

## **STANDING FISH PRICE-SETTING PANEL MACKEREL FISHERY 2015**

The Standing Fish Price-Setting Panel, hereinafter referred to as "The Panel", issued its Schedule of Hearings for 2015 on February 19<sup>th</sup>, 2015. Pursuant to Section 19, of the "*Fishing Industry Collective Bargaining Act*", hereinafter referred to as the "Act", the Panel set Sunday, August 30<sup>th</sup>, 2015, as the date by which collective agreement(s) binding on all processors in the province that process the species Mackerel, must be in effect. In the absence of such collective agreement(s), the Panel set Monday, August 31<sup>st</sup>, 2015, as the date on which the Panel would conduct a hearing with respect to prices and conditions of sale for the species Mackerel.

It was noted by the Panel at that time, that it had been advised by the Department of Fisheries & Aquaculture that the Association of Seafood Producers, hereinafter referred to as "ASP", had been identified as the processors' organization that represent the processors in the province that process the majority of the species Mackerel. Accordingly, should a hearing be required for the species Mackerel, the provisions of Section 19.11 of the Act are to apply. Submissions would be accepted by the Panel from ASP and the Fish, Food and Allied Workers, hereinafter referred to as "FFAW", representatives at the hearing. This decision of the Panel is final and binding on the parties and all other processors that process that species of fish to which the decision of the Panel relates and constitutes a collective agreement or part of a collective agreement between them.

At the request of the parties, the Panel moved the date of the hearing to August 28<sup>th</sup>, 2015. The Panel convened the hearing on Mackerel at 11:00am, on Friday, August 28<sup>th</sup>, 2015, at the Labour Relations Board Hearing Rooms, Beothuck Building, 20 Crosbie Place, St. John's. The parties appearing before the Panel, having exchanged submissions earlier (copies attached), were ASP and FFAW. The written submissions were supported by an oral presentation, in main argument and rebuttal.

The parties and the Panel have the benefit of a marketing report prepared by AM Haram for the Department of Fisheries and Aquaculture, dated August 21<sup>st</sup>, 2015. (copy attached)

In 2014, the heading of the Haram report was: "How low will the prices go?" In 2015, the report is headed: "A Gloomy Trade Prospect." Generally, as the Panel has noted in the past, the Haram report conclusions as to the direction of market prices for Mackerel, either up or down, has been correct. The difficulty for everyone is that at this point in the year, actual market prices, or the fluctuation of prices in the market cannot be determined with any precision.

The focal point of last year's market was the spike in supply, coupled with trade restrictions in particular, the Russian import ban on seafood. This year, supplies are projected to decline, however, the Russian ban has now been extended to include Iceland, an important supplier to that market, 40,000mt in 2014.

As well, Nigeria has imposed currency restrictions which could have a major impact if acted upon. Another factor is the reported high volumes in storage in Japan and South Korea. As Haram states at p. 1: "Overall prices are clearly expected to go down this season. The big question is by how much."

The Panel and the parties are in a similar situation as previous years with respect to dealing with the probabilities of determining future market prices and applying a price to harvesters to be effective immediately.

In 2012, the Panel set out the principles it would apply to determining a harvesters price related to projected market returns. While arbitrary on points, it has assisted in implying a certain level of fairness in the sharing of market returns at least in principle.

While the parties have differing views as to the extent prices may or may not fall this year, it is difficult to disregard the potential for a decline in export markets from last year. Even the FFAW, in its final offer is not oblivious to that possibility.

The other dominant consideration for this season is the low quota of 8000mt, set for Canadian Mackerel. It is not anticipated that landings will exceed 4000mt in Newfoundland and Labrador in 2015. As a result, similar to last year, the majority of landings are likely to go to the bait market.

While the parties and the Panel have not explored the specifics of the bait market, the conclusions at the hearing were that Mackerel for bait was marketed domestically in the range of .75¢/lb. With 75% or more of landings going to the bait market, the domestic price has the greater impact.

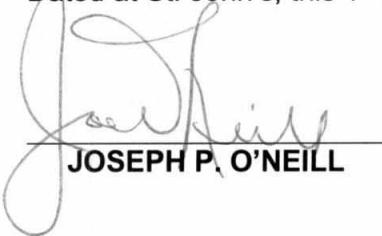
Having reviewed the arguments, the Panel is of the view that export markets are most likely to decline in 2015. Bait market prices, in the range of .75¢, in combination with the export market return is unlikely to equal that of 2014. Applying these factors, the ASP final offer is more reflective of the current situation in the Mackerel fishery for 2015.

It is the decision of the Panel to accept the submission of ASP. The following schedule of minimum prices will apply for the 2015 Mackerel fishery, effective September 1<sup>st</sup>, 2015.

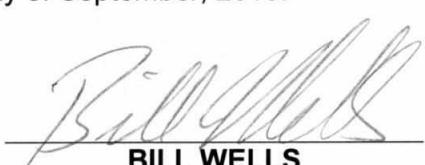
Size (gm)	Price .¢ / lb.
200-399	16
400-599	21
600 +	30

The prices and conditions of sale are binding on all processors of the species Mackerel and will form a collective agreement or part of a collective agreement with the FFAW.

Dated at St. John's, this 1<sup>st</sup> day of September, 2015.



JOSEPH P. O'NEILL



BILL WELLS



MAX SHORT