

Background

The Fishing Industry

Canada has one of the largest commercial fishing industries in the world. In 1986 the Canadian industry produced almost \$3 billion in products and led the world with exports of \$2.4 billion. Exports to the United States were \$1.4 billion or 60 per cent of the total. The relative magnitude of trade to the United States by region is highlighted in Table 3.1. Exports on a provincial basis are shown in Table 3.2. Several key performance statistics demonstrate that the United States is the prime market for fisheries across Canada, with the exception of British Columbia. The expanding U.S. market is also the driving force behind the current improved economic performance of the fishing industry. Per capita U.S. fish consumption rose to more than 6.7 kg in 1986 and increased further in 1987.

The Canadian industry employs more than 120,000 people, including approximately 86,000 licensed commercial fishermen — 78,000 in the coastal fisheries (working from an estimated 35,000 vessels) and 8,000 in freshwater fisheries. Commercial fishing contributes less than 0.5 per cent of the Gross Domestic Product, but it is nonetheless an extremely important industry in the economies of coastal provinces, parts of Quebec such as the North Shore and the Gaspé, and in northern communities. On the Atlantic coast, for example, one out of every four people lives in one of the 1,300 fishing communities of Atlantic Canada and Quebec. Approximately one half of these communities are solely dependent on the fishing industry. In northern areas, where up to 90 per cent of fishermen are of native origin, the lack of alternative employment opportunities increases the dependence of remote northern communities on commercial fishing.

The Atlantic, Pacific and freshwater fisheries differ considerably in size, industrial structure, species, technology and products. The Atlantic coast fishery is the largest with total production of \$2.1 billion and exports of \$1.7 billion in 1986. Cod and other types of groundfish are the most important species group, accounting for over 60 per cent of total landings. The harvesting sector of the Atlantic coast fishery is divided into two major groups — the inshore (vessels less than 100 feet in length) and the offshore (vessels greater than 100 feet in length). The inshore comprises thousands of independent fishermen who harvest approximately 60 per cent of the total landings. The inshore sector is usually seasonal and is labour intensive. The major species caught in the inshore are groundfish, herring, lobster, crab, shrimp and scallops. The offshore fishery concentrates on groundfish and accounts for the remaining 40 per cent of landings. It operates year-round and comprises capital intensive fleets of large trawlers, most of which are owned by the major vertically integrated fishing companies.

The processing sector of the Atlantic coast industry consists of 840 processing establishments distributed throughout Atlantic Canada and Quebec, approximately 35 per cent of which operate year-round. While there are numerous processors contributing to the total output of the industry, the two major vertically integrated companies account for approximately 40 per cent of all Atlantic coast production.