CANADIAN AQUACULTURE INDUSTRY ALLIANCE | ALLIANCE DE L'INDUSTRIE CANADIENNE DE L'AQUACULTURE

CAIA's Farm-Raised Seafood Dashboard

Updated: **February 2023**

Export Highlights

Following very strong performance in 2021, Canadian exports of farm-raised seafood slowed in 2022- volume shipments were down almost 10% from the previous year- well below recent historical averages (2020 recognized as a pandemic outlier). Meanwhile, strong prices pushed the value (C$) of sales up 6.8%, bringing overall exports to $1.14 billion, or 99,132 MT, reaching an all-time high in Canadian dollar terms.

Farm-raised oysters were the star performer in terms of export growth in 2022. The full year data show a surge in exports with volume shipments up 45% and value of sales up 56%. Canadian producers are the top exporters globally to the US, with market share for this segment at 66% of volume shipments- and an even higher share of 81% in value terms. Proximity to the massive US market and reputation for quality are huge competitive advantages for Canadian oysters. This segment is a significant and growing share of the aquaculture sector's production and accounted for 10% of the sector (by volume) in 2021 and has huge potential forfuture growth in both BC and Atlantic Canada.

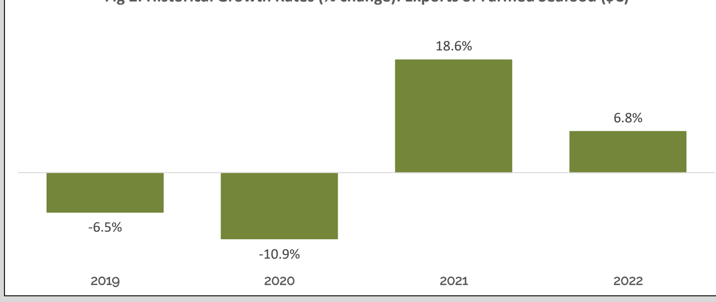
Canadian exports of farm-raised salmon were down 13% in 2022 in real terms with strong prices pushing nominal growth up by 4%. Atlantic salmon are the main farm-raised species in Canada (Coho and Chinook represent about 1.5% of exports) and the US is the largest export market and demand has been surging. However, reduced salmon volumes in British Columbia linked to a political decision taken by the DFO to shut down 25% of BC's production is weighing on exports and eroding Canada's market share of the US market.

Table 1: Farm-Raised Seafood Exports

	2022		2021		Growth		Annual					Historical Growth (CAGR)
	December	YTD	December	YTD	Y/Y	YTD/YTD	2018	2019	2020	2021	2022	
Salmon												
Volume (Kg)	4,995,448	79,258,205	6,869,780	91,466,520	-27.3%	-13.3%	88,477,681	85,520,519	81,675,822	91,466,520	79,258,205	-2.7%
Value (C$)	$68,054,939	$995,125,360	$76,821,391	$952,765,814	-11.4%	4.4%	$989,043,131	$907,811,688	$826,035,325	$952,765,814	$995,125,360	0.2%
Rainbow Trout												
Volume (Kg)	0	62,559	7,871	292,526	-100.0%	-78.6%	78,361	18,181	395,337	292,526	62,559	-5.5%
Value (C$)	$0	$587,722	$82,134	$2,490,799	-100.0%	-76.4%	$758,358	$173,115	$3,679,829	$2,490,799	$587,722	-6.2%
Mussels												
Volume (Kg)	1,274,019	13,511,972	1,353,390	13,747,743	-5.9%	-1.7%	13,880,232	14,367,937	10,164,629	13,747,743	13,511,972	-0.7%
Value (C$)	$5,782,532	$54,148,753	$5,258,685	$52,796,689	10.0%	2.6%	$52,508,607	$55,924,847	$42,228,595	$52,796,689	$54,148,753	0.8%
Oysters												
Volume (Kg)	524,498	6,300,018	483,885	4,344,048	8.4%	45.0%	3,236,938	3,440,291	1,992,765	4,344,048	6,300,018	18.1%
Value (C$)	$7,518,542	$86,723,155	$6,277,890	$56,336,993	19.8%	53.9%	$35,691,672	$43,659,095	$25,546,304	$56,336,993	$86,723,155	24.9%
Total												
Volume (Kg)	6,793,965	99,132,754	8,714,926	109,850,837	-22.0%	-9.8%	105,673,212	103,346,928	94,228,553	109,850,837	99,132,754	-1.6%
Value (C$)	$81,356,013	$1,136,584,990	$88,440,100	$1,064,390,295	-8.0%	6.8%	$1,078,001,768	$1,007,568,745	$897,490,053	$1,064,390,295	$1,136,584,990	1.3%

Fig 1: Top Export Markets, Farmed Seafood (2022, $C)

Fig 2: Historical Growth Rates (% change): Exports of Farmed Seafood ($C)



Source: Statistics Canada data retrieved from CATSNET Analytics, AAFC

Economic Footprint of Canada's Farm-Raised Seafood Sector

Fig 3: Economic Actvity and GDP, Farmed Seafood (Millions $C)

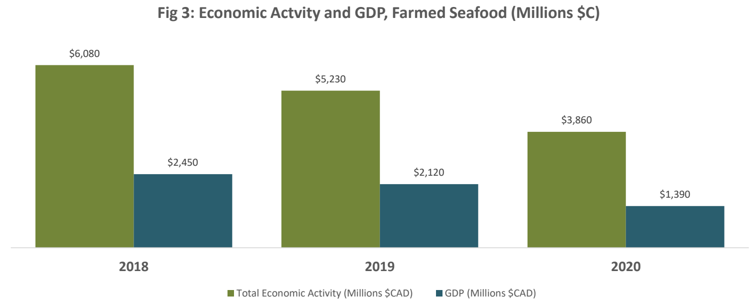
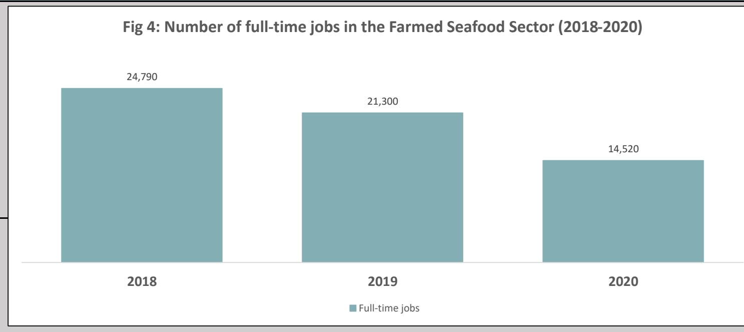


Fig 4: Number of full-time jobs in the Farmed Seafood Sector (2018-2020)



Source: Statistics Canada and RIAS Consulting

Canadian Production

The Canadian farm-raised seafood sector produced 191,000 MT of seafood with a farm-gate sales value of $1.34 billion. This was an increase of 11.7% in real terms over 2020 levels and an almost 29% jump in nominal terms. The strong growth rates are largely due to the base year effect- due to the pandemic-related weakness in 2020. Looking at the long-term growth trend, real production has been relatively flat for the past two decades (1.1% between 2001--2021). The decision by the Government of Canada to close 19 farms in BC's Discovery Islands will have a significant impact on production levels going forward.

Fig 5: Canadian Aquaculture Production (Tonnes)

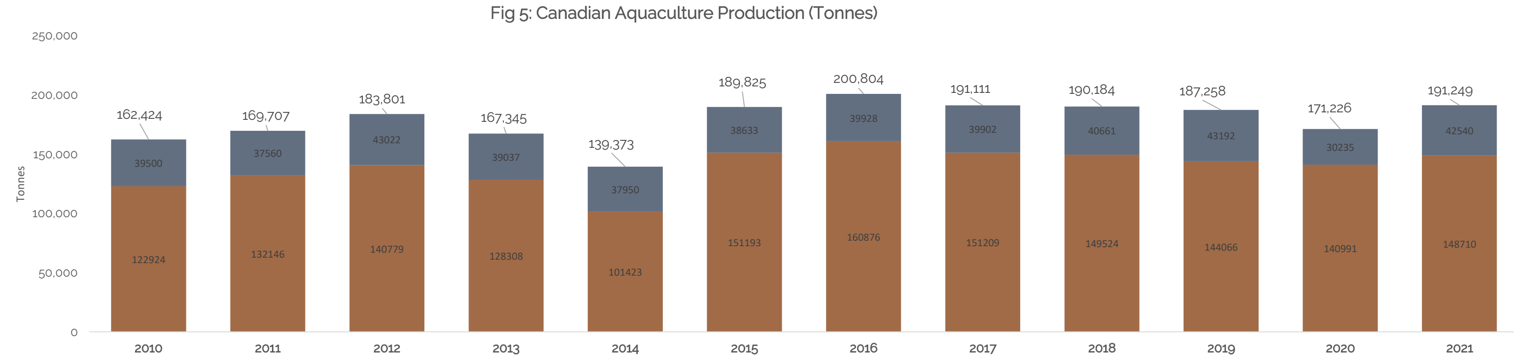
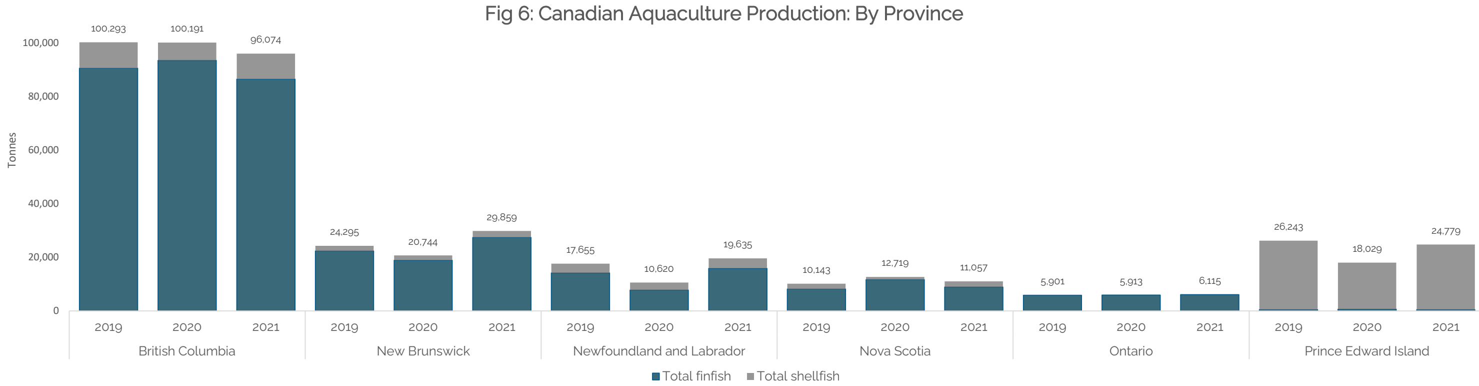


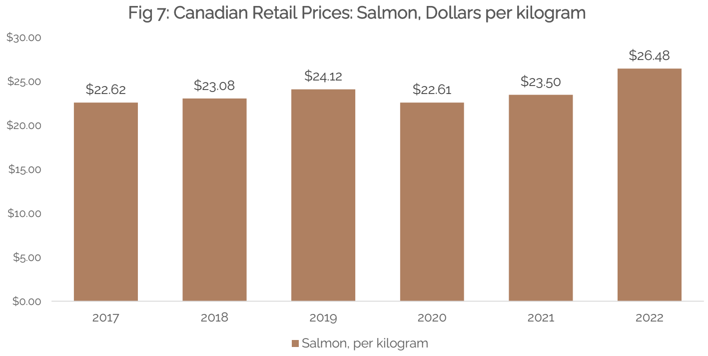
Fig 6: Canadian Aquaculture Production: By Province



With overall production in Canada posting healthy gains in 2021, the provincial profiles are mixed. Most notably, in British Columbia, Canada's largest producer of Atlantic Salmon, production fell by 4.1% in 2021; this was due to a drop in finfish production (-7.5%) that more than offset strong gains in shellfish production (+42.8%). In Ontario, a major producer of Rainbow Trout, growth was a modest but steady 3.4%. Overall growth was strong in Atlantic Canada with all provinces except Nova Scotia posting gains. In Newfoundland, there was an 85% jump in production driven by both finfish and shellfish segments. New Brunswick, saw healthy gains in both finfish (+45%) and shellfish (+32%) production, bringing the sector well above pre-pandemic levels. Prince Edward Island's shellfish production rebounded strongly from the pandemic-related losses in 2020, with growth of almost 40% in 2021. Nova Scotia was the only province in Atlantic Canada with negative growth in 2021 with overall declines of 13% due to a sharp drop in finfish production (-23%) and strong growth in the smaller shellfish subsector (+107%).

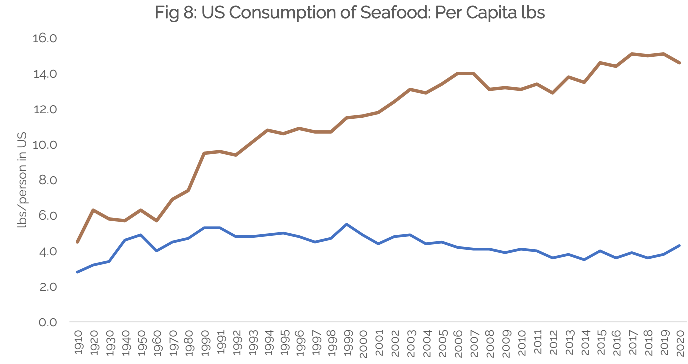
Demand & Prices

Fig 7: Canadian Retail Prices: Salmon, Dollars per kilogram



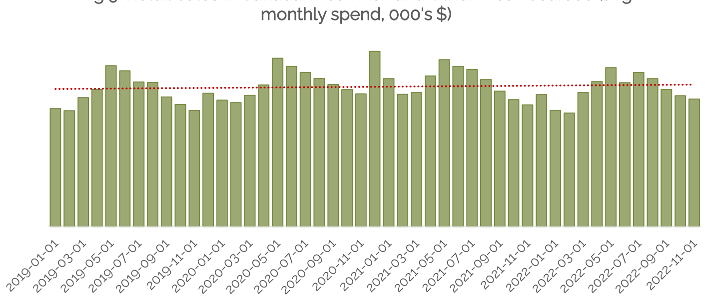
As inflation soars at the grocery story and the gas pump, prices are top-of-mind for most Canadian consumers in 2023. Data available thru November of last year show an average price of $26.48/kg of salmon at the grocery store. This is 12.7% higher than in 2021.

Fig 8: US Consumption of Seafood: Per Capita lbs



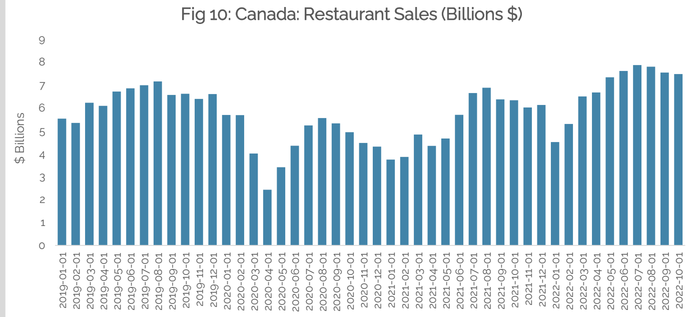
In the US, consumption of fresh and frozen seafood on a per capita basis has grown sharply over time, holding steady at around 19lbs/person for the past several years. The US is the single largest importer of seafood and Canada is a top exporter for all farmed species. For fresh Atlantic salmon, Canada is the largest supplier to the US and is in the top five for other species including rainbow trout, mussels, chinook salmon and oysters.

Fig 9: Retail Sales in Canada: Fresh Fish and Other Fresh Seafood (avg monthly spend, 000's $)



Data on retail sales in Canada are available through September 2022 showing a total of $1.67 billion dollars spent on fresh fish and seafood in the first 3 quarters of the year. The level has been steady for the past three years but trending slightly higher. We expect to see a boost in Q4 sales due to seasonal Christmas sales.

Fig 10: Canada: Restaurant Sales (Billions $)



The pandemic-related lockdowns during 2020-22 were felt accross the entire Canadian economy, but the hospitality sector was one of the hardest hit. Data show a strong recovery in restaurant sales in mid-2022, reaching pre-pandemic levels by July. Seafood consumption is closely tied to restaurant sales as its a popular dish.

Source: Statistics Canada

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