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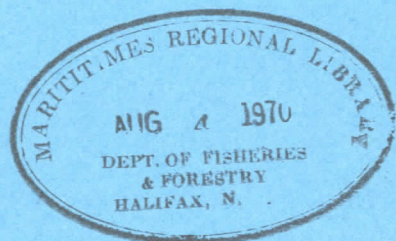


*SIXTEENTH
ANNUAL REPORT*

OF THE

*FISHERIES PRICES
SUPPORT BOARD*

*FOR THE YEAR
1962-63*





**SIXTEENTH
ANNUAL REPORT**

OF THE

**FISHERIES PRICES
SUPPORT BOARD**

**FOR THE YEAR
1962-63**

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Ottawa

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FISHERIES PRICES SUPPORT BOARD
ANNUAL REPORT 1962-63

FISHERIES PRICES SUPPORT ACT

OTTAWA, June 1963.

HONOURABLE HEDARD J. ROBICHAUD,
Minister of Fisheries,
Ottawa.

SIR,

I have the honour to submit herewith the sixteenth Annual Report of the Fisheries Prices Support Board for the fiscal year 1962-63.

I have the honour to be

Sir,

Your obedient servant

IAN S. McARTHUR
Chairman

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FISHERIES PRICES SUPPORT BOARD

ANNUAL REPORT 1962-63

FISHERIES PRICES SUPPORT ACT

The Act which came into force in July 1947 gives the Fisheries Prices Support Board the usual powers of a Government corporation; provides a working fund of \$25 million; and sets out the two methods that may be used to support prices of fisheries products. These methods are (a) the purchase of any fisheries product at a prescribed price and (b) the making of deficiency payments to producers of a fisheries product equal to the difference between a prescribed price and the average price at which such product was sold during a specified period. The Act furthermore directs that in prescribing prices the Board shall endeavour to ensure adequate and stable returns for fisheries by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from fisheries and those from other occupations.

All decisions of the Board about products meriting support and about the prices at which these products are to be supported are subject to approval by the Governor in Council.

THE CANADIAN FISHERIES—1962

New high levels of production, prices and particularly landed and marketed values were recorded in most of Canada's fisheries and fishing areas during 1962. For the country as a whole landed values were close to 15 per cent above 1961. All coastal provinces enjoyed higher landed values and only Nova Scotia had a decrease in landed weight. However, this decrease was offset by increases in the more valuable species.

For the Atlantic provinces as a whole landed values reached \$67.6 million with lobsters alone contributing \$19.6 million as the highest single species. Cod was a close second at \$18.6 million followed by haddock at \$4.8 and scallops at \$4.7. The increase in the scallop catch from 10.5 million pounds to 13.9 million pounds and the landed value from \$3.1 million to \$4.7 million was a reflection of increased catching equipment and investment generally in this important fishery. Among the provinces, Nova Scotia leads with a landed value of \$32.1 million followed by just under \$17.0 million for Newfoundland and \$9.0 million for New Brunswick. In Newfoundland, the cod fishery still dominates with a landed value of \$10.7 million or 63 per cent of the total. Other lesser fisheries like lobster, flounder and redfish also recorded good increases.

The Pacific Coast fishery of British Columbia showed an increase in landed values from \$39.6 million to \$46.8 million with salmon, halibut and herring as the dominant species. Major increases in values were recorded for pink salmon and halibut reflecting the record catch of pink salmon and higher prices for a good catch of halibut.

Statistics of the inland freshwater fisheries are less complete on a species and area basis but in general the year 1962 was a satisfactory one for these areas. Exports of freshwater fish, mainly to the United States at approximately \$22.0 million were above 1961 and at a record high level. Most of the lakes of the Prairie provinces recorded increased production and further increases in the catch of perch and smelt were registered in the Great Lakes, although prices were sharply lower.

FISHERIES MARKETS—1962

The Canadian fishing industry faced a considerable number of developments abroad in 1962 which seemed ominous at the time of their appearance. In some cases the apprehensions associated with these developments proved to be groundless, but some pose continuing problems. United Kingdom entry into the Common Market with its attendant uncertainties has been postponed. The Common External Tariff erected by the Six has been in existence for about a year but current experience does not suggest that it has seriously impeded traditional exports. In the Caribbean area, however, the cured fish industry underwent another year during which the Cuban market was completely closed, and several months of political disruption in Haiti and the Dominican Republic which adversely affected commercial payments.

These developments did not affect all parts of the industry. North American demand for fresh and frozen fish and shellfish continued as the dominant market factor and, coupled with the devaluation of the Canadian dollar, was responsible for record prices paid to fishermen for groundfish and other species. The strength of this market was also reflected in the growing utilization of species which, traditionally, were used for salting or were discarded at sea. A few years ago pollock, hake and catfish were in this category, but in 1962 over 12 million pounds of fillets were produced from these species.

The North American market continues, of course, to be molded by United States demand for Canadian fishery products, which had an estimated f.o.b. plant value of \$250 million last year. Exports to the United States accounted for \$114 million from this total, or 45 per cent of production. It is estimated that the value of sales in Canada was \$90 million with the two countries accounting for 80 per cent of the products of the fishing industry. For some sectors of the industry, notably the fresh and frozen trades in British Columbia, in the freshwater areas and on the Atlantic Coast, total output goes to the North American market. This is not true of canned and cured fish which are sold in a large number of countries, some of which represent substantial markets but most are of minor significance. This foreign demand, originating largely in European and Caribbean countries, has not kept pace with North American development and in some cases is clearly declining. The market for salted fish is now reduced almost to the Caribbean area; sporadic sales were made in 1962 to Portugal and Italy but only after intensive price negotiations. The Cuban authorities continued their policy of not allocating dollars for the purchase of Canadian codfish, and in Brazil exchange regulations have brought about domestic prices which rule out sales of Canadian fish in the traditional Brazilian markets. It is of interest in this connection to note that sales of boneless cod to the United States continued at normal levels—6 to 7 million pounds annually—and that prices increased over those of 1961.

The British Columbia canning industry was concerned, of course, with the possible consequences of United Kingdom membership in the Common Market during the year, and with the affect upon sales of the initiation of the Common External Tariff. In its first stage it does not appear that this new tariff has affected Canadian sales adversely. This was due, in part, to the special efforts put forth by exporters to move the bumper pack of pink salmon. Sales of frozen and canned British Columbia salmon to the countries in the Market totalled \$2.1 million in 1961, but rose to \$3.9 million in 1962.

BOARD ACTIVITIES

Frozen Turbot Experiment

As recorded in the 1961-62 Annual Report, an experiment in market development for frozen Newfoundland turbot was authorized late in 1961. The object of the experiment was to test metropolitan markets for this product in an effort to provide an outlet for a substantial production potential and to replace declining markets for pickled turbot. Arrangements were made to have frozen whole and dressed turbot and fillets of turbot produced and disposed of through regular marketing channels, primarily in Montreal. The frozen product was also subjected to quality and palatability tests in the Department's Test Kitchen in Ottawa and the Technological Station of the Fisheries Research Board of Canada at Halifax.

While the quantities produced under the program, 2,232 pounds of headless dressed and 6,400 pounds of fillets were not as great as had been hoped, they were nevertheless sufficient to provide a reasonable appraisal of consumer reaction and market possibilities.

The frozen headless dressed product was disposed of mainly through the institutional trade and met with a very ready response at a wholesale price of 30 cents per pound. The product had a particularly attractive appearance and good flavour although rather higher oil content than is generally acceptable. It was clear that a commercial market could be developed for this product at the price quoted and which would provide a reasonable return to fishermen and processors.

The filleted product was distributed largely through retail stores, hotels and restaurants and although reports were generally favourable sales were slow at approximately the same prices as for the headless dressed product. The higher production cost of the filleted product makes it a less attractive commercial product although perhaps more time would be required to develop a consumer demand at higher prices in competition with a wide variety of alternative fish products in this form.

The financial statement covering this activity is presented later in this report.

It is noted that some continued interest in the production and sale of these products has developed.

Requests for Support

Late in the fiscal year, representations were received by the Board in connection with low prices to producers of mackerel in 1962 particularly in the Magdalen Islands. This question is under investigation. Marketing difficulties and prospective surplus stocks of pickled mackerel, herring and alewives and bloaters in the Atlantic area were also under study at the end of the fiscal year.

Fisheries Salt Assistance

Vote 65 of the Main Estimates of 1962-63 provided \$600,000 for payment of assistance, subject to terms and conditions prescribed by the Governor General in Council, to producers of salted fish on products designated by the Governor in Council in the amount of 50 per cent of the laid down cost of salt purchased for their production. That Vote included authority to charge the administrative costs of the measure to Vote 60 of the Main Estimates of 1962-63 which provided for the administrative expenses of the Fisheries Prices Support Act. The terms

and conditions referred to above were prescribed by Order in Council P.C. 1962-370 dated March 22, 1962 and this Order also designated the products to be included in the assistance program.

During the fiscal year 1962-63, a total of 6,301 individual payments were made to fishermen in the amount of \$402,497.52. Payments by provinces were as follows:

<u>Province</u>	<u>Number</u>	<u>Amount</u>
Newfoundland.....	5,051	\$ 346,910.93
Nova Scotia.....	711	30,789.68
New Brunswick.....	17	255.61
Prince Edward Island.....	51	1,022.49
Quebec.....	471	23,518.81

Of the above 297 claims for a total of \$10,950.52 arose from the 1961 production year and 7 claims totalling \$235.59 from 1960 production.

During the year under review \$197,502.19 was paid to fish processing plants on 397 claims. Of these 295 totalling \$130,340.55 were 1961 production, 5 claims for \$4,006.15 were from 1960 production, 1 claim for \$68.75 was from 1958 and 1 claim for \$439.50 was from 1957 production. Total claims and payments for the fiscal year were as follows:

<u>Province</u>	<u>Number</u>	<u>Amount</u>
Newfoundland.....	123	\$ 51,471.39
Nova Scotia.....	144	92,759.44
New Brunswick.....	74	32,301.76
Prince Edward Island.....	44	12,980.84
Quebec.....	12	7,988.76

Fishermen's Indemnity Plan

The Chairman and the Executive Director of the Board are responsible for administration at headquarters of the Fishermen's Indemnity Plan. Under this Plan, fishermen owning fishing vessels valued between \$250 and \$10,000 are able to secure protection against marine perils, fire and thieves for a premium of one per cent of the appraised value of the vessel. As at March 31, 1963, a total of 6,376 vessels valued at \$21,257,625 were insured under the Plan. The Plan also offers lobster fishermen in the Atlantic provinces low cost insurance against storm and other hazards to their lobster traps. During 1962-63, 407 fishermen availed themselves of this protection.

Research

In co-operation with the Economics Service of the Department of Fisheries, the staff of the Board continued to carry on surveys and other specialized studies of fishermen's costs and returns in Quebec and the Maritime provinces. In addition, the staff, working in co-operation with the Department of Trade and Commerce, maintained a continuous review of the markets for various fishery products.

STAFF

As at March 31, 1963, there were seven full time employees on the staff as follows:

1 Chairman	1 Departmental Accountant 3
1 Executive Director	1 Clerk 4
1 Administrative Officer 6	1 Clerk 3
	1 Clerk 2

EXPENDITURES—1962-63

During the fiscal year 1962-63, the following administrative expenses were incurred:

Salaries and Wages.....	\$53,566.61
Travelling Expenses.....	3,297.25
Postage.....	75.74
Telephones and Telegrams.....	166.78
Publication of Reports and Other Materials....	285.00
Office Stationery, Supplies and Equipment.....	385.22
	<u>\$57,776.60</u>

The administrative expenses of the Board are met by a vote in the Estimates of the Department of Fisheries.

FISHERIES PRICES SUPPORT ACCOUNT

Statement of Operations for the Year Ended March 31, 1963

Newfoundland Frozen Turbot Support Program
(1961 Production)

FROZEN FILLETED TURBOT

Receipts from sales..... \$1,756.53

Deduct:

Cost of inventory at March 31, 1962..... \$1,763.22

Handling charges..... 288.69

Total cost of purchases..... \$2,051.91

Less value of fish used as samples..... 45.90

\$2,006.01

Less inventory at March 31, 1963..... Nil

Cost of fish sold..... \$2,006.01

Loss on sales..... \$ 249.48

Add value of samples..... 45.90

Loss on Fillet Program..... \$295.38

FISHERIES PRICES SUPPORT ACCOUNT—Concluded

FROZEN HEADLESS DRESSED TURBOT

Receipts from sales.....	\$ 640.05	
Deduct:		
Cost of inventory at March 31, 1962.....	\$ 452.56	
Handling charges.....	64.01	
	<hr/>	
Total cost of purchases.....	\$ 516.57	
Less value of fish used as samples.....	29.40	
	<hr/>	
	\$ 487.17	
Less inventory at March 31, 1963.....	Nil	
	<hr/>	
Cost of fish sold.....	\$ 487.17	
	<hr/>	
Profit on sales.....	\$ 152.88	
Deduct value of samples.....	29.40	
	<hr/>	
Profit on Headless Dressed Program.....	\$123.48	
Net loss on 1962-63 Operations.....	\$171.90	

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