

STANDING FISH PRICE-SETTING PANEL

COD FISHERY – SUMMER 2009

The Standing Fish Price-Setting Panel, hereinafter referred to as “the Panel”, issued its Schedule of Hearings for 2009 on February 13, 2009. Pursuant to Section 19 of the *Fishing Industry Collective Bargaining Act*, hereinafter referred to as “the Act”, the Panel set Thursday, April 9, 2009, as the date by which collective agreement(s) binding on all processors in the province that process Cod, must be in effect. In the absence of such collective agreement(s), the Panel set Friday, April 10, 2009, as the date on which the Panel would conduct a hearing regarding prices and conditions of sale for the species Cod.

It was noted by the Panel at that time that they had been advised by the Department of Fisheries and Aquaculture that no processors’ organization had been identified that represents processors in the province that process the majority of the species Cod. As a result, should a hearing be required for Cod, the provision of Section 19.9 were to apply. Presentations would be accepted by the Panel from any processor, processors’ organization and the Fish, Food and Allied Workers representatives at the hearing.

The Panel further advised that parties intending to make presentations to the Panel on Cod were to provide the Panel with written submissions not later than 24 hours before the scheduled hearing time and date. The Panel also advised that it shall decide on all matters in dispute between the parties relating to price and conditions of sale for the species Cod and the decision of the Panel is final and binding on the parties and all other processors that process that species of fish to which the Panel’s decision relates and constitutes a collective agreement or part of a collective agreement between them.

At the request of industry representatives, the Panel rescheduled the dates for Cod by Notice dated April 22, 2009. The Notice stated in part: “... in the absence of a binding agreement being in effect for Cod by Thursday, May 14, 2009, the Panel will conduct a hearing at 2:00 pm on Friday, May 15, 2009 for Cod at the Labour Relations Board Hearings Room, 1st Floor Beothuck Building, 20 Crosbie Place, St. John’s.

The Panel convened its hearing for Cod at 2:00 p.m. on Friday, the 15th day of May, 2009 at the Labour Relations Board Hearing Room. Appearing before the Panel were representatives of the Fish, Food and Allied Workers, hereinafter referred to as the “FFAW”, and Icewater Seafoods Inc., hereinafter referred to as “Icewater”. The parties had previously held negotiating sessions and were unable to reach an agreement on price. The written submissions of the parties (copies attached) were supported by oral representation in main argument and rebuttal.

The Panel notes that in each of the three previous years it has confirmed Cod prices based on agreements arrived at between Icewater and the FFAW. While the parties

were unable to achieve an agreement on prices this year, they are in agreement on a number of substantive issues.

With respect to market prices, the parties are in agreement that prices for Cod have declined. As noted in an Under Barry Cod Synopsis, May 2009: "... market prices for Cod have been declining precipitously." The salt fish market has been severely affected, markets for saltfish in Portugal have plummeted and saltfish sales are at a historically low level.

Icewater has developed a unique position within the processing sector, focused on the harvesting, production and marketing of Cod portions. Icewater produces products exported primarily to the United Kingdom and France. The quality of the products produced command a premium price. To achieve its objectives Icewater has worked collaboratively with harvesters and various government departments to ensure the quality of its product. The FFAW are supportive of the company and the achievement of its objectives.

Icewater is not however immune from the current market realities of a significant reduction in market prices for Cod, and the impact of exchange rates. Icewater's position is that unfortunately it has no choice in offering lower prices for this year.

The FFAW agrees that market prices for Cod have been in decline and that the saltfish market has virtually collapsed. However, they feel there are opportunities in the United States market where the exchange rate has been more favourable. In their view the markets can support the prices they have submitted for harvesters based on an approximate 72% market share. The FFAW supports Icewater quality proposals with respect to the grading of raw material.

The Panel notes that no other Cod processors appeared or made any submission with respect to Cod prices. Icewater is by far the major processor of Cod in the province and processes approximately 57% of 3Ps Cod, 37% of 4R Cod and 25% of 2J3KL Cod. Icewater, as mentioned earlier has led negotiations and been party to previous collective agreements submitted to the Panel for confirmation to be binding on the industry. It is unlikely that other processors in the industry are in a position to pay higher prices for Cod to harvesters than Icewater.

It is the decision of the Panel to accept the position of Icewater on Spring/Summer Inshore Cod for the dates specified.

3Ps

May 18th – August 1st

H&L/Trawl: \$.57/lb for fish 18"+

Gillnet/Otter Trawl: \$.50/lb for fish 18"+

August 2nd – September 19th

H&L/Trawl: \$.40/lb for fish 18"+

Gillnet/Otter Trawl: \$.32/lb for fish 18"+

2J3KL 4R 3Pn

July 6th – September 5th

H&L/Trawl: \$.57/lb for fish 18"+


Gillnet/Otter Trawl: \$.50/lb for fish 18"+

Pricing is based on the following conditions:

1. Minimum acceptable quality is 80% Grade A, raw material below 80% will be rejected.
2. Prices above are for fish including tongues and cheeks, fish with tongues and/or cheeks removed will be deducted \$.05/lb.

This price schedule will be binding on all processors that purchase Cod in the areas noted, during the periods stated therein and will form a collective agreement or part of a collective agreement with the FFAW.


Dated the 19th of May, 2009.



JOSEPH P. O'NEILL



BILL WELLS



MAX SHORT