

In the matter of the Fishing Industry Collective Bargaining Act and an application from Association of Seafood Producers (ASP) pursuant to section 19:14(1) of that Act for a reconsideration of its decision dated 4 May 2009 on price and conditions of sale for snow crab for 2009 .

DECISION OF THE STANDING FISH PRICE SETTING PANEL

7 May 2009

**The Standing Fish Price-Setting Panel
Decision on Request for Reconsideration**

In the matter of the *Fishing Industry Collective Bargaining Act* and an application pursuant to Section 19.14 of the Act from the Association of Seafood Producers (ASP) to the Panel to reconsider its decision on the Snow Crab Fishery dated May 4, 2009.

On May 5, 2009, the Standing Fish Price-Setting Panel received a request from the Association of Seafood Producers (ASP) to revise its decision of May 4, 2009, which varied its decision of March 31, 2009 with respect to the price and conditions of sale for snow crab in 2009. The decision of May 4, 2009 was made following an application to the Panel pursuant to Section 19.14 of the *Fishing Industry Collective Bargaining Act* (the Act). The decision of May 4, 2009, reduced the minimum price for snow crab from \$1.55 lb to \$1.40 lb.

ASP is now requesting that the Panel reinstate the "price to market" formula that was part of the previous collective agreements between ASP and the Fish, Food and Allied Workers (FFAW). It is the contention of ASP that if that formula were applied today, the price for raw material would be \$1.12 lb. ASP has also confirmed to the Panel that they are requesting the price for raw material, based on current market prices and exchange rates to be \$1.12 lb.

The Panel has confirmed that the "price to market" formula will not produce a collective agreement between the parties. The FFAW is adamant on this point. If the Panel were to reinstate the price to market formula, as it existed, it is confident the fishery for crab would cease immediately.

The Panel has commented extensively on this issue in its decision with respect to the 2008 crab fishery, issued on April 10, 2008. The issues affecting the prosecution of a successful crab fishery, in any season, are outlined in some detail in that decision.

The Panel quotes the following from page 9:

"This Panel is clearly of the view that this very serious issue of "price to market formula" has the potential to become the lightening rod for future unrest in the fishing industry. It is for this reason the Panel is strongly advising all parties within this industry to address the matter on a timely basis and in the appropriate forum. To simply ignore it will be at our peril."

Under Section 19.14(3), the Panel:

"...shall only reconsider its decision where it believes the failure to do so would jeopardize the conduct of the fishery to which the decision applies."

Clearly the reintroduction of the old "price to market" formula will jeopardize the conduct of the fishery. The Panel is not prepared to reinstate it unilaterally. Unfortunately, processors are advising the Panel they will stop buying if raw material prices are not reduced as requested. The conduct of the fishery, either way, is now in jeopardy.

The Panel adjusted the opening price from \$1.55 to \$1.40 on the basis of a US market price of \$3.10 to \$3.20 for 5-8 oz sections. In its initial proposal to the Panel in March, ASP indicated that the price for 5 to 8 oz sections in the US would have to go below \$3.20 before they would request a change in the price for raw material. The Panel's decision of May 4th, as noted earlier, had a range of \$3.10 to \$3.20 lb. The differential between that and ASP's claim is not a basis for an immediate adjustment by the Panel, especially to the extent suggested.

The current trend of the rising Canadian dollar against the US dollar is already taken into account to some extent. It now appears that the price for crab under the existing decisions will be reduced from \$1.40 to \$1.35.

The evidence before the Panel is indicative of the fact that the real issue confronting the industry is the lack of movement of crab product through the market. This has resulted in inventory buildup and places a financial strain on processors. Should the market price stabilize, this would alleviate the situation, to the extent issues of market prices and exchange impacts could be clarified, providing a better base for the parties to this dispute to either achieve an agreement, or leave a final decision to the Panel on the inputs provided.

It is the decision of the Panel not to vary its order of May 4, 2009.

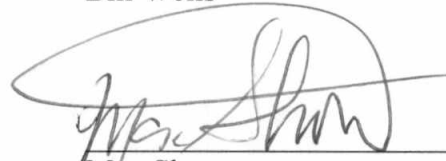
Dated the 7th day of May, 2009.



Joe O'Neill



Bill Wells



Max Short