

Virginia Fisheries Trends

By Tom Murray

Understandably, recent attention on the traditional commercial fishing industry in Virginia has focused on the status of the oyster and blue crab fisheries. Both are subject to extensive evaluation and management efforts to rebuild and stabilize stocks. Those concerned with the well-being of Virginia's seafood and fishing industry often wonder if there is any "good news."

There are, indeed, positive indicators of the status of commercial fisheries in Virginia, important to the Commonwealth and nation, that perhaps somewhat mitigate the prevailing view of continued declining wild fisheries and a receding fishing industry.

First, how does Virginia compare these days with other states in commercial fisheries?

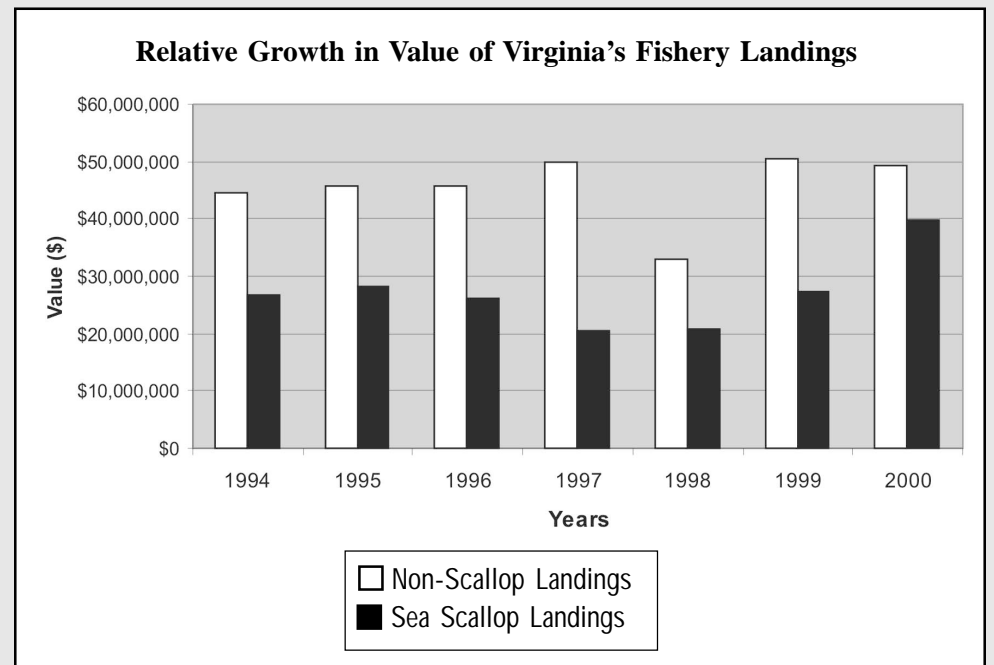
As a measure of fishing activity and ranking of major commercial fishing ports, the Hampton Roads, Virginia Area ranked 7th in the value of the catch landed among all U.S. ports, according to recently summarized data from NOAA Fisheries.¹ Interestingly, last year New Bedford, Massachusetts landed the highest value of fishery products among all U.S. ports. Bolstering the commercial fishery values both here and in Massachusetts were sea scallops – one of the "bright spots" in an otherwise troubled commercial fishing industry.

The growing success of the scallop fishery is good news to Virginia's industry and economy. It is significant that the fishery has recently prospered, in part, by virtue of a harvest management regime jointly fostered by Virginia's scallop industry and government, led by scientists at VIMS. The use of special-area management zones to optimize fishing grounds, along with improvements in harvest-gear efficiency, have combined to create this success story.

This stands in stark contrast to the recent past. When Virginia first entered the offshore sea scallop fishery in a significant manner two decades ago, the prospect for failure was quite clear. Based on overcapitalization—which stemmed from over-harvesting during the 1970s—a once viable fishery was thought by many at the time to be "about over."

Recent trends in the harvest of sea scallops suggest a different prospect for the future and an increasing importance of this sector to the state.

Preliminary data provided by the Virginia Marine Resources Commission indicate that last year Virginia landed 81.8 million lbs. of fish and shellfish valued at \$89.1 million. Those totals included 9.4 million pounds of sea scallop meats valued at \$39.8 million, for an average dockside price of \$4.23 at the boat level. In total, about 40% of the entire value of Virginia's wild-harvested seafood landings came from scallops.²



What the harvesting and unloading of this volume of seafood products means to Virginia (besides the obvious financial contribution of the catch to harvesters) is a welcome boost in economic activity for at least a part of the state's traditional seafood infrastructure. Viewing the growth in scallop-related business since 1994 provides a convenient timeline with which to update some earlier economic impact estimates.

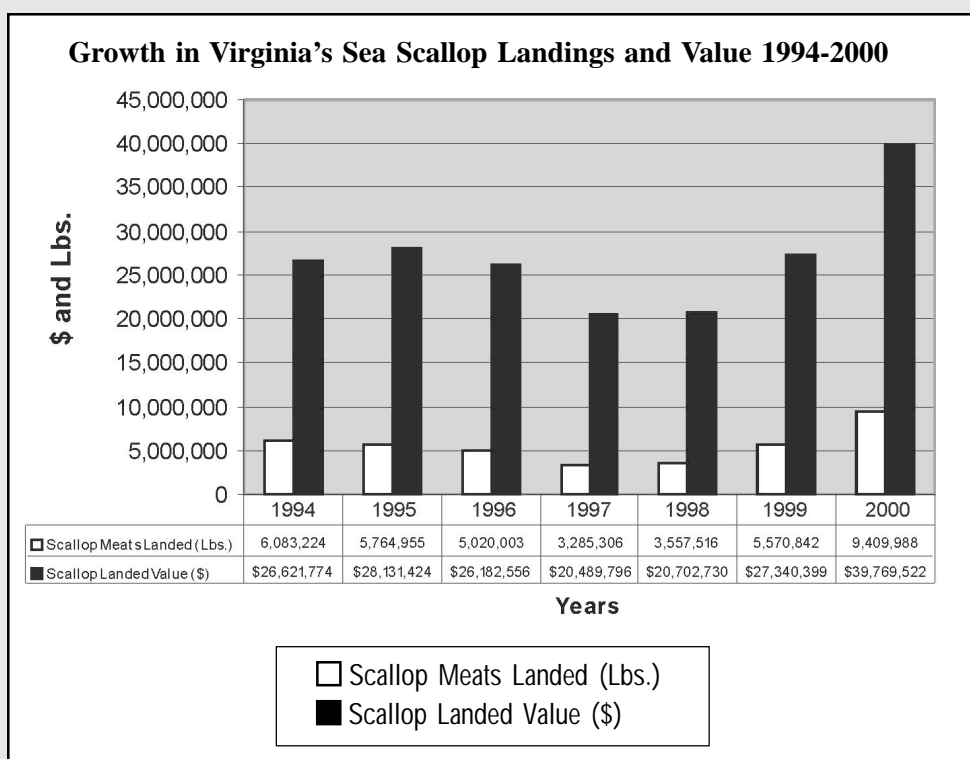
Virginia's Commercial Fishing Industry: "Its Economic Performance and Contributions," a 1994 study completed by VIMS economist James Kirkley, used primary economic surveys and input/output modeling to ascertain the business activity associated with sea scallop harvesting, processing, marketing, and distribution. In fact, all of the state's commercial fisheries were evaluated in that study, and it still offers considerable truth about the current state of Virginia's wild fisheries.

In the year studied (1994), industry unloaded 6.1 million pounds of sea scallops in Virginia with an ex-vessel value of \$26.6 million. As indicated above, at the end of 2000, Virginia's

fleet had unloaded nearly half again as many sea scallops in terms of value; almost \$40 million of scallop meats, primarily in the Hampton Roads area.

During 1994, the economic contributions of the scallop fishery ranked third among all species landed in Virginia (behind blue crabs and menhaden). Given the significant increase in poundage and continued strong scallop prices, it is likely that sea scallops are currently the most important fishery in Virginia, in terms of certain economic impact measures such as income.³

Simply expanding the impact figures from the 1994 study, it is estimated that the direct economic impacts of the fishery in 2000 were \$66 million in economic output and \$43 million in income generated. Estimating the associated secondary ("indirect") economic impacts to firms selling supplies and other inputs to the seafood businesses, and third-round ("induced") impacts from households re-spending the income earned in the direct and indirect sectors on other goods in Virginia, the total economic output arising from Virginia's scallop industry today exceeds \$125 million. Finally, the expanded value and impact suggest that the earlier estimate of 1,900 employment equivalents stemming from the scallop industry is still a reasonable estimate. In view of this, efforts to maximize the value of the offshore fishery for the benefit of Virginia are to be considered *good news*.



¹ Fisheries of the U.S. 2000. U.S. Department of Commerce, NOAA, NMFS

² When including industrial fishery (menhaden) landings at Reedville, Virginia, the total harvest for 2000 was 448.6 million pounds worth \$118.6 million ex vessel. NMFS.

³ During 1994, blue crabs and industrial finfish (menhaden) were estimated to be the largest in terms of total economic output to the State.

