

STANDING FISH PRICE-SETTING PANEL

LOBSTER FISHERY 2025

Background

1. The Standing Fish Price-Setting Panel, hereinafter referred to as “the Panel,” issued its Schedule of Hearings for 2025. Pursuant to Section 19 of the *Fishing Industry Collective Bargaining Act*, hereinafter referred to as the “Act”, the Minister set Thursday, April 17, 2025, as the date by which collective agreement(s) binding on all processors that process lobster in the province must be in effect.
2. The Panel has been advised by the Department of Fisheries, Forestry and Agriculture that the Association of Seafood Producers (“ASP”) represents processors that process the majority percentage of the species lobster. As a result, under Section 19(11) of the *Act*, should a hearing be required for lobster, the parties appearing before the Panel would be the Fish, Food and Allied Workers’ Union (“FFAW”), and ASP. Section 19.11(1) of the *Act* and regulations made thereunder 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 first be obtained.
3. The parties were unable to come to an agreement on all aspects of the price and conditions of sale for Lobster for the 2025 season. Therefore, the Panel conducted a hearing on Friday April 11, 2025 at 10:00 via videoconferencing.
4. In keeping with the Panel’s Rules of Procedure, FFAW and ASP provided their written submissions at 4:00 p.m. on April 10, 2025. They appeared before the Panel and provided their arguments in support of their final offers, as well as rebuttal to each other’s arguments, and answered the Panel’s questions. The Panel thanks them for their submissions and attendance.
5. Prior to the commencement of bargaining, and in keeping with past practice, the Department of Fisheries, Forestry and Agriculture NL (“FFA”) provided the parties and the Panel with information on NL lobster production, Urner Barry Commentary dated February March 2025, Urner Barry Quarterly Lobster Report, Atlantic Canada Lobster Exports, DFO landings data, Urner Barry 5-year pricing data, and various articles concerning lobster. The panel thanks our friends at Industry Development, Department of Fisheries, for that information.

The formula and revisions relevant to this season

6. In 2011, the parties, and / or their predecessor organizations, developed a formula setting the minimum price of landed lobster, which has been attached as a schedule to the Collective Agreement in place between these parties since then. The Urner Barry Index, which provides information on the price of live lobster in the US retail market on a twice-weekly (Tuesday/Thursday the week before) basis, was used as the basis for determining the price for live lobster landed in Newfoundland between 2011 and 2024. This has been referred to as the “formula” or the “UB formula” throughout the presentations.
7. In 2024, the parties entered into an agreement as to how to calculate the minimum price of Lobster, using the aforementioned formula. The parties also noted that while in the past the price was calculated using the Thursday-Tuesday average Urner Barry (“UB”) price, they agreed that due to the fluctuating changes in price that occur in the first few weeks of the season, particularly in the three weeks prior to Mother’s Day each year, the price would be calculated using the Thursday-Tuesday average UB price, except for the weeks prior to Mother’s Day, where the Tuesday price will be used. In the 2024 schedule, the parties negotiated that the price for the three weeks leading up to Mother’s Day will be calculated using only the UB quoted price the following Tuesday, not the Thursday-Tuesday prices.
8. In 2024 FFAW produced a publication (at Appendix 1 of the FFAW submission to the panel) acknowledging the following:

Historically, the lobster market starts at very high prices and declines quickly leading to Mother’s Day.

During the 2023 season, companies stopped buying at the beginning of the season because the market was declining so rapidly and they could not recoup their raw material price (at p.3).
9. The presentation went on to articulate the FFAW’s two key priorities for the 2024 lobster fishery: a fair market share, ensuring that its members received 80% after \$6.00 and an uninterrupted fishery. It recognized that the committee wanted a deal that would keep the fishery going all season, recognizing that the lobster fishery is time-limited.
10. Otherwise, the Lobster schedule was the “exact same” as the schedule in 2023 before those terms were renegotiated. FFAW’s presentation specifically articulated “the committee was comfortable making this concession [of the Tuesday price for the first three weeks of the season] to ensure an uninterrupted fishery.”

11. As a result, the 2024 fishery proceeded as scheduled, with no interruptions.

The issue in dispute

12. There was one discrete issue put to the Panel for consideration this year: whether to “roll-over” the agreement negotiated and entered into by the parties in 2024, or to revert to the Thursday-Tuesday average calculation that was in place in 2023 for the first three weeks of the season, except during weeks where the price dropped by more than 10%.
13. We refer to the negotiated 2024 agreement as the “status quo.”
14. The panel asked FFAW to explain why FFAW is now proposing to revise the 2024 agreement from that negotiated status quo.
15. The status quo had been arrived at by a negotiated deal. FFAW, in its own publication in 2024, had classified accepting the Tuesday only price for the first three weeks of the season as a “concession” it made in an effort to ensure an uninterrupted fishery. They now seek to roll back that concession. However, FFAW does not seek to roll back the portion of the agreement that brought back the “80% of value after \$6.00” which it had seen as an improvement over the renegotiated prices of 2023.
16. In other words, FFAW seeks to amend the 2024 agreement where the FFAW made a concession to get a gain, (and reciprocally, the ASP received a ‘gain’ in exchange for a concession), such that the FFAW would get to keep the gain from the 2024 negotiation, and remove the concession it gave. So, FFAW, on a gain and a concession would now obtain a gain and a gain, but the ASP, having accepted a concession to get a gain, would then be left with having made the concession and lost its reciprocal gain. Further, the change sought by FFAW would be a return to a season like 2023 where it is entirely possible that the buyers would not buy lobster during those first three weeks of the season, or would do so sporadically.
17. ASP provided data in the form of receipts for actual costs in support of its position that the status quo for the early season ought to be kept in place. FFAW noted that this was a very small sample size. Nonetheless, it was a sample of receipts and the information included historical data.
18. In particular, while it was a small sample size, the information provided clearly shows that the Lobster season opens with high prices, then the prices drop rapidly in the weeks preceding Mother’s Day.

19. ASP provided the rationale for using the Tuesday UB price during the first three weeks of the season and provided a schedule of the length of time it typically takes to get lobster, once purchased from the harvester, off the Island of Newfoundland and to the market in the Maritimes or the US.
20. ASP's data showed that in the first three weeks of 2023, when the Thursday and Tuesday UB prices were used in the formula, NL lobster buyers continually experienced a loss in their lobster purchases. In 2023, the data provided showed a \$1.24/ lb. loss to lobster buyers. Those financial losses resulted in incremental purchase stoppages.
21. The purpose of the 2024 agreement was to exclude Thursday from the first three weeks of the Lobster fishery in order to allow lobster purchasers to continue to buy throughout the season.
22. ASP's presentation showed that in 2024, the change in UB pricing each week was a 16% drop in the UB price for lobster between Tuesday and Thursday in Week 1 of the fishery, an 8% drop between Tuesday and Thursday of Week 2, and a 10% drop of Week 3 of the season. In 2023, the prices dropped 2%, 16% and 8% between Tuesday and Thursday in Weeks 1, 2, and 3 of that lobster season, respectively.
23. Those losses were the reason buyers stopped buying or bought sporadically, and were the impetus for the change to the Lobster agreement negotiated and implemented in 2024.
24. Returning to the question the panel put to FFAW: what has changed between the 2024 season and now to prompt the FFAW's request to alter the 2024 agreement, FFAW answered simply that they wanted to be sure they weren't "leaving money on the table."
25. ASP argued that the "money on the table" FFAW is trying to pick up for its members is not "real" money, as in money from sales to market that the buyers were able to obtain. Rather, the money is the buyers' financing. The losses in those weeks would essentially mean that harvesters were demanding a price that was being subsidized out of the buyers' pockets, resulting in significant losses to the ASP members, who were not able to recoup those costs at market. In 2023, as a result of those losses, ASP members stopped buying lobster from harvesters. The entire reason for the agreement in 2024 was to ensure a timely and uninterrupted start to the lobster season.

Decision

26. The parties have submitted their final offers on the sole item in question: whether

the 2025 Lobster Schedule, and formula and payment terms and conditions therein should be adjusted. The adjustment sought by FFAW is that the formula during the first three weeks of the Lobster season (Season opening April 20, 2025 – Mother's Day, May 11, 2025) should include both the Thursday and Tuesday UB prices, and not just the previously-negotiated Tuesday price, unless the price dropped by more than 10% between Thursday - Tuesday.

27. The parties negotiated an agreement in 2024, through concessions on each side, that resulted in what FFAW described to its members as a "fair share" to harvesters and simultaneously ensured that the fishery would continue uninterrupted throughout the 2024 Lobster season. FFAW seeks to gain back a concession it gave without giving back the gain it earned from that concession. The panel does not accept this proposal.
28. Based on the information and arguments provided by ASP, the information in the FFAW's own correspondence to its members for the 2024 season, and FFAW's failure to provide a logical reason why the 2024 agreement ought to now be revised in a manner that has proven to lead to an interrupted start to the season on at least one occasion, the Panel has unanimously accepted the ASP's offer to roll-over the agreement as negotiated between the parties in 2024.

Conclusion:

29. The price of Lobster for the 2025 season shall be a roll-over of the 2024 Agreement, Appendix B.

Dated at St. John's this 11th day of April, 2025



Sheilagh M Murphy, K.C
Chairperson



Earle McCurdy

A handwritten signature in blue ink, appearing to read "Art Dodd".

Art Dodd