%	124.0%
TOTAL	268,721	\$613,850	251,952	\$575,447	-6.2%	-6.3%

Source: Fisheries and Oceans Canada; Department of Fisheries and Aquaculture.

Note: Species components may not add to total due to independent rounding.

The United States continued to be the largest export market for Newfoundland and Labrador seafood in 2012, representing 33.2% of total international export value. China followed, representing 27.5% of export value. Other key markets, based on export value, included Russia at 7.3%, the United Kingdom at 7.1%, and Denmark at 4.9%. These top markets combined represented 80.0% of the province's value of international seafood exports.

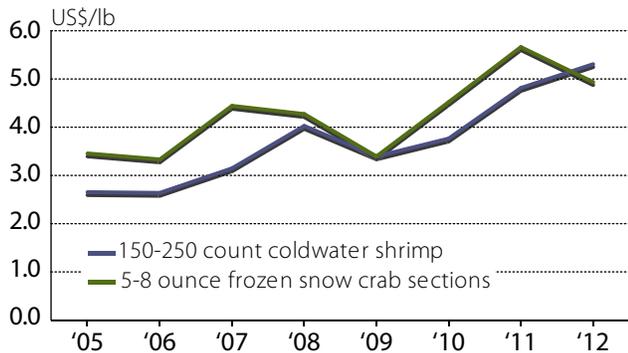
Newfoundland and Labrador producers exported approximately \$335 million worth of snow crab in 2012. This species accounted for the highest value of all Newfoundland and Labrador seafood exports. Market prices for snow crab have declined somewhat from the record levels reached in 2011; however, compared to prior years they remained elevated in 2012 (see chart). The average market price for 5-8 ounce sections was US\$4.93/pound in 2012, down approximately 12.9% from 2011.

The value of shrimp exports rose to over \$234 million in 2012. The average market price for 150-250 count shrimp was US\$5.30/pound, up 10.0% from the average of US\$4.82/pound in 2011.



Newfoundland and Labrador Seafood

Average Shrimp and Crab Market Prices (Annual)



Source: Uner Barry Publications Inc.; Department of Fisheries and Aquaculture

Aquaculture

In 2012, the production volume of the Newfoundland and Labrador aquaculture industry continued to grow. Aquaculture production rose 23.0% from 17,264 tonnes in 2011 to 21,228 tonnes in 2012 (see chart). This increase was driven by the continued growth of the salmonid sector and a rejuvenated mussel sector. Market value decreased 6.0% from \$120 million in 2011 to \$113 million in 2012. While production increased in both sectors, there was a considerable decline in market prices for cultured salmon, due to subdued demand from the United States. According to Urner Barry Publications Incorporated, the average market price for whole salmon was US\$2.43/pound in 2012, down from US\$3.35/pound in 2011.

Commercial production within the salmonid sector is focused on Atlantic salmon and steelhead trout. There were 84 commercial salmonid site licences issued in 2012 covering a combined area of 2,205 hectares. Salmonid production reached 16,831 tonnes in 2012, valued at \$99 million. This represents an increase in production of 18.0% over 2011 levels, but about an 11% decline in value due to lower market prices.

Commercial shellfish aquaculture production is concentrated on the blue mussel. There were 51 commercial shellfish site licences that cover a combined area of 3,843 hectares in 2012. Mussel production reached an all-time high in 2012. It increased by 1,397 tonnes to 4,397 tonnes valued at \$14 million. The industry pursued more diverse product forms and increased product penetration into new and existing markets.

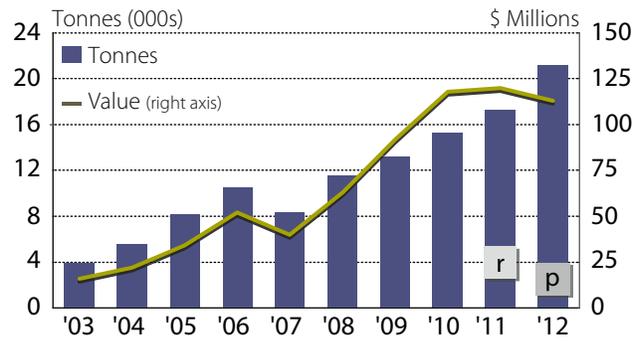
Employment

Employment in the seafood industry has been in decline in the province for a number of years, primarily the result of industry rationalization. This trend continued in 2012 as overall employment was down 5.3% from 2011 to 20,079 people. Aquaculture hatchery and grow-out employment recorded a marginal decline of 0.8% to 467 workers in 2012, while the number of fish harvesters decreased 4.0% to 10,398 workers. Employment in the processing sector decreased 6.9% in 2012 to 9,214 workers.

Fishery and Aquaculture Outlook 2013

- Fish landings are expected to remain on par with 2012, as anticipated quota reductions in some fisheries (such as snow crab and inshore shrimp) are offset by increases in other fisheries.
- Global seafood demand is expected to remain strong. The recovering U.S. economy will likely contribute to increased seafood consumption, and China's rising seafood imports will provide greater market opportunities for the Newfoundland and Labrador seafood industry.
- Market prices for snow crab should be favourable, as global supply of snow crab is expected to be lower than 2012.

Aquaculture Production (all species)



r: revised; p: preliminary

Source: Department of Fisheries and Aquaculture



Salmonid Site

- The supply of coldwater shrimp has been declining globally in recent years. This, combined with the increased Autonomous Tariff Rate Quota for cooked and peeled shrimp to the EU, could positively impact the value of the Newfoundland and Labrador shrimp industry in 2013 and beyond.
- The global supply of lobster and cod may be higher, which could pose challenges for local producers.
- Aquaculture production is expected to rise again, due to expansion in the salmonid sector.
 - Salmon prices are expected to recover and increase relative to 2012.
 - Higher prices are expected to stimulate salmonid production, contributing to increased production value.
 - Mussel production and market value are expected to remain steady.

Manufacturing

Manufacturing accounts for roughly 3% of GDP and 5% of total employment in Newfoundland and Labrador. There are many manufacturers in the province producing a wide variety of products, however most activity is concentrated in three major groups—food processing (mainly fish), newsprint and refined petroleum. There were 454 manufacturing firms registered in Newfoundland and Labrador in 2011, representing 2.7% of all registered businesses in the province.

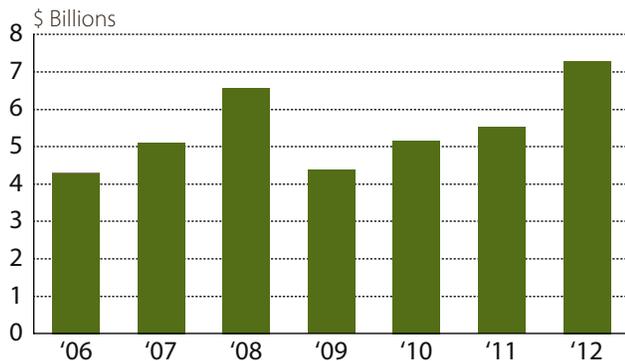
The value of provincial manufacturing shipments increased in 2012 mainly due to higher production of refined petroleum. Shipments rose to about \$7.3 billion, representing an increase of 32.0% compared to 2011 (see chart). Nationally, the value of manufacturing shipments rose 3.4% over the same time frame.

According to Industry Canada, the value of refined petroleum product exports from Newfoundland and Labrador rose significantly in 2012 compared to 2011. This increase was due to higher production at the province’s only refinery located in Come By Chance. Harvest Operations Corp., owners of the North Atlantic refinery, performed a three-month maintenance turnaround which shut down production from May until mid-August in 2011. As a result, the volume of production at the refinery was up about 52% in 2012, and the value of sales



Terra Nova FPSO at Marystown

Manufacturing Shipments



Source: Statistics Canada