

Appendix B

Supplementary Data

Exhibit B.1: Farmed Salmon Production and Value in Canada

	East						West	Canada
	Nfld	PEI	NS	NB	Que	Total	BC	Total
A. Production tonnes*								
1991	100	0	600	9,000	<100	9,700	21,900	31,600
92	100	0	400	10,000	<100	10,500	17,800	28,300
93	100	0	900	10,100	<100	11,100	23,000	34,100
94	<100	0	500	11,800	<100	12,400	21,300	33,700
95	100	0	600	14,500	<100	15,200	24,500	39,700
96	300	0	1,100	16,400	0	17,800	25,000	42,800
97	600	0	1,100	18,600	0	19,300	32,800	52,100
98	400	0	1,800	14,200	0	16,400	38,000	54,400
99	400	0	800	22,000	0	23,200	44,700	67,900
2000	700	0	3,400	29,100	0	33,200	44,100	77,300
01	1,100	0	2,600	33,900	0	37,600	61,200	98,800
02	1,300	0	1,900	38,900	0	42,100	75,600	117,700
03	1,500	0	5,200	33,100	0	39,800	65,400	105,200
04	3,300	0	2,000	35,000	0	40,300	56,300	96,600

	Farm Gate Value \$000			Farm Gate Price \$ per kg		
	East	West	Canada	East	West	Canada
B. Farm Gate						
1991	84,600	110,900	195,500	8.72	5.06	6.19
92	87,100	115,600	202,700	8.30	6.49	7.16
93	95,900	138,100	234,000	8.64	6.00	6.86
94	95,400	153,800	249,200	7.69	7.22	7.39
95	116,500	170,400	286,900	7.66	6.96	7.23
96	131,300	155,900	287,200	7.38	6.24	6.71
97	148,100	175,900	324,000	7.67	5.36	6.22
98	120,100	228,900	349,000	7.32	6.02	6.42
99	159,500	290,600	450,100	6.88	6.50	6.63
2000	205,400	278,400	483,800	6.19	6.31	6.26
01	199,600	270,900	470,500	5.31	4.43	4.76
02	213,100	288,900	502,000	5.06	3.82	4.27
03	212,500	255,800	468,300	5.34	3.91	4.45
04	200,000	212,200	412,200	4.96	3.77	4.27

* Dressed Head-on

Note: Valuation concepts are not necessarily consistent between East and West Coasts and among East Coast provinces.

Source: Derived from Statistics Canada "Aquaculture Statistics 2004", Cat. No. 23-222-XIE, October 2005 (West Coast figures corrected for misreporting).

Exhibit B.2: Canadian Exports into the US – Farmed Salmon

	Farmed Salmon Exports into US Market			
	Atlantic Salmon	Atlantic Fillets*	Other Salmon	Total
Production tonnes				
1992	10,375	NA	7,744	18,119
93	14,028	NA	5,242	19,270
94	18,566	NA	4,255	22,821
95	21,898	NA	6,363	28,261
96	23,261	NA	6,922	30,183
97	33,365	NA	4,703	38,068
98	37,141	3,887	5,122	46,150
99	38,981	5,485	3,647	48,113
2000	40,535	7,851	2,978	51,364
01	48,734	13,352	3,242	65,328
02	56,397	14,639	4,209	75,245
03	40,636	12,520	4,062	57,218
04	42,998	9,335	4,287	56,620
Export Value \$000				
1992	84,767	NA	49,545	134,312
93	113,472	NA	38,011	151,483
94	157,406	NA	33,509	190,915
95	182,883	NA	53,396	236,279
96	186,914	NA	54,262	241,176
97	271,158	NA	38,323	309,481
98	296,654	45,307	39,318	381,279
99	330,281	68,363	27,213	425,857
2000	327,399	94,944	23,249	445,592
01	387,282	153,325	19,571	560,177
02	420,284	160,545	22,316	603,145
03	295,799	131,418	23,757	450,974
04	262,583	94,575	24,560	381,718

* Atlantic fillets probably included in Atlantic whole fish prior to 1998.

Source: Statistics Canada, "Aquaculture Statistics 2004" Cat No. 23-222-XIE, October 2005

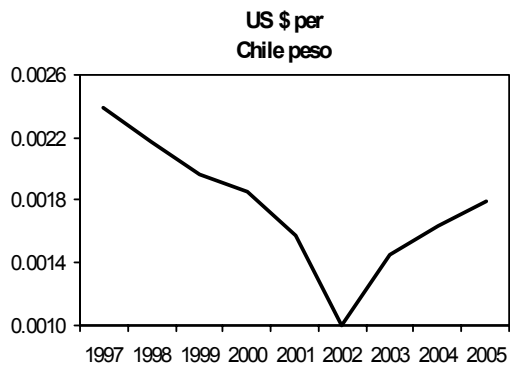
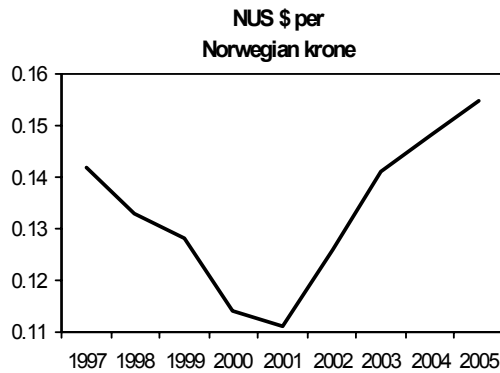
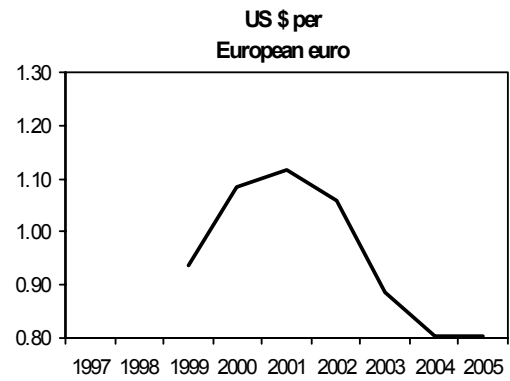
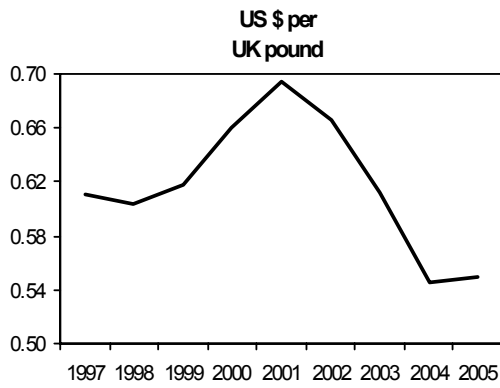
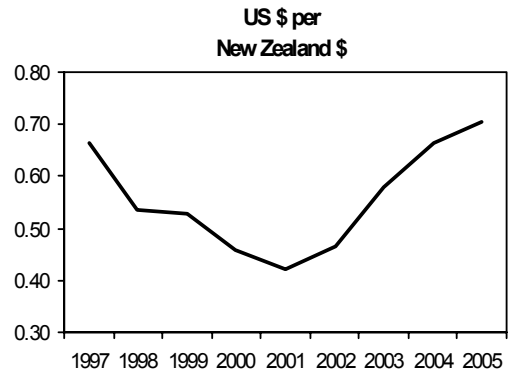
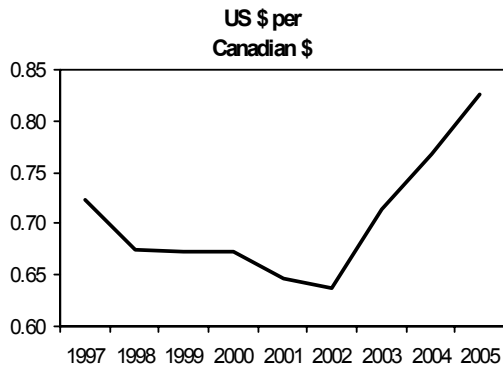
Exhibit B.3: Imports of Farmed Salmon into the US

	Whole Farmed Salmon \$millions US					All Farmed Salmon \$millions US				
	Canada	Norway	Chile	Other	Total	Canada	Norway	Chile	Other	Total
1992*	111.0	6.4	49.6	13.0	180.0	111.6	8.7	49.6	20.1	190.0
93*	118.0	9.6	61.0	13.0	201.6	118.7	14.9	61.0	17.0	211.6
94	141.0	8.6	49.7	9.2	208.5	142.2	13.4	49.8	17.8	221.3
95	172.9	9.6	56.4	8.1	247.0	177.5	19.2	100.0	14.8	311.5
96	177.1	7.5	56.4	12.0	253.0	182.5	14.5	124.3	18.7	340.3
97	223.5	5.1	40.9	12.1	281.6	244.0	14.2	156.4	21.0	435.6
98	225.8	7.5	35.8	19.2	288.3	258.4	21.3	239.8	26.8	546.3
99	239.5	11.0	17.4	45.5	313.4	287.4	65.3	244.1	67.4	664.2
2000	235.0	14.2	24.6	40.3	314.1	301.2	62.3	359.9	54.5	777.9
01	261.6	10.1	15.9	38.9	310.6	366.9	48.4	364.8	30.4	810.5
02	280.6	9.6	13.6	22.7	326.5	390.9	50.5	390.2	29.2	860.8
03	224.2	11.8	19.0	54.3	309.3	322.3	62.3	512.9	67.8	965.3
04	217.8	7.5	15.0	41.2	281.5	291.7	50.1	526.2	57.5	925.5
05	295.1	8.6	9.1	29.1	341.9	369.5	44.8	602.8	56.8	1,073.9

* For years 1992 and 1993 split between whole and other fish are estimates.

Source: US National Marine Fisheries Service

Exhibit B.4: Exchange Rate Movements 1997-2005



Source: Bank of Canada

Exhibit B.5: The Salmon Farming Industry in Chile – A Profile

Background

- Chile is the 2nd largest salmon producer in the world after Norway
- Chile has an extremely open economy with Free Trade Agreements with the USA, EU, China, Korea and many others

The Industry

- 2005 production of 488,000 tonnes (383,000 Atlantics, 105,000 coho)
- 72% of \$2.1 US billion total aquaculture exports were from salmon
- industry is very concentrated with 11 players producing 80%
- 12 main zones in Chile with the 12th being the farthest south
 - today : 80% of salmon farming in 10th zone, 20% in 11th zone
: almost 90% of capacity of 10th zone is being utilized
 - tomorrow : growth will have to come from the remote 11th zone
- Chile forced to “leave the waste at home” due to long distances to main markets
- therefore industry focused on fillets, portions, smoked & marinated products
- size and value-added focus has allowed Chilean companies to sell directly to large retail chains (one of the major reasons for the success of Chilean salmon in Europe)
- Atlantics – half sold fresh (USA 90%, Brazil 8%) and half sold frozen (USA 37%, Japan 15%, Germany 14%)
- coho & trout – sold almost exclusively as frozen (mainly to Japan)
- most important markets have been USA and Japan, but exports to Europe increased this year
- market conditions favourable in 2005, with excess demand and high prices
- competitive position : favourable business environment is one of Chile’s main advantages
 - : cost of production 17% lower than Norway for dressed whole fish (before transportation to market)

Strengths – Opportunities

- world cost leader with high growth potential
- strong market focus, flexibility & FTA help marketing
- proximity to world’s strongest pelagic resources, giving access to fish meal & fish oil for salmon feed at lowest prices in world
- focussed & capable management
- opportunities for foreign investors due to open economy

Weaknesses – Challenges

- growth will likely have to come from 11th zone where labour is scarce and infrastructure is poor
- Chile is already importing fish oil for production of feed, fish oil likely will become a scarce resource
- high air freight costs for shipping fresh

Source: ISB Research "ISB Seafood Industry Report – South America", December 2005.