

STANDING FISH PRICE-SETTING PANEL

LUMPFISH (ROE) FISHERY 2018

The Standing Fish Price-Setting Panel, hereinafter referred to as “the Panel”, issued its Schedule of Hearings for 2018, on March 1, 2018. Pursuant to Section 19 of the *Fishing Industry Collective Bargaining Act*, hereinafter referred to as the “Act”, the Panel set Wednesday, May 2, 2018, as the date by which collective agreement(s) binding on all processors in the province that process Lumpfish (roe) 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 Lumpfish (roe). As a result, under Section 19(11) of the Act, should a hearing be required for Lumpfish (roe), 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 Lumpfish (roe) was scheduled to take place at 10:00 a.m. on Thursday, May 3, 2018, at the Ramada Hotel, 102, Kenmount Road, St. John’s.

The Panel convened its hearing for the species Lumpfish (roe) at 10:00 a.m. on Thursday, May 3, 2018, at the Ramada Hotel, 102 Kenmount Road, St. John’s. 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 Final Offers that were presented for consideration by the Panel were: (1) ASP with a base price of \$1.20/lb. and a rebate market price trigger point of \$750 per barrel and (2) FFAW with a base price of \$1.35/lb. and a rebate market price trigger point of \$725 per barrel. The FFAW

subsequently issued a clarification to their original submission indicating that the price proposed is based upon a barrel price of \$825, not \$725, as was apparent in the original submission. The clarification was received at 3:27 p.m. on May 2nd, more than five hours after the original submissions had been exchanged and distributed to the Panel. While we recognize that the FFAW made a genuine, honest error in referencing on two occasions in their submission, “a rollover of 2017 terms and conditions of sale”, the Panel is unable to accept any new information after the original submissions have been received.

To clearly outline the position of the Panel on this issue and other controversial issues that have arisen in recent hearings, the Panel, with the input of all parties, will endeavor to establish guidelines around specific governance matters. In fact, the Panel would rather encourage the parties, with input from the Panel, to discuss and agree upon established and reasonable governance guidelines, which the Panel would support and enforce.

There is essentially no verifiable market information available to suggest that the market for lumpfish (roe) will increase significantly in 2018. There were records of a couple of email exchanges in the FFAW submission that suggested a favorable movement in price but nothing supported by verifiable market intelligence. It was also mentioned by ASP, that the removal of the Icelandic MS Certification could possibly present some competitive challenges for uncertified NL lumpfish (roe) but, again, this was more speculative and likely would not have any significant impact.

Given the successful history of lumpfish (roe) negotiations, for the most part, since 2010, the Panel is confident that the ‘formula based’ payment system works. Provision of a base price combined with a Fall rebate that addresses any upward movement in market price over the course of the season provides a fair return to both harvesters and processors. The Panel acknowledges the increase offered by ASP of an additional \$.05/lb. on the base price over the 2017 base price, a positive, good faith gesture despite the absence of any credible market intelligence.

Given the absence of market intelligence, the Panel is of the position that it is best to work with a formula that has clearly worked well in the past and leave any market uncertainty to be addressed by a Fall rebate. It is the decision of the Panel to accept the Final offer of ASP – a base price of \$1.20 with a Fall rebate triggered by a market price of \$750 per barrel. It is recognized

that harvesters will still ultimately get the same value for lump roe and that it is simply a matter of a portion of the value payment being deferred to the Fall.

Dated the 7th day of May, 2018.



Bill Carter



Brendan Condon



Rosalind Walsh