2001 Seafood Industry Year In Review

Contents

Message from the Minister

Welcome to the 2001 Seafood Industry Year in Review

The fishery in Newfoundland and Labrador continues to be a major contributor to the provincial economy, and a fundamental part of our rural way of life.

Together, stakeholders and government have worked hard to cultivate a diversified, professional and sustainable industry. By producing top quality products, we maintain our position as a world-class supplier of seafood products. Despite some challenges in our shrimp fishery in 2001, we enjoyed another profitable year with export values exceeding $883 million.

Our aquaculture industry also experienced continued success in 2001, as a result of a joint effort between industry and government, and our focus on the Aquaculture Development Strategy. We have seen additional new investment from the private sector, which is the key to the future growth prospects for aquaculture. We have also made great strides in the area of secondary processing, another very positive achievement for the industry.

Overall, 2001 was another good year for the province's fishery, and I commend everyone in the industry for your achievements. I am confident that, through a continued spirit of cooperation, a revitalized and strengthened industry will benefit the economy and the people of Newfoundland and Labrador.

Gerry Reid, MHA
Twillingate-Fogo

Performance in 2001

Despite a disruption in the inshore shrimp fishery and lower than expected landings, the Newfoundland and Labrador fishery performed strongly in 2001, registering a total production value of $883M. Lower landings were a direct result of lower shrimp landings and a 6,400 tonne reduction in the Total Allowable Catch(TAC) for cod. Approximately 257,000 tonnes of commercial seafish was harvested in 2001, down 4% from 267,000 tonnes in 2000.

The landed value in 2001 was $496M, a 13% decrease from the $571M landed value of 2000. The decline in landed value is due to lower landings and a drop in prices for both crab and shrimp. These two species are the most important species to the fishery and, in 2001, accounted for 72% of the total landed value.

Fishing Industry Performance

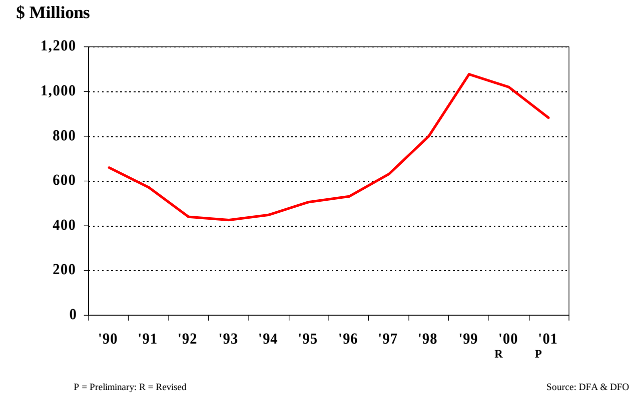
Newfoundland and Labrador, (2000 & 2001)

	2000(R)	2001(P)	% change
LANDINGS (t)			
Groundfish	70,000	65,158	-7%
Pelagics	41,642	45,781	10%
Shellfish	155,742	145,799	-6%
Seals (number)	86,000	240,000	179%
Total *	**267,384**	**256,738**	**-4%**
LANDED VALUE ($ millions)			
Groundfish	$85,962	$69,654	-19%
Pelagics	$10,603	$9,679	-9%
Shellfish	$472,013	$408,430	-14%
Seals	$2,100	$8,400	300%
Total	**$570,678**	**$496,163**	**- 13%**
PEAK EMPLOYMENT			
Harvesting (individuals)	12,200	11,900	-2%
Processing (individuals)	10,400	12,400	19%
ANNUAL EMPLOYMENT (Person Years)			
Harvesting	8,800	7,400	-16%
Processing	6,400	7,200	12%
TOTAL INDUSTRY EMPLOYMENT(PYs)	15,200	14,600	-4%

Source: DFO; DFA; Statistics Canada (May 24, 2002)
Note: R - Revised; P - Preliminary

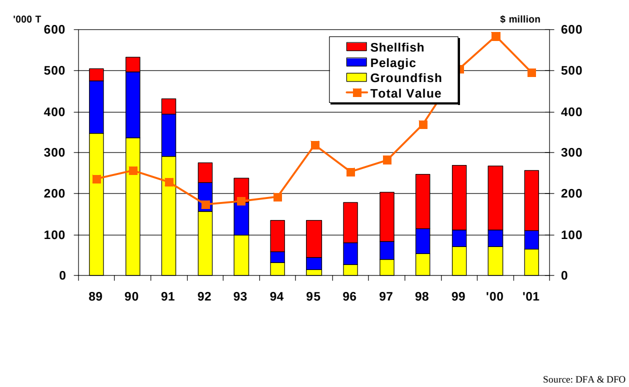
(* Does not include seals)

Production Value
Newfoundland and Labrador, 1990 - 2001



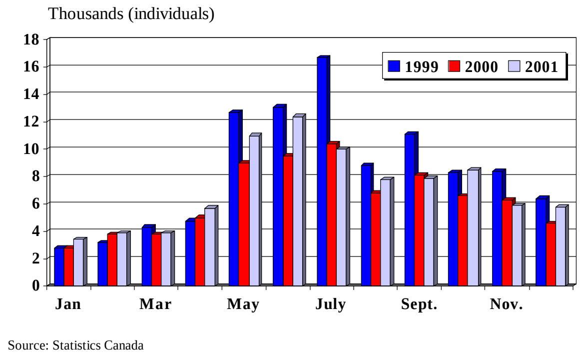
Approximately 120,000 tonnes of fish was produced in 2001, slightly higher than last year's production which is reflective of increased landings of higher yield pelagic species.

Fish Landings by Species Group
Newfoundland and Labrador, 1989 to 2001



Total annual average employment in the fishing industry decreased by 4% to 14,600, down from 15,200 individuals in 2000. Peak employment, however, increased from 22,600 individuals in 2000 to 24,300 in 2001, due mainly to increased employment in the processing sector. Annual average processing employment increased to 7,200 person years, up from 6,400 person years in 2000. Annual average harvesting employment, however, decreased 16% to 7,400 individuals, while peak harvesting employment levels declined 2% in 2001 to 11,900

Processing Employment
Newfoundland and Labrador, 1999 - 2001



individuals. Lower annual harvesting employment is due mainly to the closure of the shrimp fishery during the summer months.

The overall value of the Aquaculture sector for 2001 was $20M up from $14M in 2000. The higher value was due to increased finfish and shellfish sales. Private sector investment in the Bay d'Espoir area has resulted in increased production of salmonids. Shellfish production is up over last year, due to increased harvests of mussels, as a result of improved market conditions.

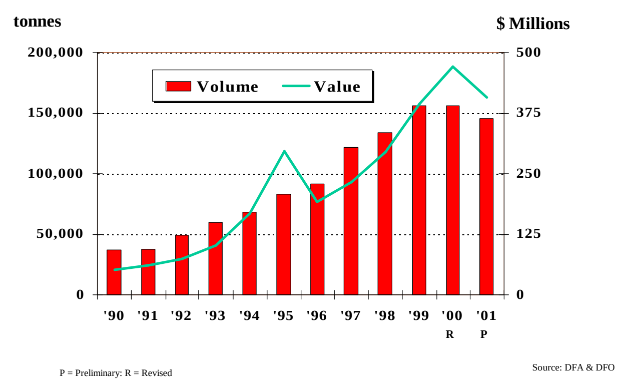

Snow crab processing

Species Review

Shellfish

The shellfish sector remained the dominant force in the fishery in 2001 representing 82% of total landed value. The industry continued to face challenging market conditions with price declines in principal species groups. Shellfish landings decreased by 6% to approximately 145,800 tonnes, down from about 155,800 the previous year. Correspondingly, the dockside value of shellfish was down 13.5%, dropping to $408,400 in 2001 from $472,000 in 2000.

Shellfish Landings
Newfoundland and Labrador, 1990 - 2001



Crab

The crab sector saw a modest change in landings with a 2% increase in volume. Landings increased from 55,500 tonnes in 2000 to 56,700 tonnes in 2001, due to increased landings from exploratory fisheries. The landed value of crab, however, decreased by $45M to $219M, due primarily to lower market prices. A sluggish U.S. economy, combined with the continuing Japanese recession, pushed prices lower. The crab industry had experienced high prices in 2000 fuelled by creative promotional campaigns aimed at U.S. retail consumers. A period of adjustment occurred in late 2000 and early 2001 which saw crab prices return to more historic levels.

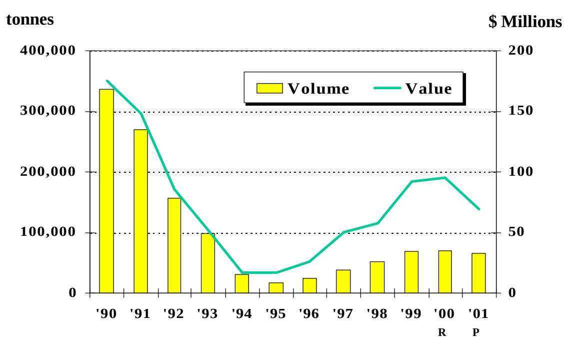
Shrimp

Shrimp landings decreased 10% from 77,400 tonnes to 70,700 tonnes in 2001, due primarily to a decline in landings from the inshore fleet. Poor shrimp markets resulted in a closure of the industry from July to September resulting in approximately 10,000 tonnes going unharvested. A sluggish U.S. economy, increased world supplies of shrimp in both EU and U.S. markets, and high shrimp inventories, put downward pressure on prices. As a result, the total landed value of the shrimp sector dropped 15% from $170M in 2000 to $144M in 2001.

Groundfish

The groundfish sector also declined in 2001. The landed value of groundfish was down 19% from $86M in 2000 to $67M in 2001. Landings were off by 7%, moving from 70,000 tonnes to 65,200 tonnes in 2001. Lower landings were due in part to a 5,000 tonne reduction in the TAC for cod in 3Ps and a 1,400 tonne reduction for Northern cod in 2J3KL. Poor market conditions and increased competition from China pushed market prices lower. Offsetting lower cod landings was a 3,000 tonne increase in the TAC for yellowtail flounder in 2001, with landings for this species increasing by 32% from 9,400 tonnes to 12,400 tonnes in 2001. Overall, groundfish landings remain well below historical levels, due to slow recovery of key groundfish stocks.

Groundfish Landings
Newfoundland and Labrador, 1990 - 2001



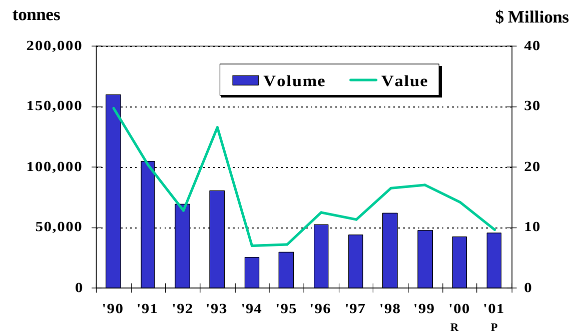
P = Preliminary: R = Revised

Source: DFA & DFO

Pelagics

Pelagic landings increased by 10% in 2001 to 45,800 tonnes, up from 41,650 tonnes. The landed value, however decreased by 9% from $10.6 million to $9.7 million in 2001. Capelin, the dominant pelagic species, accounted for 44% of total pelagic landings followed by herring and mackerel. Capelin and herring landings declined relative to 2000, however, this was offset by higher mackerel landings. Mackerel landings increased 113% to 8,100 tonnes, while prices remained stable relative to 2000.

Pelagic Landings
Newfoundland and Labrador, 1990 - 2001



P = Preliminary: R = Revised

Source: DFA & DFO

Seals

The 2001 seal fishery was strong with landings of 240,000 animals. Markets, weather and ice conditions were favourable resulting in the bulk of the quota being taken. The highest prices in recent years were paid for top grade pelts and oil products and the export value of seals and seal products for the Province exceeded $30 million in 2001.

Prices ranged from $25.00 - $38.00 for a first grade beater pelt. The 2001 season employed 3,000 sealers and plant workers in the production of pelts, oil products, and meat. The demand for seal oil capsules for human consumption grew in 2001.

Sealing continues to be a significant employer and income source for coastal residents.

Aquaculture

The Aquaculture sector continues to focus on four established species, Atlantic salmon, steelhead trout, blue mussels and Atlantic cod. Increases in volume and value were seen in all these species in 2001. The Strategic Aquaculture Plan for Newfoundland and Labrador endorsed this focus and the plan was adopted by all industry stakeholders in 2001.

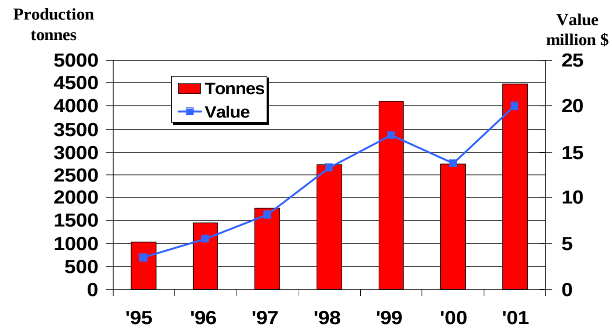
The regionalization of the Aquaculture Branch was completed in 2001, with 12 positions now headquartered at Grand Falls-Windsor. The Central Region accounts for 90% of total aquaculture production.

The Aquaculture Component of the Economic Renewal Agreement concluded in 2001, with in excess of $20 million in joint Federal/Provincial funding for aquaculture development over five years.   This funding was directed to research and development, education, extension services and coastal zone planning.

Aquaculture at a glance

Aquaculture Production

Newfoundland and Labrador, 1995-2001



Source: Department of Fisheries and Aquaculture

Shellfish

The production of blue mussels increased to 1,452 tonnes in 2001 from 1,180 tonnes in 2000. Production is concentrated in the Notre Dame Bay area on the province's Northeast coast but commercial effort is expanding on the South coast. Most companies have continued to expand by deploying more culture equipment in 2001. A comprehensive program to identify quality requirements for the growing, harvesting, transport and processing of mussels will be completed in 2002.

Value-added products and markets expanded in 2001, with approximately 60% of total fresh production being further processed into secondary products.

Finfish

The sector grew in 2001 despite market challenges. Approximately 2,811 tonnes of mixed products, comprising 1,092 tonnes of Atlantic salmon, and 1,719 tonnes of steelhead (trout) were processed. This represents a considerable increase over the combined 1,500 tonnes sold in 2000.

The salmonid sector in Bay d'Espoir experienced excellent growth and survival rates in 2001. Poor markets on the global level were the major obstacle facing the industry this past year, however, prices are likely to increase in 2002.

Salmon and trout prices have reached an all-time low, due primarily to global overproduction and the aftermath of the recent terrorist attacks. The industry remains optimistic for the future, due to the improved performance of the fish stocks and the cyclical nature of the markets.

The expansion of outside investment in Bay d'Espoir salmon and trout industries continued in 2001. Additionally, some investment has been made outside of the immediate area but within the province to develop additional hatching capacity to supply fish for ongrowing. An Arctic char hatchery in Daniels Harbour has recently been retrofitted with a new trout and salmon focus.

To support this interest and to expand the ultimate capacity of the region, the Department is continuing to assess the outer reaches of Bay d'Espoir to identify additional growout areas and sites that will be targeted for future development. This is being done in nearby Fortune Bay as well.

Cod

Cod growout continued to expand in 2001 with production of approximately 207 tonnes (round weight), up from 155 tonnes in 2000 and 105 tonnes in 1999. There were 46 licences issued (15 of them to new entrants) and 17 active participants with farms located within NAFO fishing zones 4R, 3KL, and 3Ps. Access to starting stock due to reduced wild cod stocks continues to be a constraint.

Cod aquaculture is being developed utilizing two types of technology: cod growout and egg-to-plate aquaculture. Growout technology takes advantage of the experience of traditional cod harvesters, where trap-caught wild cod are held in cages, fed, and can double their weight in 100 days. Egg-to-plate aquaculture mirrors traditional aquaculture practices, where cod are hatched in hatcheries and grown to market size. Egg-to-plate cod aquaculture is rapidly developing and attracting increased attention. Public funding agencies and private investment have recognized the opportunity and are establishing partnerships to realize the potential.

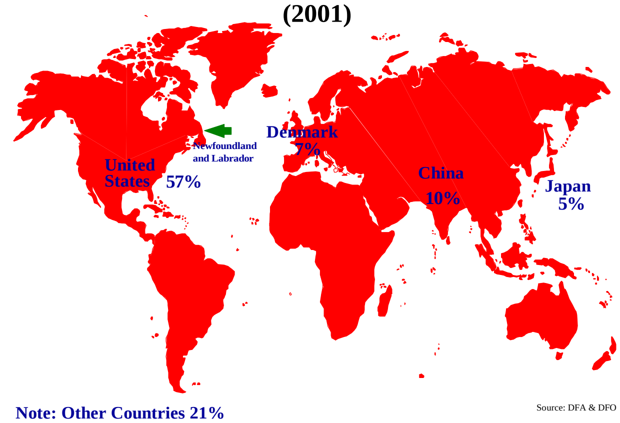
One of the most significant events of the 2001 year was the stocking of 65,000 juvenile cod, produced at the Ocean Sciences Centre, into sea cages in Hermitage Bay. These cod responded positively to the transfer and are doing quite well. A commercial cod hatchery in Bay Roberts is scheduled to be completed in 2002 and will provide cod juveniles for on-growing on a commercial scale.

Market Overview

Weakening world economies, combined with the September 11, 2001 terrorist attacks, put downward pressure on prices for most major fish species. Shellfish destined for upscale Japanese markets was negatively affected as the recession in that country continues. Furthermore, increasing supplies of coldwater shrimp from Canada and other countries, combined with strong aquaculture production of warm water species, has proven very challenging for the shrimp industry. Groundfish prices have also followed this downward trend with prices for high-end products softening throughout the year.

Most of the Province's fish exports are sold internationally, with the U.S. as our main market followed by the European Union and other Asian countries. Exchange rate fluctuations and the health of these

World Markets for Newfoundland and Labrador Fish (2001)



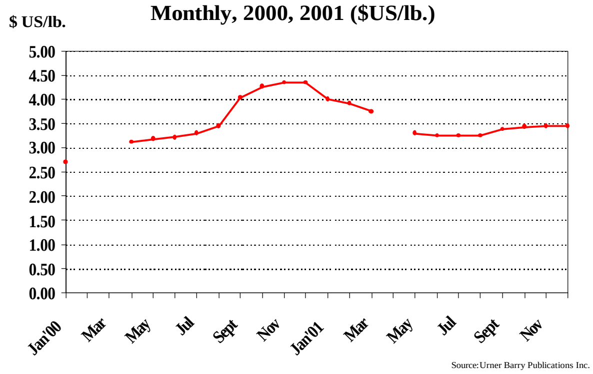
importing economies can have a significant impact on producer and harvester margins.

Crab

Despite relatively stable crab markets in 2001, product could only be moved at lower prices. A comparatively sluggish U.S. economy and high prices in 2000 contributed to a softening of consumer demand. The average price of a 5 to 8-ounce pack of snow crab sections in the United States was $US 3.20/lb., down from $US4.10/lb. in 2000. The average price of the standard combination meat pack was down from $US9.90/lb. in 2000 to $US7.90/lb. in 2001. Japanese purchase prices also declined, with the average price of frozen sections (5 oz. and up) dropping from $US3.90/lb. in 2000 to $US3.15/lb. in 2001.

Prices for Frozen Crab Clusters (5/8oz.) in U.S. Markets

Monthly, 2000, 2001 ($US/lb.)



Shrimp

Newfoundland and Labrador is the world's largest producer of coldwater shrimp. The United States and the United Kingdom are Newfoundland and Labrador's two primary shrimp markets, and both markets presented a challenge in 2001. Prices for shrimp dropped as much as 35 percent last year, creating difficult circumstances for the industry.

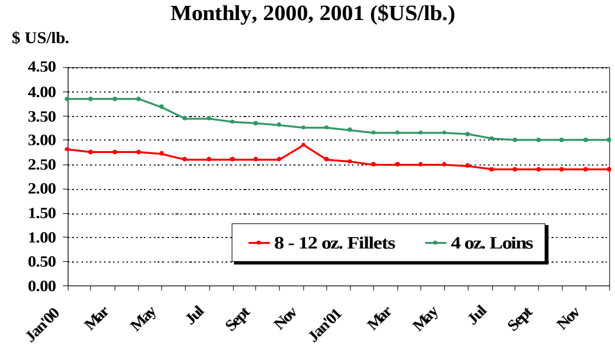
The weakening U.S. economy, high carry over inventories of shrimp from the previous year, and increased supplies and competition from both cold-water and warm water species drove prices downward. Also, currency exchange rates between the UK and Canada became less favourable. As well, exchange rates between the UK and some of our Nordic competitors did not appreciate in value and, in some cases, actually declined. These exchange rate changes impacted the prices received in these markets by provincial producers and have also given competitors a price advantage. Complicating matters, the very restrictive EU tariffs continued to be a major stumbling block for the industry.

Cod

The average market prices for cod were lower in 2001 relative to 2000. For the second year in a row, the average price for the popular 8 to 12-ounce shatterpack fillets declined, down to $US2.40/lb. from $US2.60/lb. the previous year, and $US2.90/lb. in 1999. The price of cod loins, which had increased in 1999, also declined for the second straight year. Four-ounce cod loins from Canada had been selling for $US3.85/lb. at the beginning of 2000, but had declined to $US3.00/lb. by the Fall of 2001. Cheaper product, especially from China, was again a major factor in traditional markets.

Prices for Frozen Cod Fillets (8-12oz. & 4oz. Loins) in U.S. Markets

Monthly, 2000, 2001 ($US/lb.)



Processing Licence Update

Primary fish processing licences issued under the Fish Inspection Act are divided into two main categories, core and non-core. A core licence holder is permitted to process all species except for shrimp and snow crab. A non-core licence holder is only permitted to process those species listed on their licence. A total of 122 core and non-core licences were issued in 2001.

In 2001, there were 62 core processing licences issued. Of these 62 licences, 38 plants processed groundfish, 30 processed pelagics, 22 processed crab, and 8 processed shrimp. Any one plant can process more than one species. These figures remain unchanged from 2000.

Of the 60 non-core licences issued in 2001, 19 processed groundfish, 16 processed pelagics, 10 processed crab and 3 processed shrimp. There were 3 additional non-core licences renewed in 2001 over the previous year, however, the number of plants processing groundfish dropped from 23 to 19 plants. In 1992, there were 240 fish plants, however, the failure of groundfish stocks to recover keep many of these facilities idle and many plants in operation are functioning at well below annual capacity.

Icing shrimp

Quality Assurance

Quality Assurance remains a priority with the Department and the fishing industry. The effort to raise quality consciousness in the industry and promote practices which serve to produce top quality fish products was accomplished, in part, by a series of workshops on cod, crab and shrimp. This is the fourth consecutive year of delivering this quality message to Newfoundland and Labrador fishing communities. Last year, 15 workshops were held. Although attendance did not meet expectations in some instances, there was good discussion at each session and those present responded positively to this open approach.

Quality improvement efforts were further addressed in the negotiated price agreements for snow crab and cod which use quality grading programs for each species. The Department provided support to these initiatives by ensuring all companies complied with the grading criteria.

FDP

The $10M Fisheries Diversification Program (FDP) is a jointly managed initiative by DFA, ACOA and DFO to fund industry-wide research and development and demonstration projects for the long-term growth in the fishery.

The program allocated $9M of its budget on 132 projects in 2001 to private fishing industry companies, public/private organizations and other stakeholders in the Newfoundland and Labrador fishery.

The program's four elements are Emerging Fisheries Development, Productivity/Product Enhancement, Market Intelligence/Trade Development, and Environmental Awareness/Conservation Technology. Projects in the Emerging Fisheries element included resource identification surveys on rock/toad crab, sea cucumber, sea uchins, seaweed, and whelk. Several technology transfer projects, including refrigerated seawater systems for holding catches and the investigation of catamaran technology for our waters, were also completed.

Workshops and videos on the handling techniques of various species were conducted and produced under the Productivity and Product Enhancement element. The production of chitin and chitosan was investigated. The Market Intelligence and Trade Development element assisted projects for traditional and underutilized species and value-added products. The development of markets in China, Mexico and Europe was also undertaken. A wide range of initiatives were also undertaken under the Environmental Awareness and Conservation Technology element.

The final date for submission of applications to the Fisheries Diversification Program was March 31, 2002. For more information on this program, visit the FDP web site at www.gov.nf.ca/fishaq/fdp

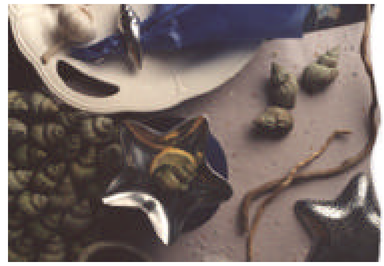
Fisheries Development

The focus of the fisheries development work in 2001 involved surveys, biomass assessments and exploratory fishing projects aimed at the less than 35 ft. vessel fleet. Much of this work was undertaken by DFA personnel or in partnership with the private sector and funded by the Fisheries Diversification Program.

Some of this development work involved the following:

Whelk

A variety of gear was utilized by inshore harvesters to explore opportunities. The Department of Fisheries and Aquaculture provided gear and advice. Of the six areas surveyed, only the St. Pierre Bank showed commercial quantities of whelk.



Whelk

Rock crab

Development opportunities for a rock crab fishery are somewhat limited for 2001. Outside of the already established fishery along the province's Northeast coast, there appears to be some limited opportunities in the Fortune Bay area.

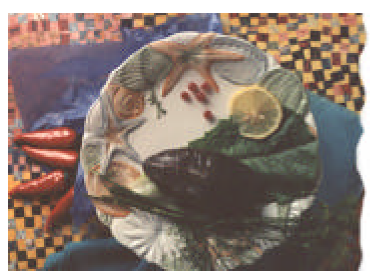
Rock and Toad Crab

Toad crab

Extensive exploratory fishing was undertaken throughout the Province for toad crab, however, only the Labrador straits area showed potential. This work will conclude in 2002.

Sea cucumber

Interest in this species grew in 2001 and several biomass assessment projects were undertaken throughout the province. Results were very encouraging in Notre Dame Bay and on the St. Pierre Bank.



Sea cucumber

Regional Overview

The Department's regional staff lead the delivery of the Quality Assurance Program in addition to overseeing a varied range of diversification and development projects. Development work was completed on rock and toad crab, sea cucumber, whelk, and herring. Catch rates throughout the regions were generally good for crab, shrimp and cod. Lobster catch rates increased significantly in 2001, up to 25% in some places. Lower lobster landings, however, were reported in Placentia Bay. Processing activities were generally positive in 2001, despite the closure of the shrimp fishery in July and August. An overview of activities by region follows.

Eastern/Avalon Region

The demand for secondary and value-added products increased in 2001 in this region and salt fish production was strong with good demand for larger type product.

Some plants produced a vacuum pack for mussels which was well received in the marketplace. Several plants continued to import groundfish to supplement their operation, however a reduction in quotas, a competitive marketplace and high prices had a negative affect on this practise.

Cod stocks remained fairly stable in 3Ps while certain areas experienced lower catch rates compared to last year. The lump roe fishery experienced a 50% reduction in overall landings.

Central Region

The Central Region Office relocated from Gander to Grand Falls-Windsor in August, 2001.

The continuing decline of Northern cod on the Northeast coast remains a major concern for the groundfish sector.

A new shrimp plant is expected to be in operation in Twillingate in 2002, while the groundfish plant destroyed by fire at Salvage is expected to be rebuilt. The boat building sector operated at peak capacity employing over 200 people in 2001.

The Fogo Island Co-op is expected to carry out commercial production on sea cucumber in 2002, based on positive survey results in 2001.

The Eastern/Avalon and Central Regions worked cooperatively and produced extensive survey results for whelk and sea cucumber on the St. Pierre Bank. Both species showed excellent potential for commercial development.

Western Region

Approximately 4,200 tonnes of cod in 4RS3PN were landed in 2001. Harvesters experienced good catch rates and fish landed was generally in healthy condition.

The closure of the shrimp processing sector this past year caused significant financial problems for shrimp fishers in the region and the four communities with active shrimp processing plants. A fifth plant at Black Duck Cove did not operate in 2001.

The seal fishery in the Gulf of St. Lawrence was very successful, with the small and large vessels landing all their quota. Sealing activity centered on the New Ferrole to Daniels Harbour area and prices were as high as $40 per pelt.

A number of species such as shrimp and hagfish in Burgeo/Ramea, whelk in Northern White Bay and toad crab around the tip of the Northern Peninsula showed increased potential to harvesters and processors.

Labrador Region

Inshore fishermen in the Labrador Straits successfully held cod onboard in slush ice this past year, resulting in up to 80% Grade A cod at dockside.

Experimental beam trawl efforts for shrimp indicates potential for an inshore fishery, using 35-45 foot vessels on the North and South Coasts. Exploratory projects on toad crab contributed towards a new commercial fishery in the Straits, a fishery which has a significant positive impact on inshore fishermen dependant on cod.

A new state of the art shrimp processing plant, the first for Labrador, opened in Charlottetown this past year, providing a much needed boost to the local economy.

Phase Two of the Trans Labrador Highway is nearing completion. This highway will produce the desirable benefit of creating less congestion from stored reefers at processing plants and more efficient and economical movement of fish by truck.

Resource Status Update

Northern Shrimp

The Northern shrimp resource stretches from the Grand Banks to the Davis Strait. The more northerly areas are fished exclusively by the offshore licence holders, while the inshore and offshore sectors have access to the southern areas. The biomass in the south continues to be estimated at an historic high. Some uncertainty exists with regards to medium to long-term recruitment but a decline is not anticipated in the near future. Based on limited information, the resource appears to be stable in the north.

Gulf Shrimp

The Newfoundland and Labrador fleet fishes in the Esquiman Channel portion of the Gulf of St. Lawrence. This resource has been growing over the past few years and the Newfoundland and Labrador portion of the quota increased from 4,900 tonnes in 2000 to 5,300 tonnes in 2001. The resource is now considered stable, and the quota will remain the same in 2002.

Snow Crab

Overall, the 2001 snow crab fishery was very successful. Landings reached approximately 57,000 tonnes province wide, an increase of about 2,000 tonnes from 2000. This represents the second largest volume of snow crab landed in the Province in any given year. The current status of the resource appears stable from the available fishery data. In 2002, the overall harvest level will increase 4.6 percent to over 59,000 tonnes.

Cod

The offshore portion of the 2J3KL stock remains under moratorium and is showing no signs of recovery. The annual inshore TAC (index fishery) has been set at 5,600 tonnes for the period 2001-2003. The TAC for the 3Ps stock was reduced in 2001-2002 from 20,000 tonnes to 15,000 tonnes, due to concerns about recruitment to the stock. The latest Stock Status Report was released in late November 2001 and suggests improvement, particularly regarding potential recruitment. The quota will remain at 15,000 tonnes in 2002-2003. The 4RS3Pn stock appears to be somewhat stable at levels well below historic average. The 2001 TAC was set at 7,000 tonnes and is expected to remain at that level for 2002.

Unit 2 Redfish

This stock includes the south coast of Newfoundland and parts of the Laurentian Channel. Newfoundland harvests between 35-40% of the quota. The stock remains relatively stable, however, with little sign of recruitment, the quota was reduced to 8,000 tonnes in 2001 from 10,000 tonnes the previous year and will remain the same for 2002.

Skate
A small skate fishery is ongoing off the Avalon and South coast of the province. The quota has remained at 3,000 tonnes for the past three years.

NAFO-Managed Stocks
2+3LMNO Turbot
There has been growth in this stock over the past few years due to good recruitment. This growth appears to have slowed, however, NAFO has increased the quota to 44,000 tonnes for 2002, up from 40,000 tonnes in 2001. The Canadian share of the TAC in 2002 is 16,280 tonnes.

3LNO Yellowtail
This stock has experienced growth in the past few years and the quota was increased from 10,000 tonnes in 2000 to 13,000 tonnes in 2001, and will remain at 13,000 tonnes in 2002. Canada is allocated 97.5 percent of this stock.

Other Groundfish
All other NAFO-managed straddling groundfish stocks remain under moratorium and few are showing any sign of recovery. These include: 3NO cod, 3LNO American plaice, 3NO witch flounder and 3LN redfish.

Other Developments

Professional Fish Harvesters Certification Board
The Professional Fish Harvesters Certification Board registered 15,095 harvesters in 2001. The designations included 8,068 Level II harvesters, 982 Level I harvesters, 3,441 apprentice harvesters, 1,267 new entrants, 1,238 temporary registrations and 63 Apprentice licence holders. Total registrations were down by 1,057 from year 2000.

During 2001, the Board continued with its Prior Learning Assessment and Recognition (PLAR) project. The PLAR program provides an opportunity for experienced Level I and Apprentice fish harvesters to obtain credit from prior learned fishing skills and earn a higher certification level. Harvesters in the above category can demonstrate their skills through an assessment by trained Level II professional harvesters.

In 2001, the Board produced its first newsletter "On the Water" which was distributed to all harvesters in the Province. The Board also introduced its new web site which can be reached at www.pfhcb.com

Special Panel on Corporate Concentration in the Fishing Industry
The Minister of Fisheries and Aquaculture announced the formation of a Special Panel on Corporate Concentration in the Fishing Industry in the fall of 2001 to examine corporate concentration in the fishing industry. The Panel made recommendations to Government that are consistent with its objective of mitigating any negative social and community consequences likely to arise from the consolidation of the fishery into fewer hands, while ensuring the continuation of a sound business and investment climate. The Panel submitted its report in November 2001 and Government is considering its recommendations. The report is available at www.gov.nf.ca/fishaq/Publications/Corporate.htm

Structural Study of the Inshore Shrimp Fishery
As a result of challenging market conditions, the Minister of Fisheries and Aquaculture, along with the Fisheries Association of Newfoundland and Labrador, (FANL), and the Fish, Food and Allied Workers Union, (FFAW), committed to the establishment of a Panel to examine the problems facing the shrimp fishery. The Panel submitted its report on April 15, 2002. The Panel's recommendations focus on all aspects of the industry from harvesting, processing through to government policy. The report is available at
www.gov.nf.ca/fishaq/Publications/shrimp/review.htm

Department of Fisheries and Aquaculture Website

The Department is in the process of updating and modifying its website with the inclusion of new sections and interesting features, such as an educational/trivia site for the younger visitors. Please visit our site for detailed information on the Newfoundland and Labrador fishery.

The address is www.gov.nf.ca/fishaq/

Aquaculture

Production for all four commercial species is expected to increase in 2002 due to increased stocking and improved husbandry. Continued investment and growth are predicted for the salmonid and mussel sectors. Access to starting stock from hard hit cod stocks will have some impact on the development of cod culture in 2002. The successful overwintering of hatched cod on the south coast and the construction of a new cod hatchery are positive developments for cod aquaculture this coming year. A mutually agreed industry and government strategy has been developed and will be released in early summer to provide structured growth in the egg-to-plate cod sector.

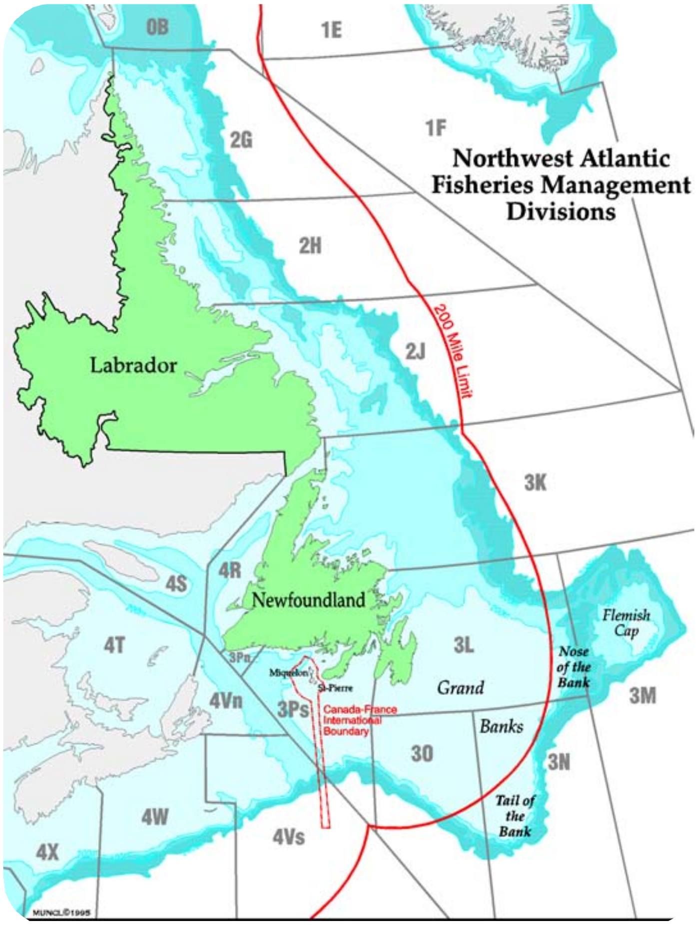
Outlook for 2002

Fisheries

The Newfoundland and Labrador fishery will continue to face market and resource challenges in 2002. Price for crab are expected to be lower than in 2001 and shrimp prices are expected to remain below historical highs. With the exception of Japan, world economies have begun to rebound from the recent recession and this should stabilize and possibly increase demand for key species. Overall, the fishery in 2002 is expected to be on par with 2001 landings and landed values.

Groundfish harvests will continue to remain well below historic levels, as a result of slow stock recoveries for principal species. Increases in crab quotas will result in higher landings. Continued difficult market conditions for shrimp will likely continue to temper effort in this fishery. Seal harvests have been buoyed by record high prices and 2002 is expected to be the best selling season on record for the inshore sector.

FDP Study - Seawater Crab Holding System



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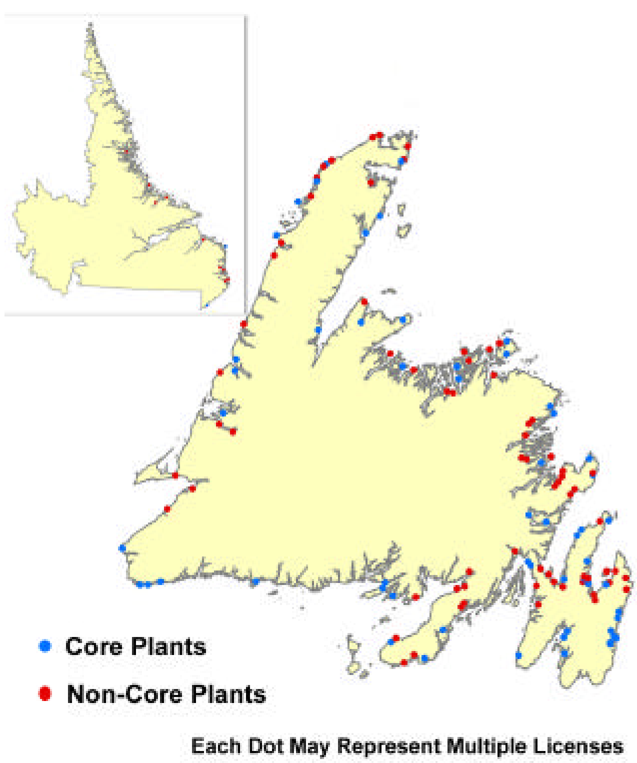
Licensed Fish Plants 2001



Licensed Aquaculture Sites 2001