Fishery and Aquaculture

The Newfoundland and Labrador seafood sector remains an important economic driver for many rural communities, particularly in areas where few employment alternatives exist. The value of total production in the industry remained relatively high in 2014, totalling $954 million. This represents a decline of 13.1% in comparison to 2013. While production was down in the aquaculture industry, it remains a significant economic contributor, particularly to the Coast of Bays and the Northeast region of the island portion of the province.

The number of people employed in the fishery was down 4.6% in 2014, to 17,781 workers. The number of registered fish harvesters was down 2.4% to 9,465 workers.[4] Processing workers decreased by approximately 6.5% to around 7,880, compared to about 8,430 workers in 2013. These workers process raw material from the capture fisheries as well as aquaculture operations. Employment at aquaculture operations recorded a decline of 14.5% to 435 workers.

4 Processing employment data are from the Department of Fisheries and Aquaculture's annual employment survey and are based on the number of individuals employed during the year. The harvesting employment data are based on the number of fish harvesters registered with the Professional Fish Harvesters Certification Board. These data differ from Statistics Canada's Labour Force Survey data (included in the table on page 1) which uses a person year concept of employment.

Capture Fishery Landings and Landed Value

	2013 Revised		2014 Preliminary		Percent Change	
SPECIES	**Volume (tonnes)**	**Value ($000s)**	**Volume (tonnes)**	**Value ($000s)**	**Volume**	**Value**
Shrimp	83,878	193,824	71,387	209,561	-14.9%	8.1%
Snow Crab	50,818	220,255	49,905	253,047	-1.8%	14.9%
Other Shellfish	33,574	70,178	29,911	65,132	-10.9%	-7.2%
SHELLFISH	**168,270**	**484,257**	**151,203**	**527,739**	**-10.1%**	**9.0%**
Turbot	10,777	50,257	11,751	59,758	9.0%	18.9%
Cod	8,225	8,215	10,112	9,996	22.9%	21.7%
Flounders	9,902	14,697	8,260	12,320	-16.6%	-16.2%
Other Groundfish	4,632	19,510	4,249	18,172	-8.3%	-6.9%
GROUNDFISH	**33,536**	**92,679**	**34,372**	**100,245**	**2.5%**	**8.2%**
Capelin	30,019	6,021	28,731	5,762	-4.3%	-4.3%
Herring	29,569	8,149	25,721	7,088	-13.0%	-13.0%
Other Pelagics	5,284	3,433	3,528	2,444	-33.2%	-28.8%
PELAGICS	**64,873**	**17,604**	**57,980**	**15,294**	**-10.6%**	**-13.1%**
Harp Seals (Number)	95,221	2,897	59,318	1,875	-37.7%	-35.3%
TOTAL	**266,679**	**597,437**	**243,555**	**645,154**	**-8.7%**	**8.0%**

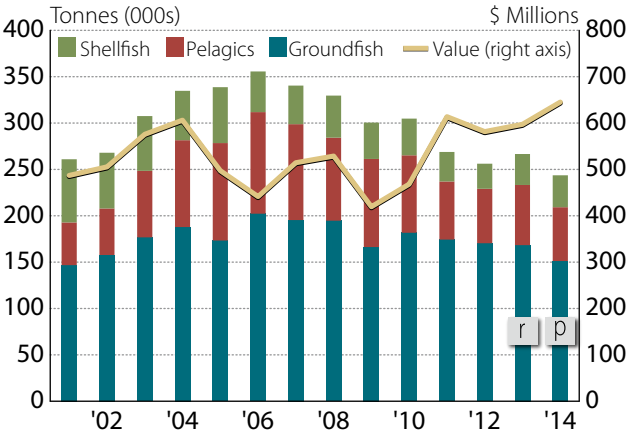
Notes: Species components may not sum due to independent rounding.
The value of cod and flounders may be understated as they may not be representative of port prices.
Total volume does not include the number of seals.

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

Capture Fisheries

The value of commercial fish landings increased in 2014 as a result of higher raw material prices for key species, particularly snow crab, shrimp and turbot. Landed value totalled approximately $645 million, up 8.0% compared to $597 million in 2013 (see chart). Fish landings totalled just over 243,500 tonnes in 2014, down 8.7% from the previous year. The largest decrease occurred in shrimp landings with smaller declines spread across a number of other species.

Commercial Fishery Landings



r: revised; p: preliminary

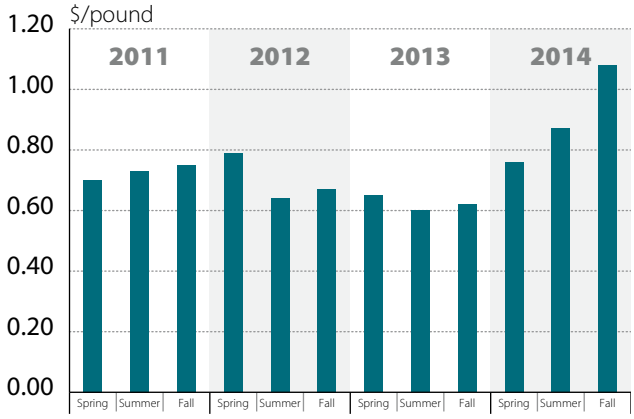
Source: Fisheries and Oceans Canada; Department of Fisheries and Aquaculture

Shellfish

Shellfish landings declined to just over 151,200 tonnes in 2014, a 10.1% decrease from the previous year, mainly due to quota cuts in the shrimp fishery. The corresponding landed value increased 9.0% to $528 million due to higher prices.

Snow crab landings declined slightly compared to 2013, recording a 1.8% decrease to approximately 49,900 tonnes. The associated landed value, however, increased 14.9% to $253 million. This was due to a 16.8% rise in the average raw material price for snow crab: $2.30/pound in 2014 compared to $1.97/pound in 2013.

Minimum Landed Price Paid to Harvesters
Inshore Shrimp



Source: Fish, Food and Allied Workers

Newfoundland and Labrador shrimp landings in 2014 decreased 14.9% to around 71,400 tonnes, mainly due to a reduction of 18,500 tonnes in the Total Allowable Catch for northern shrimp. However, from a revenue perspective higher raw material prices for shrimp more than offset the decline in landings. Overall landed value of shrimp increased 8.1% to $210 million. The minimum landed price paid to harvesters for inshore shrimp in the 2014 spring fishery was $0.76/pound, up from $0.65/pound in 2013. This minimum price increased throughout 2014, up to $0.87/pound in the summer fishery and eventually peaked at $1.08/pound in the fall fishery (see chart).

Groundfish

Groundfish landings in 2014 were up 2.5% over 2013, totalling approximately 34,370 tonnes. An increase in cod landings offset a decline in flounder catches. The corresponding landed value rose 8.2% to $100 million, resulting from higher raw material prices for some species, turbot in particular. Cod landings increased 22.9% to just over 10,100 tonnes, due to higher catches in NAFO Division 3Ps. The minimum price for premium cod was set at $0.80/pound, resulting in increased effort in 2014. Flounder landings decreased 16.6%, to 8,260 tonnes, primarily the result of lower landings in the offshore flounder fishery. Turbot landings were up 9.0% to around 11,750 tonnes, spurred on by higher prices.

Pelagics

Pelagics landings declined 10.6% in 2014 to 57,980 tonnes. This was the result of lower herring, mackerel and capelin landings. The corresponding landed value decreased 13.1% to $15 million in 2014. Herring landings were down 13.0% to approximately 25,720 tonnes, due to lower catches in the Gulf of St. Lawrence. Mackerel landings dropped 33.5% to around 3,440 tonnes, resulting from lower availability of commercial-sized fish. Capelin landings declined 4.3% to just over 28,730 tonnes.

Harp Seals

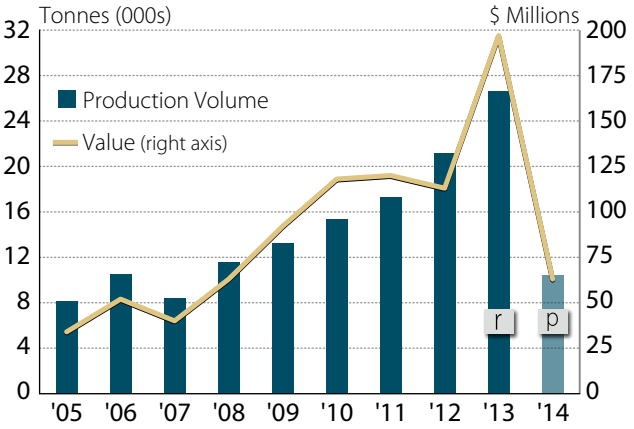
In 2014, the seal harvest was challenged by severe ice conditions and weak market demand. The number of seals harvested in 2014 fell by 37.7% to around 59,300, down from approximately 95,220 seals in 2013. The associated landed value declined 35.3% to $1.9 million. The average landed price per pelt ranged between $25 and $30, essentially on par with 2013. Restrictions on the sale of seal products in various markets continues to present a challenge for this fishery.

Aquaculture

Total aquaculture production was 9,240 tonnes in 2014, representing a decrease of 65.2% relative to 2013 (see chart). The decline in total production is primarily due to lower Atlantic salmon production. The corresponding market value totalled $59 million in 2014, down 69.9% from 2013.

Salmonid production volume and value fell in 2014. The production volume declined to 5,980 tonnes, down 73.1% relative to 2013, and the corresponding market value was $48 million, down 73.8%. Two primary factors contributed to lower salmonid production volume in 2014: the detection of the virus that causes Infectious Salmon Anaemia that occurred in 2012 and 2013 and subsequent measures undertaken, and the superchill event experienced during the winter of 2014. Salmonid production volume is expected to rebound in 2015.

Aquaculture Production Volume and Value
(all species)



r: revised; p: preliminary

Source: Department of Fisheries and Aquaculture

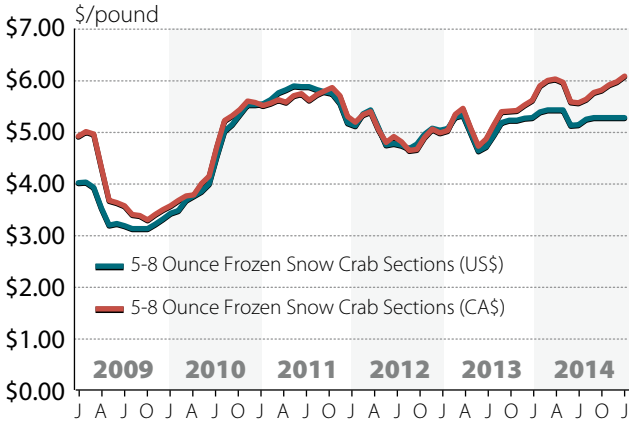
Shellfish production declined in 2014. There were 3,260 tonnes of blue mussels produced, down 25.1% over 2013, and the value declined 23.1% to $12 million. Production volumes are anticipated to return to 2013 levels over the next two years.

The Department of Fisheries and Aquaculture invested $2 million in Newfoundland Aqua Services through the Aquaculture Capital Equity Program, to support the development of a land-based net cleaning facility that will improve biosecurity in the salmonid sector. The Department also awarded a tender and began construction of a biosecure wharf in Milltown, which is anticipated to be completed in 2015. In addition, the Department completed some repair work to the Pool's Cove wharf.

Processing and Marketing

Seafood production totalled approximately 120,300 tonnes in 2014, down 18.3% from 2013. The decrease in production was largely the result of lower salmon production from aquaculture, though declines in landings of pelagics and shellfish also contributed. There were 86 active processing facilities in the province in 2014, on par with 2013. Of these, 74 were primary processing facilities (including aquaculture). The remaining 12 were involved in either secondary processing or retail (i.e. retail businesses with a licence to process fish for the provincial market only).

Monthly Crab Market Prices



Source: Urner Barry Publications Inc.; Department of Fisheries and Aquaculture; Bank of Canada

Together, the United States and China continued to account for over 50% of the international export market value for the province's seafood products. The United States remained the largest market and represented 36.5% of export value, while China accounted for 18.5%. Other major markets included the United Kingdom (7.2%), Vietnam (6.1%), Denmark (4.9%) and Russia (4.4%). Newfoundland and Labrador seafood product exports were valued at approximately $883 million in 2014, up 6.7% from $827 million in 2013.

Snow crab exports accounted for the highest value of all Newfoundland and Labrador seafood exports in 2014. The total export value for snow crab was $366 million, representing an increase of 3.4% from $354 million in 2013. Market prices for snow crab remained strong in 2014. The average price for 5-8 ounce snow crab sections was US$5.27/pound in 2014, up from an average of US$5.06/pound in 2013. A favourable exchange rate has increasingly become an advantage for snow crab producers in the province, and was especially evident in 2014 (see chart).

Prices for coldwater shrimp have increased substantially due to declining global supply. The price of 150-250 count shrimp averaged CA$5.65/pound in 2014, up 39.3% over 2013, according to Gemba Seafood Consulting. Coldwater shrimp prices have increased further since the beginning of 2015.

Demand for groundfish has increased substantially in some markets, raising prices for almost all species. It is anticipated that there will be a slight reduction in global supply in 2015, which will likely lead to increased prices. Market prices for cod, in particular, have already begun to rise.

The Canada-Korea Free Trade Agreement came into effect January 1, 2015. Nearly 70% of South Korean fish and seafood product tariff lines will be duty free within five years and all remaining duties on seafood will be eliminated within 12 years. This agreement provides opportunities for provincial seafood producers.

Outlook 2015

Fishery and Aquaculture

- Fish landings in the province are expected to remain stable in 2015. A slight decline in shellfish landings should be offset by increased groundfish and pelagics landings.
  - A reduction in inshore shrimp landings is anticipated in 2015, as a fishing moratorium will be placed on Shrimp Fishing Area 7 due to a decline in the stock.
- Strong demand for seafood products, and a weaker Canadian dollar, will likely bode well for the Newfoundland and Labrador seafood industry in 2015.
  - The American market price for snow crab will be lower in 2015; however, a more favourable exchange rate may more than offset the decline.
  - Danish coldwater shrimp prices are currently high but may not be sustained at this level throughout the year.
  - Demand and prices for groundfish are expected to rise.
- Aquaculture production in the province is expected to increase in 2015 after facing a challenging year in 2014.
  - Salmonid production levels are anticipated to rise in 2015, and fully rebound by 2016.
  - Blue mussel production volumes are expected to return to 2013 levels over the next two years.