

STANDING FISH PRICE-SETTING PANEL COD FISHERY 2016

The Standing Fish Price-Setting Panel, hereinafter referred to as "the Panel", issued its Schedule of Hearings for 2016 on March 9, 2016. Under Section 19 of the *Fishing Industry Collective Bargaining Act*, hereinafter referred to as "the Act", the Panel set Tuesday, May 10, 2016, as the date by which collective agreements binding on all processors in the province that process Cod, must be in effect. In the absence of such collective agreement(s), the Panel set Wednesday, May 11, 2016, as the date on which the Panel would conduct a hearing regarding price and conditions of sale for the species Cod.

It was noted by the Panel, at that time, that it had been advised by the Department of Fisheries and Aquaculture that no processors' organization had been identified that represents processors in the province that process the majority of the species Cod. As a result, should a hearing be required for Cod, the provisions of Section 19.9 of the Act were to apply. Presentations would be accepted by the Panel from any processor, processors' organization and the Fish, Food and Allied Workers, at the hearing.

The Panel further advised that parties intending to make a presentation to the Panel on Cod were to provide the Panel with written submissions not later than 24 hours before the scheduled hearing time and date. The Panel also advised that it would decide on all matters in dispute between the parties relating to price and conditions of sale for the species Cod, and that the decision of the Panel is final and binding on the parties and all other processors that process the species Cod, and constitutes a collective agreement or part of a collective agreement between them.

At the request of the parties and the agreement of the Panel, the hearing date was adjusted twice to Wednesday, May 18 and finally Thursday, May 19, 2016.

On May 13, 2016, Icewater Seafoods Inc., hereinafter referred to as "Icewater", filed a request to the Panel to consider a "non price" matter to amend Section 7 of the 2016/17 Atlantic Cod Schedule. The parties to the collective bargaining were the Fish, Food and Allied Workers, Icewater and the Association of Seafood Producers, hereinafter referred to as "ASP". The parties had been unable to reach an agreement and Icewater wanted the Panel to determine the issue prior to the main hearing.

The Panel consented to hear the matter on Monday, May 16, 2016. The FFAW filed a response to the Icewater request and the Panel convened the hearing on the reference at 10:00a.m., Tuesday, May 16, 2016. Appearing before the Panel were the FFAW, Icewater and ASP.

At the commencement of the hearing, the parties requested a delay to confer on the issue and subsequently asked the Panel to delay the hearing to allow negotiations to continue. The Panel accepted the request and confirmed with the parties it would accommodate them as to a continuation of hearings on the non-price issue or the main hearing up to Thursday, May 19, 2016.

The Panel was advised on Tuesday, May 17, that the FFAW and Icewater had reached agreement on the outstanding issues and filed and executed 2016/17 Atlantic Cod Schedule, with the Panel.

On May 17, ASP filed its submission to the Panel on the issues outstanding from its perspective, prior to the hearing schedule for May 18. The "non price" issue had been resolved between the FFAW and Icewater, and accepted by ASP.

It was agreed that the hearing schedule for Wednesday, May 18, would be moved to 10:00a.m on Thursday, May 19, in order to allow the parties time to respond to the ASP position.

The Panel convened its hearing at 10:00a.m. on Thursday, May 19. Appearing before the Panel were the FFAW, Icewater and ASP. Correspondence between the FFAW and ASP was filed with the Panel. The submission of FFAW and Icewater was the filed Cod Schedule which both parties seeking the endorsement of the Panel to make that agreement binding on all processors of the species Cod. ASP filed its submission outlining its position on price and other issues differing from the agreement between Icewater and the FFAW. All three parties supported their position in main argument and rebuttal. (copies of submissions attached)

The parties and the Panel had the benefit of the Cod Market Report prepared by Seafood.com, for the Minister of Fisheries and Aquaculture, Government of Newfoundland and Labrador.

ASP submitted that the discussion between the parties should continue in order to arrive at accommodations on the Cod Schedule. ASP also outlined its position on items in the handling and grading of Cod which in its opinion should be addressed to ensure a better result for the Cod fishery going forward. The FFAW response was that the agreement arrived at with Icewater included a final position on price and related matters as an inclusive deal, and it was not in a position to entertain further discussions.

ASP final submission to the Panel included two price positions. On the prices to harvesters agreed to between the FFAW and Icewater they proposed a reduction of 10%. In support they referred to the market report which indicated no change in market prices from last year and volatility in the currencies in the principal markets in the UK and the United States. Secondly, they submitted that the changes agreed to in Clause 20 of the Cod Schedule be amended to either a roll over of the previous clause or, the penalty provisions reduced to a lower level.

The Panel under Section 19.9 has the right to decide on all matters in dispute between the parties. The fact that an agreement exists between the FFAW and Icewater does not preclude ASP from making differing submissions, the Panel has the right to make the final determination of the issues.

With respect to ASP position on price, the request it to roll back the agreed prices by 10%. This would result in a fairly significant reduction from last years prices in each of the three grades in each prices series.

There is nothing in the market report to indicate a reduction in market prices for this year. The exchange rates could have a positive or negative effect. What ASP has proposed is not a roll over of last years prices, the reduction is significant. The agreement between the FFAW and Icewater has price increases in Grade A and not in Grade B and C.

Icewater confirmed to the Panel that it stood by its agreement and the prices agreed. While Icewater is only one processors, as ASP points out, it has in the past number of years processed 50% or more of all Cod landed in the province. It has led the way in negotiations and, at times, been the only processor to appear before the Panel.

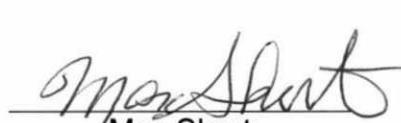
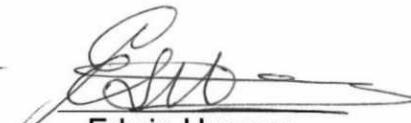
The Panel accepts the prices in the agreement between the FFAW and Icewater as the more reasonable of the two positions. The Panel has no basis to consider a reduction overall from last years prices and, in light of the Icewater Agreement no substantive basis to reduce the agreed upon prices.

The issue raised by ASP with respect to Clause 20 of the Schedule is of concern to the Panel. A final solution may emerge within the industry as Cod landings increase as predicted. The current measures, as outlined in Clause 20, to deal with the issues of smaller landings and collection, while maintaining the integrity of the quality grading system, are most likely not the final solution. The matter is best left to the parties for a final resolution.

All three parties referred to the quality of the discussion in this years negotiations. As the Panel noted in its 2015 report great strides have been made to insure that the newly emerging Cod fishery will be successful for both harvesters and processors. Premium quality products are required to ensure the financial viability of all involved. As the Panel said in 2015; "... more has to be done in achieving optimal performance in harvesting, handling and processing." The parties are encouraged to engage in discussing those issues and arrive at mutual understandings and agreements, not just during annual price negotiations, but throughout the year.

It is the decision of the Panel to accept the agreement between the FFAW and Icewater, the prices and conditions of sale for the species Cod, for the 2016/17 collective agreement(s) will be as set out in the 2016/17 Atlantic Cod Schedule, attached. These prices and conditions of sale are binding on all processors that purchase Cod and will form a collective agreement, or part of a collective agreement with the FFAW.

Dated the 20th day of May, 2016.


Bill Wells
Max Short
Edwin Hussey

2016/17 Atlantic Cod Schedule

The prices and related terms and conditions for Atlantic cod for 2016/17 are set out in this Schedule. The parties agree that this Schedule and the applicable Master Collective Agreement together constitute a Collective Agreement between the parties for the purposes of the *Fishing Industry Collective Bargaining Act*.

1. Subject to Clause 22, cod will be sold under a Quality Grading Program in which cod is graded as either Grade A, B, C, or reject. Fish harvesters will be paid according to the prices contained in this agreement. The sampling and quality grading specification are appended to this schedule and form part of this agreement.
2. For the purposes of this agreement, a buyer is defined as any individual or corporation who purchases cod directly from a harvester with the intention of delivering some or all of that purchased cod to another buyer or processing company for eventual processing.

Sampling and Grading

3. Sampling and grading will be conducted by qualified personnel employed by the processor purchasing the fish. With the exception of the circumstances set forth in Section 4, all sampling and grading will be done at the plant.
4. If a buyer retains any of the fish purchased from a harvester, that buyer shall sample and grade the entire load of fish. In this circumstance, the harvester shall be paid based on the grade obtained from the samples taken by the buyer.
5. If a buyer fails to follow the procedure in Section 4 and the cod, when graded at the processor's plant, is less than 80% grade "A", the harvester shall be paid by the buyer on the basis that 100% of that particular purchase of cod was grade A.
6. All samples will be selected randomly immediately after the truck has offloaded at the plant in accordance with the Sample Collection Protocol as appended.
7. All fillets to be inspected must be removed in a ripped nape fashion either manually or by machine, and skinned previous to grading.
8. All graders shall use the Inspection Form Quality Grading sheet as appended. For each sample, graders shall note on the grading sheet how each individual sampled cod rated according to each particular criteria set forth in the Cod Quality Specifications form that is appended.



9. The harvester will be paid based on the grade obtained from the samples taken at the plant.
10. The grade of each shipment will be based on the grading of the sample, provided that all fish processed will be paid at least "C" grade. Only fish actually dumped will be subject to weigh back. In the event that fish is to be dumped, the company will advise the harvester before the fish is dumped.
11. The detailed grading sheets for individual landings shall be made available to harvesters by either the processor or buyer, as may be applicable, within forty-eight (48) hours of the buyer and/or processor taking possession of the fish. Failure to do so will incur a \$0.05 lb additional payment to the harvester by the buyer/processor for the entire amount of the shipment in question.

Handling, Traceability, and Timeliness

12. To improve the quality of the cod being caught, harvesters should follow the Proper Handling Procedures, the Procedure for Slush Ice of Codfish in Grey Boxes and the Dry Icing Procedures that are appended.
13. The Procedure for Slush Ice of Codfish in Grey Boxes is the preferred approach for buyers to apply when handling, transferring, and transporting cod landed at the wharf. The Dry Icing Procedures are also acceptable. If a buyer is found to have not followed either protocol and the quality of the fish delivered to the processor is less than 80% grade "A" then the harvester shall be paid by the buyer on the basis that the entire load of cod is grade "A".
14. A Fresh Raw Material Traceability Form for Cod shall accompany all landings of cod sold to a buyer by a harvester. All sections of the form shall be completed.
15. A processor shall not purchase any cod from a buyer unless it is accompanied by a traceability form. A processor who purchases cod from a buyer without the traceability form shall pay the grade "A" price to the harvester for that entire load of cod.
16. All traceability forms shall be signed by the harvester's whose cod is included in the shipment. By signing the form, the harvester is agreeing to the conditions that are represented in the form.
17. A harvester who does not agree with the information recorded on the traceability Form should attempt to resolve that concern(s) with the buyer. Where such concern is not resolved, the harvester shall sign the form but detail his/her concern. A copy of the

John
AW

John
AW

traceability form noting the concerns shall be sent to FFAW-Unifor by processor and/or buyer.

18. The grading of samples will be done as early as possible. Grading for a shipment must take place before processing of that shipment. Fish landed and delivered to a processing plant before noon will be graded that same day.
19. (a) The parties agree to use best efforts to match the supply of fish to the processing capacity of the processors, so as to avoid gluts.
 - (b) Notwithstanding the provisions of paragraph 18, the parties agree that upon written notification by the processor to the Union that the supply of fish is likely to outstrip the grading capacity of the plant, the deadline for grading the cod provided for in paragraph 18 will be extended by 12 hours. The extended grading deadline will be in effect for a 72 hour period.
20. (a) Subject to the following penalty provisions, all fish shall be delivered to the processor's plant within 24 hours from the time of landing.
 - (b) If the fish is not delivered to the processor's plant for grading within the 24 hour period and the fish is graded less than 80% grade "A", the payment to the harvester will be calculated at the appropriate grade plus \$0.20 per pound. No penalty payment shall increase the per pound price of cod above the grade "A" price level.
 - (c) If the amount of cod delivered past the 24 hour period is less than 1000 lbs, the harvester shall receive the grade "A" price as set by this schedule for the entire shipment.
21. Specification for the Quality Grading Program shall be described in the Cod Quality Grading Specification attached to and forming part of this schedule (in the Appendix). The parties agree that fish sold under this program shall be free of gut and liver.
22. When the directed cod fishery is open, all cod bycatch from other directed fisheries will be subject to mandatory quality grading. Any cod bycatch that occurs when the directed cod fishery is closed in the area in question will not be subject to mandatory quality grading.
23. The Fish Harvesters' Resource Centre (FRC) will be the exclusive dockside monitoring company for the cod fishery.

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24. Minimum prices for cod 18" and over in 3Ps, 2J3KL, and 4R3Pn will be as follows. (For the purpose of this agreement, length of fish is measured from the tip of the nose to the crux (meat) of the tail).

Start of Season to July 31, 2016	August 1, 2016 to end of Season
Grade A - \$0.70 per pound	Grade A - \$0.78 per pound
Grade B - \$0.38 per pound	Grade B - \$0.40 per pound
Grade C - \$0.20 per pound	Grade C - \$0.20 per pound

25. Prices are for fish including tongues and/or cheeks. Fish with tongues and/or cheeks removed will be deducted \$0.05/lb. The percent of fish in the sample without tongues and/or cheeks will be applied to the total catch for the purposes of applying the 5 cent reduction.

- **Example:** 1,000 lbs of fish landed and 10 fish are sampled.

4 out of 10 fish sampled have tongues or cheeks removed

40% of total landed fish are subject to 5 cent reduction

This provision does not entitle the buyer to require harvesters remove tongues and/or cheeks as a condition of sale.

26. The parties recognize that the Company's cod markets have stringent quality specifications. The Company reserves the right to cease buying at times when intrinsic quality characteristics of the fish in particular areas fail to meet these specifications.

27. Each processor will pay \$0.01 per pound of fish purchased, either directly or through sub-agents, to pay for union graders to independently check the sampling and grading process to ensure that the protocols set forth, attached to this schedule, are being adhered. This payment will be forwarded to the FFAW|Unifor on a weekly basis.

28. The terms and condition of this agreement may be amended by mutual consent.



2016/17 Atlantic Cod Schedule

DATED at St. John's, Newfoundland and Labrador this 17th day of May, 2016
Signed on behalf of the Fish, Food and Allied Workers
FFAW/Unifor:

Juna Pretty

Witness

John Hall

Fish, Food and Allied Workers
FFAW/Unifor

DATED at Arnold's Cove, Newfoundland and Labrador this 17th day of May, 2016
Signed on behalf of Icewater Seafoods Inc.:

OS

Witness

Albert

Alberto Wareham
Icewater Seafoods Inc.

John Hall

Cod Quality Grading Sample Collection Protocol

The following work instructions are to be followed by all representatives of cod processors in extracting samples for quality grading purposes.

1. **Sample Station:** Using the weight, select the number of fish to be sampled as per the sampling plan below. All samples must be selected randomly immediately when the truck has offloaded so that a proper representation of the catch may be obtained. To ensure random selection, samples will be taken by dipping down into the container of fish so that the sample being extracted is not visible to the person taking the sample.

SAMPLING PLAN – HEAD ON GUTTED COD	
Landed Pounds	Samples
<2000	10
2000-4000	15
4000-10,000	20
10,000-20,000	25
20,000-50,000	30
50,001 and Up	40

2. **Sampling Separation:** All cod selected for sampling must be separated, identified, and handled in such a manner as to ensure the quality of the sample, as it was landed at the wharf, is maintained.
3. **Sample Box Identification:** All sample boxes to be graded must be identified by taping an "X", with surveyor tape, on the box so the box can be easily identified at the plant.
4. **Sample Identification:** Samples must be clearly identified by individual catch lot such that the following information is readily available on a tag (using a black indelible ink marker):

C.F.V. # _____

Date Caught: _____

Buyer: _____

Lbs in Lot: _____

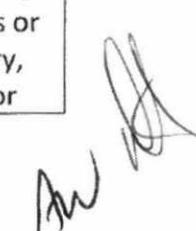
Boxes of Fish in Lot: _____

Fish Receipt Number: _____

[Handwritten signatures and initials]

Cod Quality Grading Specifications

FILLET GRADING STANDARDS				
Grade Criteria	Grade A	Grade B	Grade C	Reject Grade
Colour	Characteristics of live bled cod (white fillet)	Slight discolouration in the entire fillet	Any abnormal colour such as yellowing/browning	Extreme yellowing/browning or green
Texture	Firm: up to 10% of surface area slightly broken	Firm to slightly soft: up to 25% of surface area may be slightly broken	Moderately soft and/or more than 25% of the surface area broken	Not Applicable
Bruising	Up to 2cm in any dimension or 2 cm in area	Total instances >2 cm up to 5cm in any dimension	Total instances >5cm in any dimension but <50% of the fillet surface area	Exceeds 50% of the fillet surface area
Staining	Same as bruising	Same as bruising	Same as bruising	Same as bruising
Blood clots	None exceeding 0.5 cm in any dimension	Total instance >0.5 to 4 cm in any dimension	Total instances >4cm in any dimension	Not applicable
Ripping	Straight cut from collar to anus	Into fillet 1" to 2"	Into fillet more than 2"	Not applicable
Temperature	Less than 4 degrees Celsius			
Parasites	Less than 8 parasites in full fillet	8-15 parasites in full fillet		More than 15 parasites in full fillet
Odour	Not Applicable	Not Applicable	Not Applicable	Objectionable odours, including tainted by fuels or oils, blackberry, strong feed, or



				decomposed.
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Proper Handling Procedure To be Used by Fisherpersons Selling Cod

Regardless of catching method, ideally fish should be alive when it comes into the fishing boat. ALL fish should be handled as live fish.

The following steps are to be followed:

1. Fish to be bled alive as soon as it comes into the boat. The perfect method is to break or cut one part of the gill plate. The second method is to cut the throat of the fish above the heart so that the blood will be pumped out of the fish.
2. Fish should be placed in slush water or cold seawater to bleed. The temperature of the water is to be below 4°C. Let fish bleed out for 15 minutes before gutting.
3. Gut and wash fish and put in slush water on vessel as soon as fish has bled. In the event fish are dead coming into the boat, fish are to be gutted immediately or placed in slush while waiting for gutting. As a last resort, ice fish in pans or pens on the vessel. Do not leave fish on deck of boat any longer than 15 minutes before icing.
4. Keep fish covered and well iced. Temperature of fish is to be kept below 4°C.

Procedure for Slush Ice of Codfish in Grey Boxes 2016

1. Boxes must have a plug in them. If there is any chance of a box not being watertight, a large plastic bag is placed in each grey box.
2. Put approximately one foot (1') of saltwater in the bottom of a grey container. If saltwater is available, no salt is to be added. If you have to use freshwater, as salt water supply is not approved, the following procedure is to be used: Add 7 lbs (maximum) of fishery salt or 5 lbs of fine salt, or 2 gallons of brine to freshwater in box. It is important that not too much salt be added or fish will freeze and/or the eyes of the fish will turn white. There is a danger of fish being salty. Saline reading of saltwater is 10%. Do not mix salt in with fish as fish will freeze and be damaged.



2016/17 Atlantic Cod Schedule

3. Add approximately 250-300 lbs of ice in water. This should be done a minimum of $\frac{1}{2}$ hour before fish is put into box so that the water is very cold when the fish is added. It also might help to stir the ice around to cool down the water. If water is warm, use less water and more ice. (The most common problem is not enough ice on bottom of fish. There is too much water and not enough ice).
4. Add approximately 400 lbs of fish then add more ice. A layer of fish and a layer of ice each time the fish is added to the box.
5. Cover the top of the box completely with ice. There should be approximately 1,200 lbs of fish and 500-600 lbs of ice per container. In the smaller container, there should be approximately 600 lbs of fish and between 300-400 lbs of ice.
6. Fish should be buoyant in the container. In other words, there should be no weight on the fish in the bottom of the container.
7. If dry ice has to be used, do not put any more than 1,400 lbs of fish in a box with 500-600 lbs of ice.
8. Do not put fish in box and then put a water hose on top of box to fill up with water.
9. Put label on top of ice in each box.

Dry Icing Cod Procedure

1. If possible, use small grey boxes. If you only have large fish boxes, do not put any more than 1,400 of fish in a box with 500-600 lbs of ice.
2. Put approximately 100 lbs of ice in bottom of fish box. Minimum 6" of ice.
3. Add 200-250 lbs maximum of cod and cover with a complete layer of ice.
4. Continue adding fish and ice in layers until box is full.
5. On top, put a thicker layer of ice.
6. If you can, take plugs out of the boxes.



2016/17 Atlantic Cod Schedule

FRESH RAW MATERIAL TRACEABILITY FORM FOR COD 2016

Date Shipped: _____ Buying Company: _____ Area Caught: _____

Date Caught: _____ Buying Area: _____ Buying Company/Trucking Receipt No.: _____

Note: Please indicate one catching method only (Nets or hooks)

C.F.V #	Buying Station	Date Caught	Catching Method		Total lbs of cod	Weight Per Tub	Tongues in	Tongues out	# of boxes	Time Bought	Was fish Iced Properly?		Fisherman's Signature
			Hooks	Nets							Yes	No	
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													

Note: Complete list to accompany each receipt (lot) delivered. It does not matter about mixing buying station on a truck as long as each lot is recorded by C.F.V.#. If form is not sent on truck, fax to processing plant. A Traceability Form MUST accompany each shipment. Driver is to give paperwork to forklift driver before truck is unloaded. No truck is to be unloaded until approved by Management.

Received at processing plant by: _____ Date: _____ Time: _____

If in transporting, the truck distance was longer than 4 hours or waiting to be offloaded, was reefer used: Yes _____ No _____

Fish to be kept below 4 degrees Celsius at all times



2016/17 Atlantic Cod Schedule

FRESH RAW MATERIAL TRACEABILITY FORM FOR COD 2016

Harvester Comments on traceability of the shipment:

Handwriting practice lines for the word 'apple'.

Handwriting practice lines for the word 'apple'.

Handwriting practice lines for the word 'apple'.

Harvester Signature

Harvester Signature

Harvester Signature

2010

2016/17 Atlantic Cod Schedule

INSPECTION FORM QUALITY GRADING

Buyer: _____

Receipt #: _____

Landing Site: _____

Vessel Name or CIV#	Species	Date Caught	Days Fishing	Gear Type	Dry Ice: <input type="checkbox"/>	Temp. <4C	Live Bled
Lot Size	Fishing Area	# of Fish in Sample		Sample at: Buying <input type="checkbox"/> Station Plant <input type="checkbox"/>	Weight of Head on Gutted Cod in Sample	Fillet Weight of Sample	

GRADING CRITERIA	FISH SAMPLE NUMBER																				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1 At Sea Handling																					
2 Unwholesome																					
3 Odour																					
4 Texture																					
5 Bruising																					
6 Staining																					
7 Blood Clots																					
8 Colour																					
9 Jelly																					
10 Chalky																					
Fillet Grade																					

of Fish with Cod Tongues _____ % _____ Date fish arrived at plant: _____

OVERALL GRADE REPORT		
Grade	Number	Percent
Grade A		
Grade B		
Grade C		
Reject		

Comments: _____

Inspected by: _____

Date: _____

Corrective Action:

