# Industry Brief

## Fishing and seafood processing

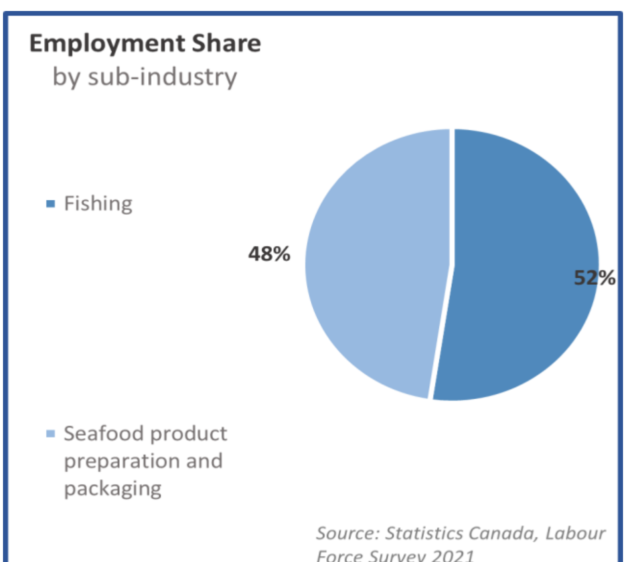
## Atlantic Region

## 2022

## ABOUT THE INDUSTRY

| | Employed 2021 | Industry Share (%) |
|---|---|---|
| Atlantic Canada | 25,300 | 2.3% |
| Newfoundland and Labrador | 6,600 | 3.0% |
| Prince Edward Island | 2,900 | 3.7% |
| Nova Scotia | 10,500 | 2.3% |
| New Brunswick | 5,300 | 1.5% |

*Source: Statistics Canada, Labour Force Survey*




Fishing and seafood processing contributes nearly $2B in economic activity to the Atlantic region and supports nearly 25,300 jobs. Most of this industry's operations take place in and around rural and coastal communities, making it very important in terms of the jobs and incomes that it provides.

This industry is comprised of two highly integrated activities: commercial fishing and seafood product preparation and packaging, with the latter typically involving the addition of some value to seafood products through processes like portioning, canning, smoking, freezing and packaging.

Atlantic Canada's most important seafood species by value are lobster, salmon, queen (snow) crab and shrimp. Harvesters as well as seafood producers in the region have derived a lot of value from exporting these and other products to foreign markets. However, volatile seafood prices in recent years have masked a substantial decline in the volume of seafood harvested commercially, as quotas for some species such as crab and herring have been lowered in order to maintain stocks at a healthy level.

Labour shortages are common in seafood processing and employers (particularly in New Brunswick) rely on temporary foreign workers (TFWs) to fill job vacancies. Seasonality, negative perceptions about the industry and low population numbers in the rural areas where plants are mostly located often make it difficult for employers to attract and retain workers.

| **Top 5 largest occupations** | Employed 2021 | % Share of Industry |
|---|---|---|
| Fishermen/women | 11,850 | 35.1% |
| Labourers in fish and seafood processing | 5,725 | 17.0% |
| Fish and seafood plant workers | 3,375 | 10.0% |
| Fishing vessel deckhands | 2,975 | 8.8% |
| Fishing masters and officers | 1,650 | 4.9% |

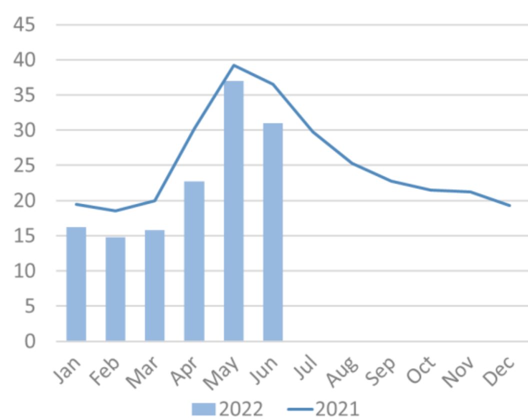
*Source: ESDC/Service Canada*

Nearly half of this industry's workforce is employed in fish harvesting. The majority are fishermen/women, while a smaller number work as vessel deckhands, masters and officers.

The second and third largest occupation groups are involved in the processing stages of the seafood value chain. Labourers in fish and seafood processing perform cleaning, packaging, material handling and other activities related to fish and seafood processing while fish and seafood plant workers set up and operate machinery to process and package fish and seafood products. Both are employed in fish and seafood processing and packaging plants.

## RECENT HISTORY

**Monthly Employment (x1,000)**
Atlantic Canada, unadjusted seasonally



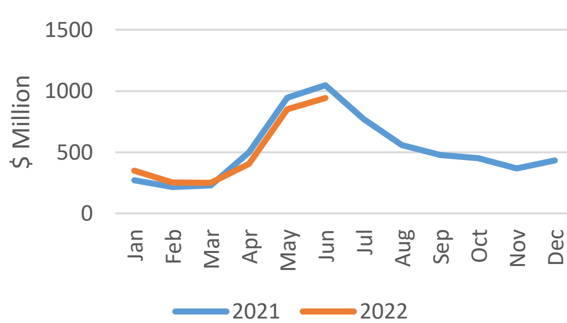

*Source: Statistics Canada, Labour Force Survey*

While no industry breakdown is available with respect to employment, we know that the total number of fishing and fish processing jobs grew by 10.4% (2,400 jobs) between 2020 and 2021, more than offsetting the losses from the previous year. However, as indicated in the graph above, the first half of 2022 has shown some regression in this regard.

Export data for 2022 shows that shipment values of both raw and processed seafood products started off strong in the first quarter (Q1) compared to the same period during the previous year, but slowed in Q2. Notably, 2021 lobster shipments reached record highs, with much of the uptick due to a resurgence in demand from both the U.S. and China.

Fishing and seafood processing GDP grew by 21% on a year-over-year basis in 2021, due to a significant rebound in seafood product preparation and packaging (+25%) combined with a similar rebound in commercial fishing (+17%). The industry suffered several setbacks due to the global pandemic in 2020, including delayed openings of various fishing seasons and a temporary, but steep drop in both domestic (mainly restaurant) and international demand. This was particularly the case for lobster, which depends heavily on international demand, as well as cruise ship and dining room activity. As a result, the price of lobster plummeted to, in some areas, half of what it had been prior to the pandemic. By 2021 the price of lobster had spiked as international demand soared above pre-pandemic levels. At one point during 2021, some restaurants in the region were paying $18 per pound for lobster, up from the $5 during the pandemic year. More recently in 2022, during the NB Spring lobster season, fishermen have reported lobster prices falling as low as $4.50 per pound, due to declining market demand.

Fishing and Seafood Processing Exports by Value



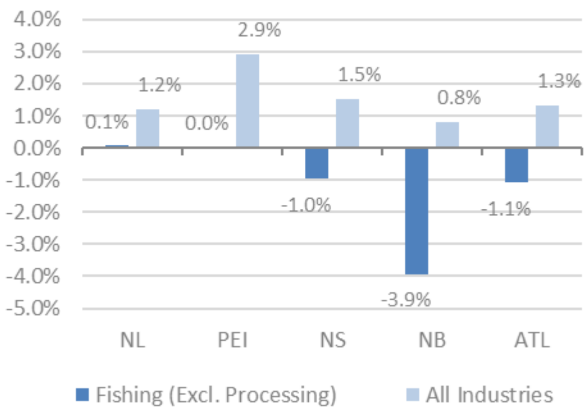

*Source: Government of Canada. Trade Data Online.*

Labour shortages have been an ongoing issue in this industry for a number of years, particularly among processors. One-third of all of those working in Atlantic Canada's fishing and fish processing sector are over the age of 55. Taken together with stagnant population growth in rural and coastal communities where facilities are located, high rates of retirement have created a dire need for additional workers. However, young people are becoming increasingly less likely to join the ranks, with seasonality and negative perceptions (such as the physically demanding nature of the work) about the industry often cited as the main reasons.

Some companies have tried to address these shortages by encouraging young people to apply through work internships for students and by offering free lodging and meals. However, these strategies have not always been successful and many operators continue to rely on TFWs to fill vacancies.

## OUTLOOK

**Projected Average Annual Employment Growth Rate (%),**
Atlantic Provinces, 2022-2024




*Source: ESDC/Service Canada*

Looking ahead, employment in fishing and seafood products is expected to decline over the forecasted period. Market demand for seafood products, both domestically and internationally is likely to fall back closer to pre-pandemic levels after hitting new highs in 2021 after lockdowns had ended.

Exports of fresh and frozen seafood fully rebounded in 2021 driven by stronger demand from China and the U.S., which pushed prices of these products higher. However, prices are down in 2022 and industry stakeholders, such as the Maritime Lobster Union, did not anticipate the 2021-levels to be sustainable.

Local demand (i.e. restaurants), while markedly improved from the pandemic year, will be slow compared to the highs of 2021. As overall food prices climb and households grapple with inflationary pressures, high end seafood products like lobster may be less appealing to consumers.

With respect to seafood processing, specifically, labour shortages will likely continue to hamper growth in this sector. Employers will need to utilize recruiting strategies, such as PEI's Team Food Island initiative to offer bonus payments to students who work a set amount of hours in the industry, to attract more workers to the field. However, even in the event of international and local demand for the products increasing, employers at fish plants and processing facilities will struggle to attract new workers to rural areas where most of the operations exist and therefore, are likely to continue relying on the TFW program.



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## APPENDIX

**Real GDP (2021) and Employment (2021) for Atlantic Canada**

| | **Fishing and Fish Processing** | | | **All Industries** | | |
|---|---|---|---|---|---|---|
| | **Number** | **Share of Total** | **AAGR*** | **Number** | **Share of Total** | **AAGR*** |
| Real GDP (M$) | $1,964.5 | 100.0% | 1.7% | $107,478.2 | 100.0% | 0.7% |
| Newfoundland and Labrador | $525.9 | 26.8% | -1.2% | $30,492.9 | 28.4% | -0.3% |
| Prince Edward Island | $203.7 | 10.4% | 6.3% | $6,273.2 | 5.8% | 2.2% |
| Nova Scotia | $686.9 | 35.0% | 0.8% | $39,082.3 | 36.4% | 1.2% |
| New Brunswick | $548.0 | 27.9% | 5.8% | $31,629.8 | 29.4% | 0.7% |
| Employment (000s) | 25.3 | 100.0% | -1.4% | 1123.6 | 100.0% | 0.1% |
| Male | 18.3 | 72.3% | -1.2% | 568.2 | 50.6% | 0.1% |
| Female | 7.0 | 27.7% | -1.8% | 555.4 | 49.4% | 0.2% |
| 15-24 years old | 2.4 | 9.5% | 1.3% | 153.3 | 13.6% | -0.1% |
| 25-54 years old | 12.7 | 50.2% | -4.1% | 701.6 | 62.4% | -0.6% |
| 55 years and older | 10.2 | 40.3% | 3.0% | 268.7 | 23.9% | 2.6% |
| Worked full-time | 23.7 | 93.7% | -1.2% | 932.8 | 83.0% | 0.1% |
| Worked part-time | 1.6 | 6.3% | -3.6% | 190.8 | 17.0% | 0.1% |
| Self-employed | 7.1 | 28.1% | -2.2% | 122.7 | 10.9% | -0.9% |
| Employees | 18.2 | 71.9% | -1.0% | 1000.8 | 89.1% | 0.3% |
| Permanent job | 10.0 | 39.5% | 2.8% | 843.7 | 75.1% | 0.7% |
| Temporary job | 8.2 | 32.4% | -4.1% | 157.1 | 14.0% | -1.6% |
| Less than high school | 7.8 | 30.8% | -4.5% | 93.1 | 8.3% | -4.5% |
| High school graduate | 7.5 | 29.6% | 0.0% | 270.2 | 24.0% | -0.8% |
| Postsecondary cert. or diploma | 7.6 | 30.0% | 0.5% | 417.6 | 37.2% | 0.4% |
| University degree | 2.5 | 9.9% | 2.3% | 342.7 | 30.5% | 2.4% |
| Newfoundland and Labrador | 6.6 | 26.1% | -2.3% | 220.1 | 19.6% | -0.5% |
| Prince Edward Island | 2.9 | 11.5% | -1.3% | 79.4 | 7.1% | 1.0% |
| Nova Scotia | 10.5 | 41.5% | -0.6% | 463.5 | 41.3% | 0.3% |
| New Brunswick | 5.3 | 20.9% | -2.0% | 360.5 | 32.1% | 0.2% |

*Source: Statistics Canada, Labour Force Survey - Custom Table; Table 36-10-0402-01*

**Average annual growth rate for last ten years of available data (GDP 2012-21 and Employment 2012-21)*