



Fisherpersons - Petty Harbour

The fishing industry soldiered through some difficult times in 2005. In addition to a reduction in crab quotas, the crab fishery started four weeks later than usual due to a dispute over the Raw Material Sharing (RMS) system. While 2004 was among the best in recent memory in terms of landed value—primarily as a result of record high crab prices—returns to both harvesters and processors are likely to be lower in 2005. This reduction is primarily due to changing external factors, such as a strengthening Canadian dollar and difficult international market conditions. For example, average crab prices paid to fishermen fell to \$1.45 per pound in 2005 compared with the recent peak of \$2.45 in 2004.

Snow Crab Prices



DFO; Urner Barry Publications, Inc.

Total landings are expected to fall to about 310,000 tonnes in 2005, primarily due to a reduction in crab quotas. While this represents a drop of about 5% from 2004, it is nevertheless a reasonable performance in the context of the previous five-year average of about 282,000 tonnes. Crab landings for the

year are expected to be about 44,000 tonnes compared to 55,600 in 2004. Shrimp landings are anticipated to remain virtually unchanged at 100,000 tonnes as quotas are fully utilized. Pelagic, species like capelin, mackerel and herring, are expected to record only modest declines. Groundfish landings are expected to be 11% higher than last year as turbot and redfish landings increase. Cod landings are expected to be on par with 2004.

Based on Labour Force Survey data, employment related to fish processing declined considerably in 2005. To the end of September, fish processing employment was down by an estimated 20%, reflecting in part, the late start of the crab fishery due to the dispute over the RMS system and a reduction in fisheries throughput. The RMS project was designed to cap the level of crab production of each plant, based on a proportion of the available snow crab. Primary fishing employment showed no change from 2004 levels.

The sealing fishery turned in another solid year. While the number of seals taken is believed to have declined somewhat from 326,600 in 2004 to 319,000 this year, solid market conditions caused value to rise from \$15.4 million to an estimated \$22 million.

The aquaculture industry continues to provide opportunities in rural areas. Production of salmonids is poised to exceed 2004 levels and there has been a significant increase in smolt production. New markets for mussel products, plus a more diversified product line, continues to buoy local production—2005 is expected to be a strong year for the sector. New opportunities in cod aquaculture are being explored with both the private sector and government looking at options for long-term development.