

ANNUAL REPORT
STANDING FISH PRICE-SETTING PANEL
2023-2024



Table of Contents

Message from the Chairperson.....	1
Overview	3
Establishing a Schedule of Hearings.....	4
Providing Support to Collective Bargaining	4
Highlights and Partnerships	5
Collective Bargaining Facilitation and Hearing Results	5
Rules and Procedures.....	6
Report on Performance	6
Issue 1: Ensure binding collective agreements are established annually for particular species.....	6
Issue 2: Recommend legislative or regulatory amendments that provide a realistic mechanism for price setting	8
Opportunities and Challenges Ahead	9
Financial Information.....	10
Appendix A: Species Negotiations and Results Summary – 2023-24 Fishing Season	11

Photo Credit:
Boats, Carbonear Harbour
By: Jennifer George

Message from the Chairperson

I am pleased to provide the Annual Report of the Standing Fish Price-Setting Panel for 2023-24.

In the Province of Newfoundland and Labrador, the **Fishing Industry Collective Bargaining Act** (the **Act**) regulates collective bargaining between fish harvesters and processors. This **Act** has been in effect since 1971. In 2006, amendments to the legislation were passed resulting in the creation of the Standing Fish Price-Setting Panel (the Panel), whose main functions include: establishing the parameters for negotiations in the fishing industry; facilitating collective bargaining; acting as an arbitration Panel in the setting of fish prices and conditions of sale; and ultimately setting fish prices when the parties to negotiations are unable to agree.

The Panel is committed to facilitating and encouraging successful collective bargaining and, where necessary, the Panel setting fish prices and conditions of sale through a well-managed, unbiased, timely, and transparent process. As Chair, I am grateful for the dedication, professionalism, and commitment of all Panel members in ensuring Panel decisions are evidence-based and apolitical.

On September 6, 2023, the Government of Newfoundland and Labrador (the “Government”) established a Fish Price-Setting Strategic Review Team, comprised of Glenn Blackwood, Bill Broderick and Gabe Gregory. Their mandate included economic analysis, stakeholder consultations, and review of current legislation, regulations, and policies in fish price-setting in the province, and particularly in setting the price of snow crab.

On October 31, 2023, based on their research and review, the Strategic Review Team provided their report, which included the development of a proposed formula to be used to set the price of snow crab in the province. The report, often referred to as the “Blackwood Report” was produced to assist with the development of a formula-based framework for fish price-setting in order to address ongoing issues with the then current price-setting process.

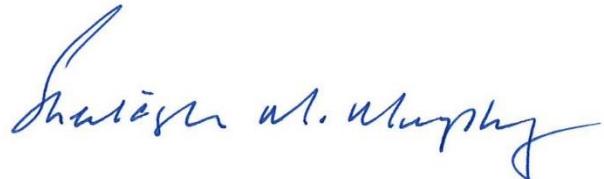
Following the issuance of that report, the Government revised the Regulations pursuant to the *Act* in relation to setting the price of snow crab in the province. For the species of snow crab only, the revised regulations stated that each party shall submit a proposed formula to be used to determine the price of snow crab in the province and the Panel shall select one party’s proposal; and on the conditions of sale for snow crab, the Panel shall proceed by way of arbitration. Neither party chose to submit the entire Strategic Review Team formula (also referred to as the “Blackwood” formula) to the Panel for consideration in its price-setting deliberations this year.

As of July 31, 2024, the parties have successfully negotiated a price on the vast majority of fisheries this year. The Panel has been required to hear and decide on pricing for two of thirteen fisheries: snow crab and capelin.

On behalf of the Panel, I wish to acknowledge the hard work, dedication, and professionalism of our support team, including but not limited to those who provide us with timely industry research and data for our deliberations, those who provide conciliation and negotiation services to the parties throughout the process, and those who provide us with administrative and ongoing support. We also appreciate and thank the parties themselves for their thorough submissions and participation in the process.

The Panel is a Category 3 entity under the **Transparency and Accountability Act**. It is fully accountable for the preparation of this Report and the achievement of the objectives and results contained within. During 2023-24, the Panel was successful in meeting all its objectives.

Sincerely,

A handwritten signature in blue ink that reads "Sheilagh M. Murphy". The signature is fluid and cursive, with "Sheilagh" on the top line and "M. Murphy" on the bottom line.

Sheilagh M. Murphy, K.C.
Chair, Standing Fish Price-Setting Panel

Overview

The legislative authority establishing the Standing Fish Price-Setting Panel's role and responsibilities is contained in Sections 19.1 to 19.17 of the **Fishing Industry Collective Bargaining Act** (the **Act**) and associated Regulations. The Panel is classified as a Category Three entity under the **Transparency and Accountability Act**

This was the Panel's eighteenth year of operation. Panel members for fiscal year 2023-2024 were:

- **Ms. Sheilagh M. Murphy** (Chair)
- **Mr. Ron McCabe** (Alternate Chair)
- **Mr. John Whelan** (Alternate Chair)
- **Mr. Earle McCurdy** (Member)
- **Mr. Will Reid** (Alternate Member)
- **Mr. Brian Vallis** (Member)
- **Mr. Art Dodd** (Alternate Member)

The Panel facilitator provided support for Panel activities and stakeholders' work in establishing fish prices. Administrative and secretarial support services during the fiscal year was provided by the Labour Relations Division of the Department of Environment and Climate Change. Market intelligence support was provided by staff at the Department of Fisheries, Forestry and Agriculture.

Current funding for the Panel is contained in budget estimates under the Department of Environment and Climate Change (see Financial Information on page 10 for more details). The Panel's office is located at: 2nd Floor, Beothuk Building, 20 Crosbie Place, St. John's, NL, A1B 4J6, telephone: (709) 729-2711.

The mandate of the Panel is to annually identify, following consultation with the stakeholders, fish species for which prices and conditions for sale will be collectively bargained, and that these prices and conditions are in place by the date established by the Minister of Fisheries, Forestry and Agriculture. The Panel establishes parameters to facilitate collective bargaining, acts as an arbitration Panel where the parties to negotiations fail to agree, and has the authority to set prices and conditions of sale when negotiations do not take place.

The vision of the Panel is of an optimal collective bargaining climate between fish harvesters and processors in the province to ensure binding collective agreements are in place for the timely commencement of the fisheries on an annual basis. Through its work during the reporting period, the Panel contributed to the vision of the Department of Environment and Climate Change:

“The vision of the Department of Environment and Climate Change is a clean, sustainable and protected environment supported through effective stewardship as well as a province where employees and employers are supported to achieve a healthy, safe, and productive workplace.”

Additional information regarding the Panel, including its schedule of hearings and pricing decisions, can be found at <https://www.gov.nl.ca/fishpanel>.

Lines of Business

Establishing a Schedule of Hearings

On an annual basis, the Panel will consult with the Fish, Food and Allied Workers’ Union (FFAW) and the Association of Seafood Producers (ASP) prior to negotiations to determine the particular fish species to be bargained under the **Act** for the coming season.

The Minister of Fisheries, Forestry and Agriculture, on an annual basis, sets dates by which prices and conditions of sale must be in effect for the species subject to collective bargaining. The Panel will then provide written notice to applicable industry stakeholders of particular fish species subject to collective bargaining, the date by which binding agreements must be in effect, and potential hearing dates.

Providing Support to Collective Bargaining

Rules and Procedures

The Panel, in consultation with the major parties to negotiations, has established its Rules and Procedures, as provided under Section 19.4 of the **Act**, for the purpose of carrying out its duties. The intent of its rules and procedures is to provide direction to parties to negotiations through the various collective bargaining stages, including the hearing stage, if necessary.

Facilitation

The Panel provides the services of a facilitator to parties to negotiations for all species identified in the schedule of negotiations. The facilitator provides support to the parties by helping to identify outstanding issues and mediating/facilitating the collective bargaining process to assist parties in reaching a collective agreement. The facilitator also coordinates activities between the Panel, the parties to negotiations, and relevant provincial government departments.

The Panel believes that their work with industry stakeholders will help achieve the optimum economic value from the fishing industry and thus contribute to economic growth, competitiveness,

and prosperity for the provincial economy. In addition, the vision of the Panel is of an optimal collective bargaining climate between fish harvesters and processors in the province to ensure that binding collective agreements are in place for the timely commencement of the fisheries on an annual basis.

The Panel has a unique mandate to facilitate and act as an arbitration Panel to the collective bargaining regime for the harvesting and processing sectors in the province's fishing industry, ensuring that fish prices and conditions of sale are in place to enable fisheries to start on a timely basis every year.

In order to provide improved labour relations supports conducive to positive workplace relations, it is the Panel's intent to work with relevant industry stakeholders to annually identify particular fish species subject to collective bargaining and ensure that prices and conditions of sale are in place prior to dates established by the Minister of Fisheries, Forestry and Agriculture. In the absence of such binding agreements, the Panel will establish hearing dates, receive submissions from industry stakeholders, and conduct hearings to establish such prices and conditions of sale, to enable timely openings of the relevant fisheries.

The intended results include successfully negotiated prices and conditions of sale for the majority processors of fish species, timely decisions on prices and conditions of sale for the normal opening dates for most fisheries, and certainty over prices and conditions of sale for all stakeholders in the industry.

Highlights and Partnerships

Collective Bargaining Facilitation and Hearing Results

Stemming from a recommendation contained in the 2022 David Conway Report, entitled Fishing Industry Collective Bargaining Model: Past, Present and Future, the composition and appointment process for the Panel was changed in 2023. The number of Panel members remained at three, but two alternate chairpersons and two alternate members (one for each party) were added. The Chairperson and alternate Chairpersons were selected by the FFAW and ASP from a list of qualified candidates provided by the Minister. The FFAW and ASP independently selected their own representative and one alternate representative.

During fiscal year 2023-24, the Panel conducted a total of four hearings related to prices and conditions of sale. There were two hearings for the species shrimp, one for spring and one for summer. There was one hearing for the species snow crab and one for species lobster. The FFAW

and the ASP participated in all four of the hearings. Of the four resulting decisions, the Panel selected the position of FFAW on one occasion, and the position of ASP on three occasions.

The parties to collective bargaining were able to successfully negotiate an agreement on the following species: halibut, lump roe, whelk, herring, sea cucumber, turbot, capelin, fall shrimp, squid and cod; there was no mackerel fishery permitted in 2023-24.

Please see Appendix A for the Species Negotiations and Results Summary – 2023-2024 fishing season.

Rules and Procedures

The Panel consulted with industry stakeholders through a series of meetings in the fall of 2023, to conduct a review of its Rules and Procedures. There were no changes to the Rules and Procedures as a result of this review. The latest version of the Panel's Rules and Procedures may be found at <https://www.gov.nl.ca/fishpanel/publications>.

Report on Performance

In its 2023-26 Activity Plan, the Panel identified two strategic issues aimed at ensuring that fish prices and conditions of sale were in place for species under consideration between the parties to collective bargaining in the fishing industry: (1) Ensure binding collective agreements are established annually for a particular species; and (2) Recommend legislative or regulatory amendments that provide a realistic mechanism for price setting.

The following table provides a summary of the Panel's objectives and its success in achieving those objectives. As stated in the 2023-26 Activity Plan, the objectives and indicators identified by the Panel apply to the 2023-24, 2024-25 and 2025-26 fiscal years.

Issue 1: Ensure binding collective agreements are established annually for particular species.

Objective: By March 31, 2024, the Panel will have ensured collective agreements were in place and prices and conditions of sale for fish species were established prior to the date established by the Minister of Fisheries, Forestry and Agriculture.

Indicators for 2023-24	Performance for 2023-24
Industry stakeholders responsible for collective bargaining of fish species were notified of the dates by which binding collective agreements are in effect.	The Panel consulted with industry stakeholders prior to the start of the 2023-24 fishing season and advised by way of a letter to all stakeholders on January 12, 2023 the dates which binding collective agreements were to be in place for lobster, snow crab, shrimp, sea cucumber, turbot, whelk, lump roe, cod, capelin, squid, halibut, mackerel, and herring. This consultation was conducted prior to the 2023-24 fiscal year, as the Panel advises industry stakeholders early in the calendar year to ensure that they may have meaningful input in establishing an appropriate schedule for collective bargaining.
Requisite facilitation and mediation services are made available to the parties to collective bargaining through the Panel facilitator, to assist the parties in achieving a collective agreement.	The Panel facilitator worked with the parties to collective bargaining for all species throughout the fishing season to help achieve binding collective agreements on fish prices and conditions of sale. The facilitator was available on a full-time basis throughout the year to support collective bargaining by answering enquiries, performing grievance mediation, scheduling Panel meetings, and coordinating all administrative communications and functions.
Industry stakeholders responsible for collective bargaining of fish species are notified of hearing dates, where the parties did not achieve a collective agreement.	The Panel advised industry stakeholders on March 23, 2023 of the dates on which hearings would be held for all species, should they be necessary. Consultation was conducted just prior to the 2023-24 fiscal year, as the Panel advises industry stakeholders early in the calendar year to ensure that stakeholders have adequate time to prepare for collective bargaining and conclude collective agreements prior to the scheduled hearings for each species.
Where collective agreements are not achieved in bargaining, hearings are conducted in order to provide the parties to collective bargaining with an opportunity to represent their respective positions to the Panel.	<p>The Panel conducted a total of four hearings in 2023-24, allowing the parties to collective bargaining an opportunity to represent their respective positions. Two of the hearings were related to the species shrimp; one hearing was held for snow crab and one for lobster.</p> <p>Please see Appendix A for a full summary of 2023-24 fishing season activity.</p>

<p>Following a hearing, the Panel will make and inform industry stakeholders of timely decisions establishing prices and conditions of sale for the particular fish species.</p>	<p>For each species under consideration, the Panel made timely decisions, typically within four days of the hearing, and prior to the start of the fishery for the species under consideration. When a hearing was required, the Panel notified the parties to collective bargaining (and other affected stakeholders) of its decision at least three days prior to the start of the fishery. Written copies of the Panel decisions were sent to impacted stakeholders and placed on the Panel's website for public viewing. Four notifications related to decisions were distributed and posted on the website in 2023-24.</p>
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At the end of 2023-24, the Panel had ensured that collective agreements were in place and prices and conditions of sale were established in accordance with deadlines established by the Minister of Fisheries, Forestry and Agriculture, for all species subject to collective bargaining.

Issue 2: Recommend legislative or regulatory amendments that provide a realistic mechanism for price setting.

Objective: By March 31, 2024, the Panel, where in its opinion it was warranted, made recommendations to the Minister responsible, with respect to an amendment to, or modification of, the **Fishing Industry Collective Bargaining Act and Regulations**.

Indicators for 2023-24	Performance for 2023-24
The collective bargaining process was monitored.	Throughout the 2023-24 fiscal year, the Panel continuously monitored the collective bargaining process to ensure that where the services of the Panel were required in relation to assisting in the setting of fish prices, parties were engaged and provided with support to ensure the timely commencement of the fishery.
Recommendations for changes to the legislation and regulations are proposed, as warranted.	The Panel, as warranted, makes representation to the Minister Responsible for Labour and the Minister of Fisheries, Forestry and Agriculture on the collective bargaining framework for the fishery and on possible amendments to the legislation. Panel members were consulted during the 2023-24 and no recommendations for legislative changes were made.

At the end of 2023-24, the Panel had ensured it had, where it was warranted, made representations to the Minister responsible, with respect to an amendment to, or modification of, the **Fishing Industry Collective Bargaining Act and Regulations**.

Opportunities and Challenges Ahead

In anticipation of a robust market, the 2022-2023 price of snow crab price was set at \$7.60/lbs. Following a reconsideration request, the price was reduced to \$6.15/lbs. Even with the reduced price, many producers were unable to bring their raw material to market without suffering financial loss, resulting in substantial snow crab inventories.

The events of 2022-2023 negatively impacted the 2023-2024 snow crab fishery and that season can best be described as turbulent due to the collapse in the price of snow crab globally. In 2023, a negotiated price for snow crab was unable to be reached, resulting in the matter proceeding to the Panel for settlement. Following a hearing, the Panel selected ASP's position of \$2.20/lbs. This reduced price resulted in the snow crab fishery being delayed by six weeks, negatively impacting the commencement and processing of other fish species. Due to the timing of the fishery, producers typically process snow crab first, followed by the other species. The resulting production delay of snow crab impacted the production of other species such as capelin and cod.

Looking ahead to the 2024 fishery, the demand for the Newfoundland snow crab is expected to be lower than previous years resulting from weaker markets in the United States. However, snow crab stocks are still quite healthy and a slight increase in the quota is projected. These quotas will vary between fishing areas. While it is anticipated that snow crab inventories will remain high, the lower price should enable to producers to reduce their inventories as the year progresses.

The United States food service market is the single most important factor that drives the fishing industry in this province. The closure of the snow crab fishery in Alaska will be a major factor in the increased demand for Newfoundland snow crab into the United States market. It is speculated that snow crab prices will increase next year, but not to the point of the record setting pandemic years.

The war in Ukraine continues to negatively impact sales into Asian markets due to an increase of Russian products being shipped there. The war also continues to contribute to the upward trend in the cost of diesel fuel, affecting shipping costs for processors and vessel expenditures for harvesters.

The future challenge for the industry will be to restore lost retail and food service markets, manage inventories to ensure there is not a glut in the market for snow crab, and develop other markets outside of the United States for snow crab and other species.

Financial Information

The following table is a summary of Panel expenditures for 2023-24.

Expenditures included in this document are unaudited and based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended March 31, 2024. The Standing Fish Price-Setting Panel is not required to provide a separate audited financial statement.

Standing Fish Price-Setting Panel Summary of Expenditures For the Year Ended March 31, 2023

Summary of Expenditures For the Year Ended March 31, 2023			
Activity – 4.1.04	Actual Expenditure \$	Amended Budget \$	Original Budget \$
Salaries	\$107,529	\$108,200	\$108,200
Transportation and Communication	\$10,112	\$17,200	\$17,200
Supplies	\$0	\$200	\$200
Professional Services	\$83,949	\$77,400	\$77,400
Purchased Services	\$3,282	\$3500	\$3500
Property, Furnishings and Equipment	\$0	\$100	\$100
Total	\$204,872	\$206,600	\$206,600

Appendix A

Species Negotiations and Results Summary – 2023-24 Season

Species	Parties to Bargaining	Agreement Reached	Hearing Held	Panel Decision
Halibut	ASP and FFAW	YES	NO	N/A
Snow Crab	ASP and FFAW	NO	YES	ASP
Lobster	ASP and FFAW	NO	YES	FFAW
Spring Shrimp	ASP and FFAW	NO	YES	ASP
Whelk	ASP and FFAW	YES	NO	N/A
Lump Roe	ASP and FFAW	YES	NO	N/A
Cod	ASP and FFAW	YES	NO	N/A
Sea Cucumber	ASP and FFAW	YES	NO	N/A
Turbot	ASP and FFAW	YES	NO	N/A
Capelin	ASP and FFAW	YES	NO	N/A
Summer Shrimp	ASP and FFAW	NO	YES	ASP
Herring	ASP and FFAW	YES	NO	N/A
Squid	ASP and FFAW	YES	NO	N/A
Mackerel	ASP and FFAW	No Fishery	N/A	N/A
Fall Shrimp	ASP and FFAW	YES	NO	N/A

Abbreviations:

ASP: Association of Seafood Producers

FFAW: Fish, Food and Allied Workers' Union



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<https://www.gov.nl.ca/fishpanel/>