Introduction

Aavin the operation of a 40-foot fishing vessel has accumulated detailed information as suggested by the application of some business management tools and concepts. The purpose of this bulletin is to share this information with others who may be interested in the profitability of the fishing industry.

Properly costed, the returns from fishing can be compared with those from other investments. The first step towards better business management is the recognition of this fact. Profit is a measure of the difference between the total revenue and the total cost. It is the return from a business activity. Profit is the income received in excess of the cost of producing the income.

Economic Description of a 40-Foot Commercial Vessel

Vessel: 40 feet by 14 feet, 4400 market value, 100 encryption, 6 hydraulic lifts, refrigeration, 300 crab pots, and hydraulic pot hoist.

Fishing effort: 65 days at sea hauling crab pots, 40 days at sea towing for salmon, and 55 days at sea towing for tuna.

Variable Costs:

Variable costs are those costs that change with the level of activity. They are referred to as "costs of doing business." Variable costs change with the level of activity and cannot be charged to any specific level of activity.

Variable Costs:

Fixed Costs:

Fixed costs are those costs that remain constant regardless of the level of activity. They are referred to as "costs of being in business." Fixed costs do not change with the level of activity and can be charged to any specific level of activity.

Fixed Costs:

Profit:

Profit is the difference between total revenue and total cost. It is the return from a business activity. Profit is the income received in excess of the cost of producing the income.

Profit:

Costs and Returns

Costs and returns are the result of business operations. Costs are the expenses incurred in producing goods or services. Returns are the income received from the sale of goods or services.

Costs and Returns:

Returns:

Returns are the income received from the sale of goods or services. They are the result of business operations.

Returns:

Economic Analysis of Returns

Economic analysis of returns is the study of the profitability of business operations. It involves the measurement of the economic return from a business activity. Economic analysis of returns is the study of the profitability of business operations. It involves the measurement of the economic return from a business activity.

Economic Analysis of Returns:

Summary

This bulletin was prepared to assist you in understanding some of the terms and concepts of business management. It is intended for the small businessman who is not able to employ a professional manager. It is intended to provide some insights into the management of your business. The bulletin does not pretend to provide complete solutions to your management problems. Unfortunately, the terminology of business management is confusing to those unfamiliar with the subject. The bulletin is intended to be a general guide to the better management of your business.

Summary:

 Profit:

Profit is the difference between total revenue and total cost. It is the return from a business activity. Profit is the income received in excess of the cost of producing the income.

Profit:

Costs and Returns:

Costs and returns are the result of business operations. Costs are the expenses incurred in producing goods or services. Returns are the income received from the sale of goods or services.

Costs and returns are the result of business operations. Costs are the expenses incurred in producing goods or services. Returns are the income received from the sale of goods or services.

Costs and returns are the result of business operations. Costs are the expenses incurred in producing goods or services. Returns are the income received from the sale of goods or services.

Economic Analysis of Returns:

Economic analysis of returns is the study of the profitability of business operations. It involves the measurement of the economic return from a business activity. Economic analysis of returns is the study of the profitability of business operations. It involves the measurement of the economic return from a business activity.

Economic Analysis of Returns:

Returns:

Returns are the income received from the sale of goods or services. They are the result of business operations.

Returns:

Summary:

This bulletin was prepared to assist you in understanding some of the terms and concepts of business management. It is intended for the small businessman who is not able to employ a professional manager. It is intended to provide some insights into the management of your business. The bulletin does not pretend to provide complete solutions to your management problems. Unfortunately, the terminology of business management is confusing to those unfamiliar with the subject. The bulletin is intended to be a general guide to the better management of your business.

Summary:

Profit:

Profit is the difference between total revenue and total cost. It is the return from a business activity. Profit is the income received in excess of the cost of producing the income.

Profit:

Costs and Returns:

Costs and returns are the result of business operations. Costs are the expenses incurred in producing goods or services. Returns are the income received from the sale of goods or services.

Costs and returns are the result of business operations. Costs are the expenses incurred in producing goods or services. Returns are the income received from the sale of goods or services.

Economic Analysis of Returns:

Economic analysis of returns is the study of the profitability of business operations. It involves the measurement of the economic return from a business activity. Economic analysis of returns is the study of the profitability of business operations. It involves the measurement of the economic return from a business activity.

Economic Analysis of Returns:

Returns:

Returns are the income received from the sale of goods or services. They are the result of business operations.

Returns:

Summary:

This bulletin was prepared to assist you in understanding some of the terms and concepts of business management. It is intended for the small businessman who is not able to employ a professional manager. It is intended to provide some insights into the management of your business. The bulletin does not pretend to provide complete solutions to your management problems. Unfortunately, the terminology of business management is confusing to those unfamiliar with the subject. The bulletin is intended to be a general guide to the better management of your business.

Summary:

Profit:

Profit is the difference between total revenue and total cost. It is the return from a business activity. Profit is the income received in excess of the cost of producing the income.

Profit:

Costs and Returns:

Costs and returns are the result of business operations. Costs are the expenses incurred in producing goods or services. Returns are the income received from the sale of goods or services.

Costs and returns are the result of business operations. Costs are the expenses incurred in producing goods or services. Returns are the income received from the sale of goods or services.

Economic Analysis of Returns:

Economic analysis of returns is the study of the profitability of business operations. It involves the measurement of the economic return from a business activity. Economic analysis of returns is the study of the profitability of business operations. It involves the measurement of the economic return from a business activity.
The preservation of a fish resource is an investment that can only be used to produce income if valued at some rate of return. Profit is an indication of this rate of return.

Profit can be defined as the value of the harvested resource minus the costs of harvesting. The value of the resource is comprised of: (1) the market price of the product; (2) the number of units landed; and (3) a number of other factors such as processing, transportation, and handling.

As a rule of thumb, in order to cover costs, a fisherman must earn a profit. Profit must be considered in deciding what constitutes an acceptable rate of return.

### Profit: Where Is It?

#### Profit

<table>
<thead>
<tr>
<th>Item</th>
<th>Expense/Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs</td>
<td>$800</td>
</tr>
<tr>
<td>Fuel</td>
<td>$1,800</td>
</tr>
<tr>
<td>Salary</td>
<td>$3,000</td>
</tr>
<tr>
<td>Boat</td>
<td>$600</td>
</tr>
<tr>
<td>Overhead</td>
<td>$3,400</td>
</tr>
<tr>
<td>Compensation</td>
<td>$300</td>
</tr>
<tr>
<td>Mortgage</td>
<td>$100</td>
</tr>
<tr>
<td>Operator</td>
<td>$19,000</td>
</tr>
<tr>
<td>Interest on Investment (5 percent)</td>
<td>$480</td>
</tr>
<tr>
<td>Total Expense</td>
<td>$38,340</td>
</tr>
<tr>
<td>Gross Income</td>
<td>$56,000</td>
</tr>
<tr>
<td>Profit</td>
<td>$17,660</td>
</tr>
</tbody>
</table>

**The owner of this vessel can extract $17,640 for family living or any other personal reason and not affect long term business profitability.**

### Maxi Manage

Catching more fish is no guarantee of a profit. When the market price is lower than the cost of production, no profit is made and in some cases the fisherman is actually losing money. For the owner and operator, the key to a successful business is: (1) determining profit; (2) recognizing the income the operation produces; and (3) selling the product.

Maxi Manage is a slippery fish that can slip out of the net as easily as it can be handled. This slipperiness is due to the fact that the fisher can easily incur more costs than he earns in income. Conversely, the fisherman can easily earn more profit than he incurs in costs, thereby increasing his total return.

Maxi Manage is the goal of every fisherman. The fisherman can increase his profit by:

- Increasing the number of fish landed (more fish, more income)
- Increasing the market price (higher price = higher income)
- Decreasing input costs (lower cost = higher income)

### Maxi Market

A man who has never before been paid less than $68,000 in revenue and expenses and sees this picture of his fishery, no longer has the luxury of waiting for a change in the market price. His profit picture looks like this third chart. For this fisherman, Maxi Market will earn a large profit at eight tons, and his area of profitability is between three and eleven tons.

A marine economist has helped the fisherman understand the elements that make up his business picture. He has help the fisherman analyze the cost and revenue picture so that the fisherman can make sound business decisions.
Economic Description of A 40-Foot Combined Vessel

Vessel: 40 feet by 14 feet, $40,000 market value, 12-ton capacity, 6 hydraulic pullers, refrigerated 1,525 cubic feet, 12-ton capacity, 6 hydraulic pot blocks.

Year's fishing data:
- 65 days at sea hauling crab pots, 2,000 crab pots, and hydraulic pot blocks.
- 45 days at sea trolling for salmon, and 55 days at sea to do repairs.
- Galley
  - Crewshare $1,525
  - Bait $1,100
  - Fuel $1,196
  - Gear repairs $29,200
- Miscellaneous $3,666
- Total $33,417

Costs and Returns

Fixed Costs:
- Vessel $40,000
- Gear repairs $2,300
- Fuel $1,196
- Transportation $70
- Miscellaneous $3,666

Total $49,260

Variable Costs
- Repair $2,100
- Insurance $332
- Mortgages $29,200
- Principal on mortgage $4,000
- Property tax $37

Total $35,989

Returns From Fishing Vessels In Oregon and Washington


Dobbs College of Agriculture Experiment Stations Research Bulletin 37 (June 1968).

Bulletin 37 (June 1968).


A man can be a crackerjack fisherman and yet go broke. Unfortunately, not every fisherman has the business training needed to operate independently in this multi-million dollar industry. Many fishermen may appear, because fishermen include different items as costs and revenues. Unfortunately, the terminology of business management is frequently confusing to the unsophisticated businessman, as well as to fishermen, who have their own "language." Although new (and sometimes conflicting) business management concepts can be confusing, you should be prepared to learn some unfamiliar business management concepts. This bulletin is intended to minimize this terminology so that you may understand and use these concepts towards better business management.

This bulletin was prepared to assist you in understanding some of the terms and concepts of business management. It is not a "cookbook" and will not provide ready solutions to your problems. Unfortunately, the terminology of business management is frequently confusing to the unsophisticated businessman, as well as to fishermen, who have their own "language." Although new (and sometimes conflicting) business management concepts can be confusing, you should be prepared to learn some unfamiliar business management concepts. This bulletin is intended to minimize this terminology so that you may understand and use these concepts towards better business management.

The return to labor, management, and investment is calculated if sufficient records are maintained. For a small relative to your labor and management.

You should compare these and other efficiency measures with those of other fishing businesses and with your own for your own fishing business. You then might desire a study of your operation. Additional business management assistance is available from Oregon State University's Marine Advisory Program, your banker, your insurer, and from business consulting firms.

A man can be a crackerjack fisherman and yet go broke. Unfortunately, not every fisherman has the business training needed to operate independently in this multi-million dollar industry. Many fishermen may appear, because fishermen include different items as costs and revenues. Unfortunately, the terminology of business management is frequently confusing to the unsophisticated businessman, as well as to fishermen, who have their own "language." Although new (and sometimes conflicting) business management concepts can be confusing, you should be prepared to learn some unfamiliar business management concepts. This bulletin is intended to minimize this terminology so that you may understand and use these concepts towards better business management.

This bulletin was prepared to assist you in understanding some of the terms and concepts of business management. It is not a "cookbook" and will not provide ready solutions to your problems. Unfortunately, the terminology of business management is frequently confusing to the unsophisticated businessman, as well as to fishermen, who have their own "language." Although new (and sometimes conflicting) business management concepts can be confusing, you should be prepared to learn some unfamiliar business management concepts. This bulletin is intended to minimize this terminology so that you may understand and use these concepts towards better business management.

The return to labor, management, and investment is calculated if sufficient records are maintained. For a small relative to your labor and management.

You should compare these and other efficiency measures with those of other fishing businesses and with your own for your own fishing business. You then might desire a study of your operation. Additional business management assistance is available from Oregon State University's Marine Advisory Program, your banker, your insurer, and from business consulting firms.

A man can be a crackerjack fisherman and yet go broke. Unfortunately, not every fisherman has the business training needed to operate independently in this multi-million dollar industry. Many fishermen may appear, because fishermen include different items as costs and revenues. Unfortunately, the terminology of business management is frequently confusing to the unsophisticated businessman, as well as to fishermen, who have their own "language." Although new (and sometimes conflicting) business management concepts can be confusing, you should be prepared to learn some unfamiliar business management concepts. This bulletin is intended to minimize this terminology so that you may understand and use these concepts towards better business management.

This bulletin was prepared to assist you in understanding some of the terms and concepts of business management. It is not a "cookbook" and will not provide ready solutions to your problems. Unfortunately, the terminology of business management is frequently confusing to the unsophisticated businessman, as well as to fishermen, who have their own "language." Although new (and sometimes conflicting) business management concepts can be confusing, you should be prepared to learn some unfamiliar business management concepts. This bulletin is intended to minimize this terminology so that you may understand and use these concepts towards better business management.

The return to labor, management, and investment is calculated if sufficient records are maintained. For a small relative to your labor and management.

You should compare these and other efficiency measures with those of other fishing businesses and with your own for your own fishing business. You then might desire a study of your operation. Additional business management assistance is available from Oregon State University's Marine Advisory Program, your banker, your insurer, and from business consulting firms.

A man can be a crackerjack fisherman and yet go broke. Unfortunately, not every fisherman has the business training needed to operate independently in this multi-million dollar industry. Many fishermen may appear, because fishermen include different items as costs and revenues. Unfortunately, the terminology of business management is frequently confusing to the unsophisticated businessman, as well as to fishermen, who have their own "language." Although new (and sometimes conflicting) business management concepts can be confusing, you should be prepared to learn some unfamiliar business management concepts. This bulletin is intended to minimize this terminology so that you may understand and use these concepts towards better business management.

This bulletin was prepared to assist you in understanding some of the terms and concepts of business management. It is not a "cookbook" and will not provide ready solutions to your problems. Unfortunately, the terminology of business management is frequently confusing to the unsophisticated businessman, as well as to fishermen, who have their own "language." Although new (and sometimes conflicting) business management concepts can be confusing, you should be prepared to learn some unfamiliar business management concepts. This bulletin is intended to minimize this terminology so that you may understand and use these concepts towards better business management.

The return to labor, management, and investment is calculated if sufficient records are maintained. For a small relative to your labor and management.

You should compare these and other efficiency measures with those of other fishing businesses and with your own for your own fishing business. You then might desire a study of your operation. Additional business management assistance is available from Oregon State University's Marine Advisory Program, your banker, your insurer, and from business consulting firms.

A man can be a crackerjack fisherman and yet go broke. Unfortunately, not every fisherman has the business training needed to operate independently in this multi-million dollar industry. Many fishermen may appear, because fishermen include different items as costs and revenues. Unfortunately, the terminology of business management is frequently confusing to the unsophisticated businessman, as well as to fishermen, who have their own "language." Although new (and sometimes conflicting) business management concepts can be confusing, you should be prepared to learn some unfamiliar business management concepts. This bulletin is intended to minimize this terminology so that you may understand and use these concepts towards better business management.

This bulletin was prepared to assist you in understanding some of the terms and concepts of business management. It is not a "cookbook" and will not provide ready solutions to your problems. Unfortunately, the terminology of business management is frequently confusing to the unsophisticated businessman, as well as to fishermen, who have their own "language." Although new (and sometimes conflicting) business management concepts can be confusing, you should be prepared to learn some unfamiliar business management concepts. This bulletin is intended to minimize this terminology so that you may understand and use these concepts towards better business management.