The 1993 British Columbia Seafood Industry Year in Review

Province of
British Columbia

Ministry of
Agriculture,
Fisheries and Food

An Important Industry

With an estimated $1,036 million in 1993 wholesale seafood production, the British Columbia seafood industry occupies a very important place in the provincial economy. Seafood is also this province's number one food export, generating in excess of $750 million this year.

In addition to direct contributions to the provincial economy, the industry also provides full and part-time employment for 25,000 people on vessels, fish farms and in processing plants. These well-paying jobs are particularly important in coastal communities, many of which are suffering cutbacks in other resource sectors. Unlike most other manufacturing sectors, the fish processing workforce has a substantial share of First Nations employees and more than half of fish plant workers are women.

The city of Prince Rupert is a good example of the importance of the seafood industry to coastal communities. Fish processors in Prince Rupert and the nearby village of Port Edward employ close to 2,500 people at the height of the salmon season and provide more than 1,000 full-time equivalent jobs. In 1993, the payroll in fish plants in these areas totalled approximately $37 million.

The Prince Rupert and area-based fishing fleet provided another 800 seasonal jobs or 400 full-time equivalent positions in 1993, and earned $17 million in crew wages. In addition, there were many more jobs tied to servicing the fleet and the processing plants, and transporting the finished products to markets.

Clearly, the seafood industry is a vital contributor not only to the economic stability of the province but also to the social integrity of numerous communities.

British Columbia Seafood Production 1991 to 1993

	WHOLESALE VALUE[1] ... $ Millions ...			LANDED VALUE ... $ Millions ...			LANDINGS ... '000 Tonnes ...		
	1993[E]	1992[P]	1991[1]	1993[P]	1992	1991	1993[P]	1992	1991
Salmon[3]									
Chinook	23.8	32.3	28.2	14.7	24.4	19.6	4.8	5.3	5.1
Sockeye	282.3	185.2	162.7	139.8	110.4	84.6	42.4	21.0	25.2
Coho	21.4	35.9	41.2	10.9	20.6	25.3	4.3	7.3	10.1
Pink	66.1	58.1	105.7	12.1	10.8	30.0	16.0	14.9	35.1
Chum	53.5	62.9	33.9	17.3	25.5	12.9	16.9	18.0	10.2
Subtotal[2]	449.1	377.4	373.8	194.8	191.8	172.5	84.5	66.5	85.7
Farmed Salmon	130.0	130.0	124.9	35.0 115.0	117.5	110.9	25.4 24.0	19.4	24.4
Farmed Trout	0.6	0.4	0.5	0.6	0.4	0.5	0.1	0.1	0.1
Herring									
Spawn on Kelp	11.4	8.8	8.9	11.4	8.8	8.9	0.27	0.28	0.29
Roe Herring	162.0	124.6	135.3	67.4	50.7	48.8	39.9	33.7	38.6
Food & Bait	2.7	3.5	3.1	0.6	0.8	0.6	0.7	0.9	1.1
Subtotal	176.1	136.9	147.3	79.4	60.3	58.3	40.9	34.9	40.0
Halibut	35.6	24.0	29.0	27.0	21.5	21.8	4.3	3.4	3.2
Groundfish	132.7	139.4	128.9	62.7	78.4	81.0	122.0	160.6	162.0
Shellfish[4]	111.2	107.9	71.6	74.8	63.8	46.7	27.2	31.8	24.6
Other	0.8	2.3	1.5	0.9	1.3	0.4	0.5	1.6	0.2
Total	1,036.1	918.3	877.5	555.2	535.0	492.1	303.5	318.3	340.2

1 Includes production derived from US fish
2 Includes steelhead and unclassified
3 Round weight
4 Includes farmed shellfish
E Estimates
P Preliminary

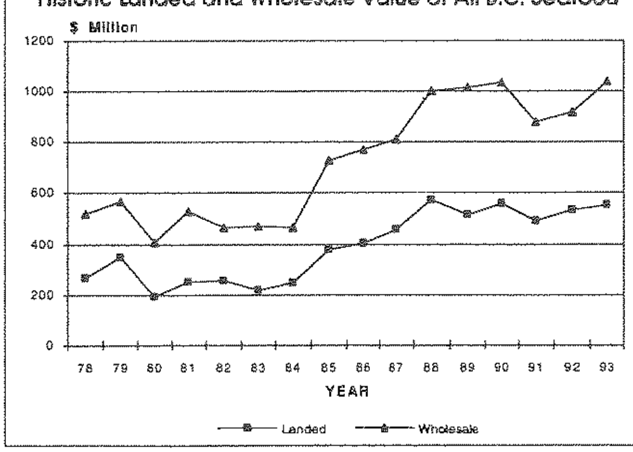
Source: BCMAFF, DFO, BCSFA

1993 Performance Highlights

The 1993 wholesale value of British Columbia seafood products was an estimated $1,036 million, over $100 million greater than in 1992, and the highest in history. The industry appears to have rebounded from the downturn of 1991 and 1992.

Overall, the harvested quantity of seafood declined by 5% in 1993, whereas the landed value increased. This reflects an improved species mix with a greater share of high valued species such as sockeye salmon being harvested.

Historic Landed and Wholesale Value of All B.C. Seafood



WILD SALMON

Salmon wholesale value increased from $377 million in 1992 to $449 million in 1993. This was due primarily to a major improvement in the wholesale value of sockeye by about $100 million. The wholesale value of each of the other salmon species declined.

B.C. Salmon Landings (tonnes round)

	Chinook	Sockeye	Coho	Pink	Chum	Total[1]
1982	7,100	30,100	9,300	4,000	15,100	65,700
1983	5,400	14,300	10,500	39,500	4,900	74,600
1984	6,300	12,900	10,100	12,100	9,000	50,400
1985	5,500	31,600	9,000	37,700	23,600	107,600
1986	5,000	30,800	13,200	29,500	25,200	103,900
1987	5,200	15,000	8,400	26,900	11,000	66,700
1988	5,900	11,900	7,100	32,200	30,300	87,500
1989	5,200	34,400	8,800	31,000	9,300	88,700
1990	5,200	37,100	10,600	26,200	17,200	96,400
1991	5,100	25,200	10,100	35,100	10,200	85,700
1992	5,300	21,000	7,300	14,900	18,000	66,500
1993[P]	4,800	42,400	4,300	16,000	16,900	84,400

1 Includes steelhead
P Preliminary

B.C. Canned Salmon Pack (48 lb. cases)[2]

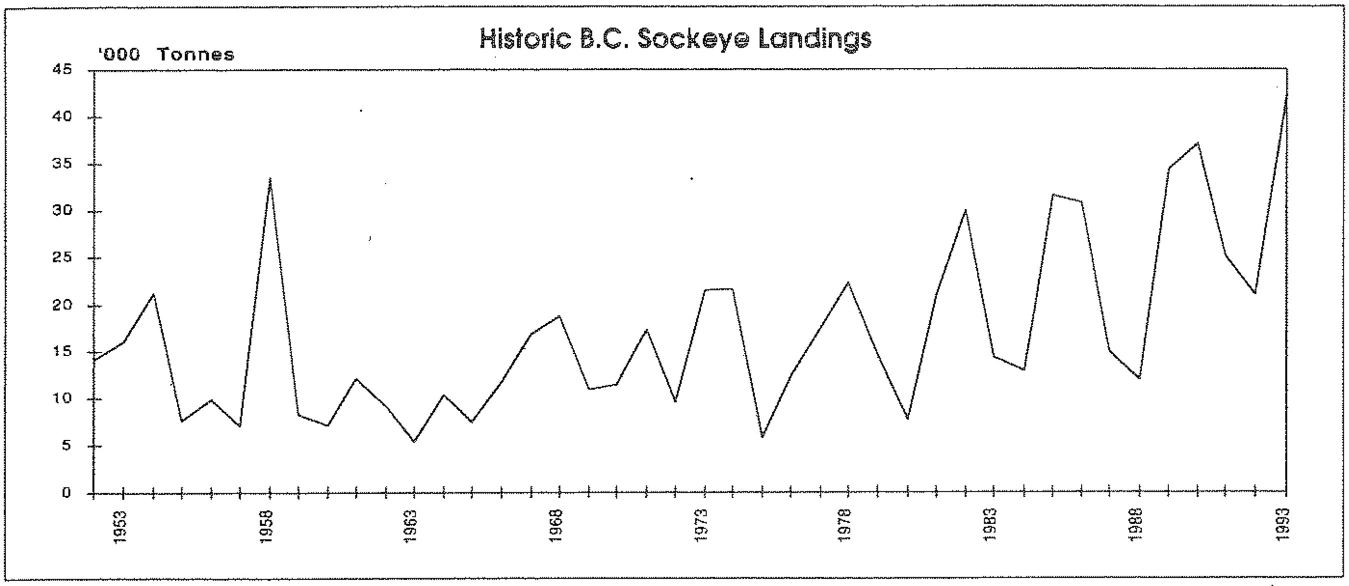
	Chinook	Sockeye	Coho	Pink	Chum	Total[1]
1982	7,700	549,000	47,200	140,400	74,100	818,800
1983	4,300	371,500	60,600	996,700	47,100	1,480,500
1984	2,700	230,800	25,800	338,500	68,600	666,700
1985	4,800	583,600	39,600	1,002,500	269,100	1,900,500
1986	6,400	599,300	82,400	900,800	264,300	1,853,800
1987	3,700	309,600	29,500	602,500	62,900	1,008,700
1988	3,100	206,700	23,700	734,300	215,600	1,184,100
1989	8,900	634,400	66,600	935,000	100,500	1,745,700
1990	7,000	731,800	53,100	777,300	115,900	1,685,600
1991	3,900	431,400	39,400	1,023,700	31,200	1,529,800
1992[P]	2,100	320,300	22,900	382,100	102,100	829,500
1993[P]	2,600	638,700	15,500	507,600	77,500	1,241,900

1 Includes steelhead
2 Includes production derived from US salmon
P Preliminary

Sockeye

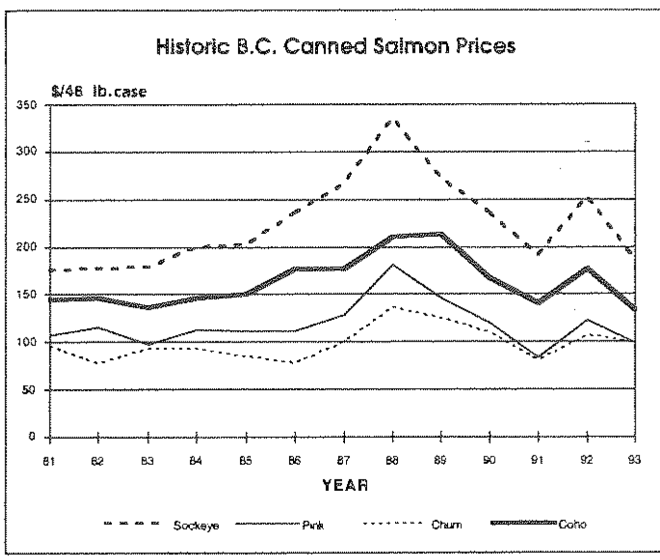
Salmon harvesters earned an estimated $195 million in 1993, with $140 million of that coming from sockeye. This harvest of 42,400 tonnes was double that of 1992 and the largest in over forty years. Although wholesale prices for sockeye products declined by $1.50 per kilogram or more in 1993, the landed value was up $30 million over 1992.

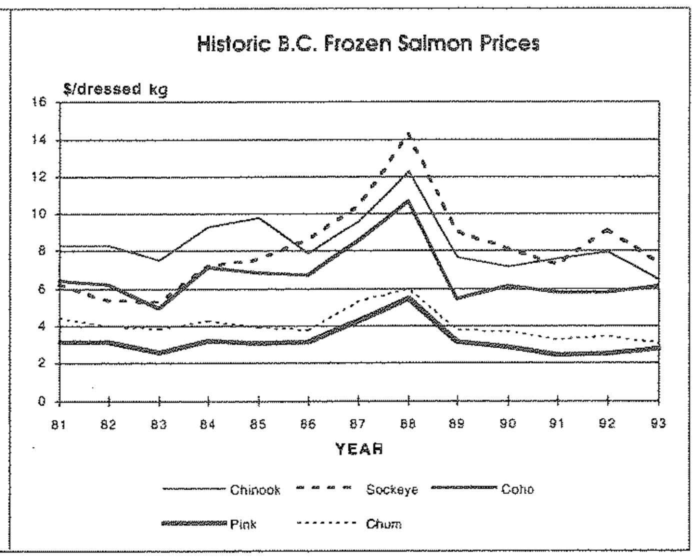
The 1993 sockeye harvest is even more impressive considering that this was not a particularly strong Adams River sockeye year. The success of enhancement projects added to non-Adams River sockeye runs. In fact, the average annual commercial sockeye catch has increased by 60% since 1970 due primarily to the success of Salmonid Enhancement Program projects including the Fulton and Pinkut spawning channels in the Skeena River system, and the success of Fraser River stock rebuilding initiatives.



Canned and Frozen Salmon

The 1993 salmon canned pack of 1,242,000 cases was substantially higher than the 830,000 cases canned in 1992, a very low pack year.





FARMED SALMON

Although the 1993 volume of 24,000 tonnes was up by close to 5,000 tonnes over 1992, the estimated wholesale value of farmed salmon of $130 million in 1993 was the same as the year before. This was due in part to a decline in prices caused by intense competition from farmed Chilean Atlantic Salmon.

Chile has emerged as the industry's main competitive supplier, a change from five years ago, when Norway was the dominant supplier of farmed salmon to the US market.

HERRING

Roe herring fish harvesters caught 39,900 tonnes in 1993, up from 33,700 tonnes caught in 1992. Prices at the wholesale and harvester level were up substantially from 1992 levels.

Spawn-on-kelp landings have remained constant at about 270 tonnes the last three years although prices did show some improvement in 1993.

HALIBUT

At 4,300 tonnes, 1993 halibut landings were up about 25% over 1992. The average price at the wholesale level increased by 15-20%. The Individual Vessel Quota System (IVQ) introduced by the Department of Fisheries and Oceans in 1991, has resulted in a shift to fresh from frozen product sales and in 1993 most of the product was sold as fresh, gutted, whole fish.

GROUNDFISH

The wholesale value of all groundfish was an estimated $133 million in 1993, roughly equal to the 1991 and 1992 sales levels although the landings declined significantly to 122,000 tonnes from the 160,000 tonne range in 1991 and 1992. Almost all of this decline can be attributed to reduced hake catches due to a substantially smaller allocation of the hake catch going to the foreign offshore processors. The white flesh fillets market for rockfish, sole, and other species remained relatively stable although prices did fluctuate somewhat due to the influence of offshore production.

	WHOLESALE VALUE[1] ... $ Millions ...			LANDED VALUE ... $ Millions ...			LANDINGS ... '000 Tonnes ...		
	1993[E]	1992[P]	1991	1993[P]	1992	1991	1993[P]	1992	1991
Groundfish									
Sablefish	22.0	28.2	33.3	19.2	25.4	29.8	4.3	5.4	5.5
Hake	10.5	18.8	17.8	8.6	15.4	15.4	62.5	97.2	99.1
Rockfish	32.3	32.0	26.1	13.8	17.1	14.6	18.2	21.8	19.1
Lingcod	10.4	8.2	9.2	4.1	3.3	3.8	4.9	4.3	5.4
Pacific Cod	14.3	17.0	13.6	4.4	5.5	6.1	7.7	10.1	11.9
Soles	22.4	17.9	11.1	6.7	5.8	5.7	9.2	7.9	7.7
Other	20.8	17.3	17.8	5.9	5.9	5.6	15.2	13.9	13.3
Subtotal	132.7	139.4	128.9	62.7	78.4	81.0	122.0	160.6	162.0

1 Includes production derived from US fish

SHELLFISH

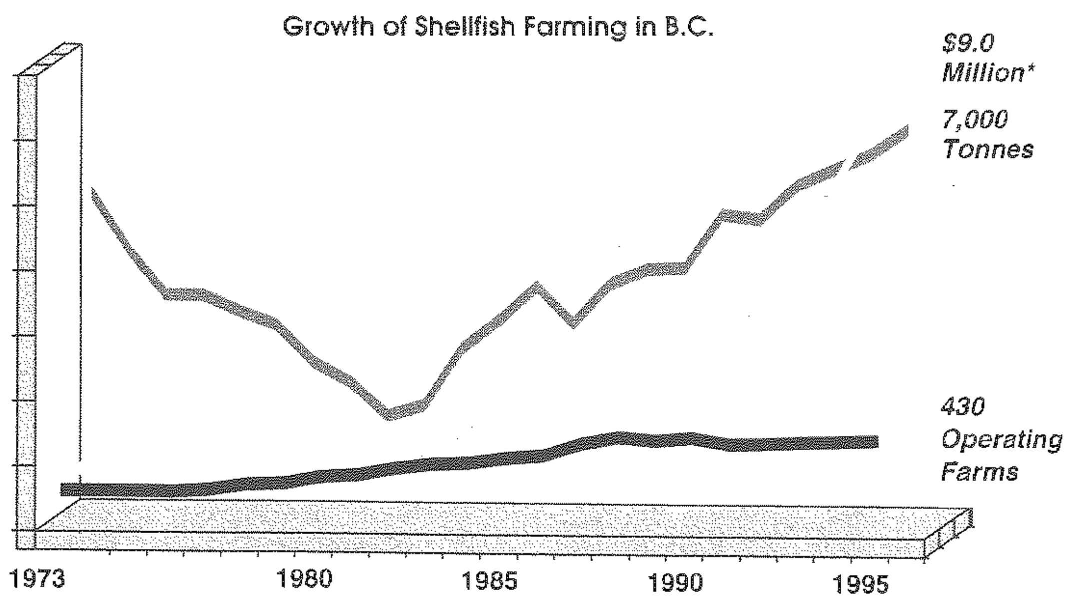
Shellfish wholesale value was $111 million in 1993, up slightly from 1992. The wholesale value of the geoduck harvest increased by $10 million, to $30 million in 1993; however, the wholesale value of sea urchin products declined to $26 million from $39 million in 1992. The 1993 sea urchin harvest of 6,800 tonnes was less than half of the record 14,100 harvest level in 1992. The abalone fishery remained closed for conservation reasons.

	WHOLESALE VALUE[2] ... $ Millions ...			LANDED VALUE ... $ Million ...			LANDINGS ... '000 Tonnes ...		
	1993[E]	1992[P]	1991	1993[P]	1992	1991	1993[P]	1992	1991
Shellfish									
Abalone	0	0	0	0	0	0	0	0	0
Clams	8.4	8.0	7.9	2.6	2.7	3.3	1.2	1.3	1.5
Farmed Clams	N/A	N/A	N/A	1.3	1.0	0.5	0.4	0.3	0.2
Crabs	21.3	12.9	10.9	18.5	11.2	8.7	6.2	3.4	1.9
Geoducks	30.0	19.8	-12.6	25.2	16.2	9.7	2.4	2.9	3.3
Oysters	5.0	4.8	5.5	4.2	4.0	3.5	5.3	4.7	4.5
Sea Urchins	26.3	39.4	15.7	8.8	13.2	6.1	6.8	14.1	7.6
Sea Cucumbers	4.0	5.6	2.2	1.0	1.4	1.0	0.3	0.5	0.5
Shrimp & Prawns	14.6	15.0	14.5	12.1	12.4	12.1	4.3	3.9	4.2
Other	1.6	2.4	2.3	1.1	1.7	1.7	0.3	0.7	0.8
Subtotal	111.2	107.9	71.6	74.8	63.8	46.7	27.2	31.8	24.5

1Includes wholesale values of farmed clams
2 Includes production derived from US fish
E Estimates
P Preliminary

The provincial shellfish aquaculture industry is continuing its steady growth with increases in the oyster and Manila clam harvest as well as the development of a scallop industry. In 1993, farmed oyster production reached over 4,400 tonnes with an estimated farm gate value of $3.5 million. The harvest of Manila clams continued to increase in 1993 with a harvest of 308 tonnes valued at approximately $1 million.

Farming of the Pacific or Japanese scallop is in the early stages of development and in 1993 the harvest of this species totalled 6 tonnes valued at approximately $24,000. With companies beginning to target American and Pacific Rim markets for whole, in-shell product, scallop production is expected to increase rapidly over the next year. Over the next ten years it is expected that the geoduck clam, abalone, sea urchin, and sea cucumber fisheries will also develop further.



1 Farm Gate Value
Notes: Lines not to scale; shellfish aquaculture started in B.C. in 1912; graph depicts recent trends only *Source BCMAFF*

AQUACULTURE

British Columbia's aquaculture industry is centred primarily on farmed salmon, although many other species are under intensive culture.

Aquaculture Farm Gate Production in British Columbia 1982-1993

	SALMON		RAINBOW TROUT		OYSTERS		CLAMS	
	Tonnes[1]	\$ 000	Tonnes	\$ 000	Tonnes	\$ 000	Tonnes	\$ 000
1982	273	1,136	74	NA	1,579	981	-	-
1983	128	708	77	441	2,453	1,554	-	-
1984	107	702	71	433	2,897	2,109	-	-
1985	120	820	83	435	3,420	2,163	4	4
1986	400	2,728	101	569	2,864	2,515	7	14
1987	1,931	12,872	90	442	3,482	2,548	25	43
1988	6,590	39,084	113	505	3,702	2,725	30	59
1989	11,883	59,739	86	374	3,721	2,938	31	96
1990	15,486	78,646	109	536	4,547	3,613	39	140
1991	24,400	110,900	113	536	4,482	3,465	151	554
1992P	19,814 ~~19,400~~	~~117,500~~ 115,518	82 5.53	362	4,750	4,000	310	1,000
1993E	25,381 ~~24,000~~	~~115,000~~ 137,425	115 6.31	600	5,250	4,200	400	1,300

1 Round weight E Estimates P Preliminary

Addressing a Changing Industry

The British Columbia seafood industry faces many challenges, including an increase in world supply and competition in traditional export markets. Several initiatives were started in the last few years to address these challenges and substantial progress is being made while other new initiatives have just been launched.

THE FISH PROCESSING STRATEGIC TASK FORCE

The fisheries industry has been an economic mainstay of the province of B.C. for generations. However, with rapidly expanding and diversifying world markets, it is becoming increasingly important for industry stakeholders to look forward and identify new ways of increasing the value of this billion dollar industry. The Fish Processing Strategic Task Force was announced in October, 1993 in response to the need for legislative and policy options to help the B.C. fisheries industries grow.

The thirteen-member industry led council is comprised of representatives from all sectors of the fishery as well as coastal communities. Throughout the spring of 1994, this team will be exploring ways of strengthening and expanding the provincial fish processing industry by analyzing and assessing new product development, innovative processing methods and the development of under-utilized species. In addition, the Task Force will identify ways to enhance and sustain employment opportunities through increased training for industry workers and better labour relations. A draft report is to be presented to the Minister of Agriculture, Fisheries and Food by June 30, 1994.

MARKETING

The B.C. Salmon Marketing Council (BCSMC) continued to promote the B.C. salmon industry throughout the world in 1993. As part of a plan to diversify markets, Provincial government funding through the BC 21 program allowed the Council to explore new market opportunities in Mexico, Hong Kong, Taiwan, and Japan at the first ever Tokyo Seafood Show. This program will continue in 1994, with BC 21 again providing funding.

Within B.C., the BCSMC ran a highly successful summer promotion for fresh B.C. salmon through the Food Industry Market Development Program. In addition, the Council acknowledged that quality begins on the boat by publishing the highly regarded "On-Board Quality Guidelines" booklet distributing this publication to the entire fleet.

In 1993 the B.C. Farmed Salmon Institute continued their successful program of trade advertising in the United States where B.C. remains the market leader. As well, a pilot consumer promotion was run in B.C. under the Food Industry Market Development Program to strengthen the domestic market. Marketing plans for the coming year are focused on the U.S. consumer through a joint campaign with Chilean, U.S. and Scottish salmon farmers.

PRODUCT DEVELOPMENT

Developing and maintaining state of the art seafood processing and aquaculture technology is critical for competing in world seafood product markets. The Fisheries Development and Diversification Program provides provincial support in a Federal/Provincial cost shared arrangement for research and development and the adaptation of new technologies in the seafood sector. The new products and processes expected from this funding initiative will continue to encourage growth in seafood production, particularly in non-traditional areas.

A total of seven initiatives were funded during the 1993/94 fiscal year for projects ranging from processing technology development to packaging, and market development of seafood products. In 1994, $270 thousand in provincial funding has been allocated to other new projects under this program.

LABOUR INITIATIVES

Recent court decisions have held that for the purpose of labour law, fish harvesters are subject to provincial rather than federal laws. In late 1993 and early 1994, a number of reports were released by the Ministry of Skills, Training and Labour including:

1. The Kelleher Report which investigates the inclusion of fish harvesters within provincial collective bargaining legislation.
2. The Workers Compensation Board Terms of Reference for the Fishing Subcommittee of the Governors' Committee for Regulation Review. Draft Fishing Operations Regulations which recommend standards for occupational health and safety were subject to public review in early 1994.
3. The Thompson Commission Report on proposed changes to the *Employment Standards Act.*

It is also expected that new initiatives in skills and training for a more competitive workforce will be announced.

COMMUNITY SALMONID ENHANCEMENT

The second year of funding from BC 21 of $1 million for the Community Salmonid Enhancement and Restoration Fund (CSERF) was announced on April 28, 1994. Funding is directed to eligible profit and non-profit groups to help initiate community-based salmonid enhancement and restoration projects in their local regions. What makes this BC 21 initiative unique among other government enhancement programs is CSERF's focus on human resource training and creation of employment opportunities.

1993 proved to be an outstanding success for CSERF. Thirty-one projects, undertaken by both community associations and First Nations, from all regions of the province received funding. The projects created new jobs, provided worthwhile training and skill development, encouraged volunteers and left a substantial legacy of improved habitat for our valuable salmon and trout stocks.

BC 21's CSERF program is jointly administered by MAFF and the Ministry of Environment, Lands and Parks.

FISH BROKERS LICENCE

Starting January, 1994, the **Fish Brokers Licence** was required for companies that purchase fish or act as agents on behalf of others.

The licence is not required by individuals or companies that already hold provincial fish buying or fish processing licences. Furthermore, persons buying direct from fishers for their own use, or restaurants and retail stores do not require the new licence.

The Ministry's licensing system serves as a central registry point for all industry participants. A cross compliance system enables other agencies, including Workers Compensation, Revenue Canada and the Department of Fisheries and Oceans to ensure appropriate levies and premiums have been paid and catch reports filed. The creation of this new license will further enhance this cross compliance, and ensure that all purchasers of fish, including those who don't operate dockside plants, must be part of the system.

If you have any questions regarding this new licence contact Mr. Charlie Twaddle in Victoria office at 387-9567 or Ms. Kathy Sherwood in Courtenay at 334-1402.

Outlook

Estimates for 1994 indicate a similar pattern in overall catch and value, compared to 1993. Still at peaks in some natural cycles, the wild salmon harvest is expected to increase slightly and it should be another good year for sockeye. In addition, it is predicted that herring harvest will also increase. The Total Allowable Catch for some species will be reduced; other groundfish and shellfish production should continue to show marginal increases.

B.C.'s maturing salmon farming sector will increase production in 1994 and Atlantic salmon will account for nearly 65% of the harvest. Improved efficiencies on shellfish farms will mean higher oyster yields, and diversification into Manila clam culture will continue to be the trend.

Farm production from a variety of new species is expected to make inroads in domestic and export markets.

This is the second issue of the British Columbia Seafood Industry Year in Review series. We encourage you to send us your comments on this new publication and any suggestions for future issues. For more information, call or write, Tracy Michalski, Aquaculture and Commercial Fisheries Branch, Ministry of Agriculture, Fisheries and Food, 808 Douglas Street, Victoria, British Columbia, V8W 2Z7 (telephone 604-387-1160; fax 604-356-7280).

Data Sources: All seafood finished products and wholesale values as well as aquaculture industry harvests and farm gate values are collected by the Aquaculture and Commercial Fisheries Branch of the Ministry of Agriculture, Fisheries and Food. Commercial fisheries landings and values are provided by the Department of Fisheries and Oceans, Pacific Region; 1992 preliminary values have been adjusted. Estimates for 1993 farmed salmon are based on the B.C. Salmon Farmers Association production survey and forecast.

May 1994