

## STANDING FISH PRICE-SETTING PANEL

### SQUID FISHERY – 2011

By notice dated the 12<sup>th</sup> day of April, 2011, the Panel advised that collective agreements binding on all processors in the Province that process the species squid, must be in effect by August 2, 2011. In the absence of such binding agreements, the Panel advised that a hearing with respect to price and conditions of sale for the species squid would be held on Wednesday, August 3, 2011 at the Labour Relations Board Hearings Room, Beothuck Building, 20 Crosbie Place, St. John's, NL.

The Panel further advised that it had been informed by the Department of Fisheries and Aquaculture that the Association of Seafood Producers of Newfoundland and Labrador, (hereinafter referred to as "ASP"), represented processors that process the majority percentage of the species squid. The Panel further advised that should the hearing proceed for the species squid, the parties appearing before the Panel will be the Fish, Food and Allied Workers (hereinafter referred to as "FFAW") and ASP. No other submissions would be accepted by the Panel and should any representative of this species wish to attend the hearing, concurrence from both parties to the collective bargaining process must be obtained.

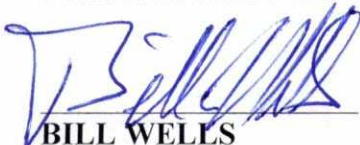
The hearing date was rescheduled as a result of representations by the parties to Thursday, August 11, 2011 at 2:00 p.m. at the Labour Relations Board Hearings Room, Beothuck Building, 20 Crosbie Place, St. John's, NL. The only party to appear before the Panel was the FFAW, having filed its submission (copy attached) and supported its position by oral presentation to the Panel.

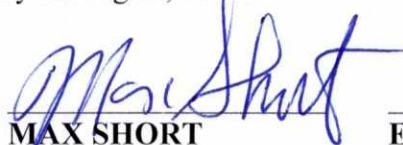
The pricing of squid is not likely to be a contentious issue as long as landings remain below the requirements for domestic bait, estimated to be in the vicinity of 6000 m.t. Sales outside the domestic market are then not a factor, as issues related to market returns do not arise.


The FFAW contention; that the price to harvesters should be sufficient to provide an incentive, is not without merit. The price proposed for round squid appears to be reasonable when applied against the background of expected landings in 2011 and the generally lower landings internationally.

In the absence of any other proposal for consideration the Panel accepts the position of the FFAW. The minimum price for the species squid, effective the 13<sup>th</sup> day of August, 2011, will be 40 cents a pound for round squid. Tubed squid premiums above the minimum price are to be determined between the seller and the buyer. These prices will form a collective agreement or part of a collective agreement, between processors and the FFAW, and will be binding on all processors of squid in the Province.

Dated at St. John's this 12<sup>th</sup> day of August, 2011.

  
BILL WELLS

  
MAX SHORT

  
EDWIN HUSSEY

**FFAW/CAW SUBMISSION TO  
STANDING FISH PRICE-SETTING PANEL  
2011 SQUID FISHERY  
August 11, 2011**

The FFAW provided written notice to the Association of Seafood Producers of our intention to negotiate squid prices for 2011. We had both Email correspondence and telephone conversations with ASP's Executive Director, Mr. Butler, concerning the timing of negotiations and with respect to price. On August 8, 2011, FFAW made an initial price offer of 50 cents, as per the attached Email. Mr. Butler advised us that he was canvassing his members in response to our initial offer, but no counter-offer materialized.

Squid is a unique fishery in that the first call on landed squid is for domestic bait purposes, particularly in the crab fishery. Previous discussions between the parties have pegged the domestic bait requirements at about 6,000 m.t. One of the reasons for the lack of interest by processors in these negotiations, we suspect, is that the price they charge for bait next spring will be tied to the raw material price they pay this fall. It is our understanding of their costs associated with financing and freezing squid inventories is that our offer would enable them to sell bait next spring in the range of 70 cents a pound.

The bait issue has taken on greater significance this year because of significantly reduced availability of squid on the international market. This has driven the price of bait through the roof. Our understanding of bait costs in this year's crab fishery is that they ranged for the most part between \$1.00 and \$1.40 per pound. There is no current indication that would suggest this situation will be any better next spring. This becomes a significant issue because bait is a substantive cost item in crab as well as other fisheries. The 2011 bait prices are a substantial increase over 2009 (60-65 cents) and 2010 (85 cents).

In light of the above, we believe it is important to create an incentive for harvesters to catch squid, should any squid appear on our fishing grounds. Barring an unforeseen increase in the low levels of squid landings in recent years, all landings can be readily accommodated within the domestic bait market.

In 2010, the Panel accepted an FFAW proposal for a minimum price of 30 cents per pound for round squid, with premiums for tubed squid to be a matter to be decided between individual buyers and individual processors.

Our proposal for minimum squid prices for 2011 is as follows:

**Round squid - 40 cents per pound**

**Tubed squid - Premium above 40 cents to be determined on an individual basis between buyer and seller.**