

**STANDING FISH PRICE-SETTING PANEL
MACKEREL FISHERY 2020**

The Standing Fish Price-Setting Panel, hereinafter referred to as “the Panel”, issued its Schedule of Hearings for 2020, on February 27, 2020. Pursuant to Section 19 of the Fishing Industry Collective Bargaining Act, hereinafter referred to as the “Act”, the Panel set Wednesday, August 12, 2020, as the date by which collective agreement(s) binding on all processors in the province that process Mackerel must be in effect.

The Panel also noted at that time, that it had been advised by the Department of Fisheries and Land Resources, that the Association of Seafood Producers, hereinafter referred to as “ASP”, represented processors that process the majority percentage of the species Mackerel. As a result, under Section 19(11) of the Act, should a hearing be required for Mackerel, the parties appearing before the Panel would be the Fish, Food and Allied Workers’ Union, hereinafter referred to as the “FFAW”, and ASP. Section 19.11(1) of the Act, and regulations made pursuant thereto, require that the decision of the Panel must be in accordance with one of the positions on price and conditions of sale submitted to the Panel by the parties at the hearing. The Panel further advised that no other positions would be accepted by the Panel and should other representatives of this species wish to attend the hearing, concurrence from both parties to the collective bargaining must be obtained.

The hearing, if required, for Mackerel was scheduled to take place at 10:00 a.m. on Thursday, August 13, 2020. The Panel convened its hearing for the species Mackerel at 10:00 a.m. on Thursday, August 13, 2020, via Microsoft Teams virtual meeting capabilities. Appearing before the Panel were the FFAW and ASP. The parties, having previously exchanged their final offer submissions, and filed copies with the Panel, (copies attached) supported their submissions in main argument and rebuttal.

The parties and the Panel had the benefit of one market report prepared by TriNav Fisheries Consultants (TFC) as well as information provided by the Department of Fisheries and Land Resources, including data on landings, production and export statistics of the Atlantic industry and recent published articles related to Mackerel markets.

Both parties noted and accepted that the Mackerel fishery in recent years is much smaller than the previous decade and markets are primarily domestic, focused upon the bait market for fisheries in the Atlantic Provinces. The level of Mackerel exports have dropped from 18% in 2016 to just 3% in 2019. Exports will likely be low this year, if any at all, given the quota that remains to be harvested and the expected quality of Mackerel landed during a summer fishery.

Based upon the available information, the Panel, as concurred by the parties, feels the overall market for Mackerel in 2020 is down slightly. Exports will remain at very low levels and the bait market in the Maritimes will continue to dominate. Export market prices may strengthen slightly but the overall market returns will be dominated by the market prices for bait in the Maritimes, which are expected to be slightly below last years' prices.

The FFAW takes the position that, despite having negotiated agreements in three of the past four years, and while they acknowledge that bait prices are down slightly, there still needs to be a recalibration of the share to harvesters who fish Mackerel in 2020. The FFAW claims that the share to harvesters has not kept pace with market returns, particularly in 2019. The FFAW is seeking a 12.9% increase in the weighted average price to harvesters over the 2019 price.

The ASP takes the position that bait prices are down and the market realities do not warrant a price increase. They claim the market is and will be lower in 2020 and that they face more supply from Europe, declining raw material and lower market prices. ASP is seeking a 3.8% reduction in price in 2020 over the weighted average price to harvesters in 2019.

While the Panel is not bound by a year over year comparison of market and price analysis, it does believe that a comparison to 2019 clearly demonstrates that the market is down slightly, as is acknowledged by both parties. Hence, the Panel is of the view that the year over year decline does not support the FFAW's offer for a 12.9% price increase. While we understand the concerns around the issue of sharing, the Panel does not have access to the information required to make an informed, evidence-based decision on this issue. While we recognize and appreciate the sensitivity, the reluctance of parties to disclose relevant information is always a challenge for the Panel. In this regard, we urge both parties to share the necessary information and analysis to inform this discussion in future years.

The ASP offer is for slight reduction in price (\$.01; 3.8%) at a time when it is acknowledged that bait markets have declined slightly since 2019.

In light of this, it is the decision of the Panel to accept the final offer of the ASP.

The per pound prices for the species Mackerel will be:

- 200-400 gram - \$0.22
- 400-600 gram - \$0.26
- 600 gram plus - \$0.34

Dated the 17th day of August, 2020.



Bill Carter



Brendan Condon



James Flight