

The Standing Fish Price-Setting Panel, ("the Panel") received a request, a copy of which is attached, from the Fish, Food and Allied Workers (FFAW), dated the 21<sup>st</sup> day of July, requesting the Panel to: "schedule an arbitration hearing to determine price and conditions of sale for squid".

The Panel having confirmed that there was no majority processor or processors' organization with respect to the species squid issued a notice of squid hearing on the 26<sup>th</sup> day of July to all processors of the species squid advising that the Panel was setting a date of August 1, 2006, as the date by which a collective agreement binding on all processors in the province processing the species squid must be in effect. This notice was issued pursuant to Section 19 of the *Fishing Industry Collective Bargaining Act*. The notice further stated that in the event that no binding collective agreement(s) had been achieved by August 1, 2006, the Panel had scheduled a hearing for Friday, August 4, 2006, at which time it would receive submissions and presentations regarding price and conditions of sale.

In response to the Panel's notice of August 1<sup>st</sup>, the Panel received correspondence, (copy attached), dated the 30<sup>th</sup> day of July from the Seafood Processors of Newfoundland and Labrador Inc. (SPNL) requesting, for the reasons stated therein, that the hearing not take place at the time set.

The Panel conferred with representatives of the Association of Seafood Producers (ASP) and FFAW, and reviewed further correspondence from SPNL, dated the 3<sup>rd</sup> day of August, a copy of which is attached, requesting that the scheduled hearing be delayed and referring to correspondence dated August 2, 2006, from the FFAW, a copy of which is attached, to the Panel in response to the earlier letter to the Panel from SPNL requesting a delay.

The Panel advised the participants who had responded to its notice of squid hearing that it would proceed with its hearing on August 4, 2006, as scheduled but would entertain submissions with respect to the current situation within the squid fishery and the timelines of the hearing as well as matters related to the price and conditions of sale of squid.

On August 4<sup>th</sup>, the Panel convened its hearing on squid at 9:30 a.m. at the Pegasus Room, Battery Hotel and Suites. Appearing before the Panel were representatives of SPNL, ASP, and the FFAW. Following a presentation of positions by the parties, and in consideration of the fact that no negotiations had taken place with the FFAW, and following an undertaking by SPNL, which represented the largest segment of squid processors to commence collective bargaining with the FFAW by the beginning of the following week, the Panel adjourned the hearing, without receiving submissions on price and conditions of sale of squid, to reconvene on the 9<sup>th</sup> day of August, 2006, at 9:00 a.m.

Accordingly, the Panel issued a second Notice of Squid Hearing to all processors involved in the species squid, copy attached, outlining that the hearing had been

adjourned and would reconvene on Wednesday, the 9<sup>th</sup> day of August, 2006, at 9:00 a.m. in the Pegasus Room, Battery Hotel and Suites, in St. John's.

At the request of SPNL and the FFAW the hearing was delayed by 24 hours, to permit collective bargaining to conclude. The reconvened hearing took place as scheduled on Thursday, the 10<sup>th</sup> day of August, at 9:00 a.m. at which time the Panel received submissions on price and conditions of sale of the species squid from the FFAW and SPNL, the only parties in attendance.

### **The Issues:**

The squid fishery normally opens around the third week of August. This year the fishery had commenced in some form by the 2<sup>nd</sup> week of July. Squid at best is an unpredictable fishery from year to year. The resource is used to fill bait requirements for the domestic fishery, principally crab, and may be exported as bait or for the food market. The information presented at the hearing by the parties informed that prices to fishermen had opened as high as 25 cents a pound and was subsequently lowered to 15 cents. There were also reports that prices as low as 10 cents were being paid.

The information received by the Panel from the representations made, and confirmed in part by a report from Mr. John Sackton, is that very high world landings in 2006 had reduced squid prices to generally lower levels than 2005.

Under the existing circumstances it could reasonably be expected that some 6000 tons of squid would be required for domestic bait requirements. Both parties agreed that a price of 15 cents a pound to fishermen for the domestic bait requirements was appropriate. However, they were not agreed on the approach, with respect to pricing for the duration of the fishery. The FFAW was of the opinion that 15 cents a pound would be appropriate for the season and, should the fishery produce volumes of squid beyond domestic requirements, the 15 cents price would still be appropriate to permit producers to export either bait or food product.

SPNL was of the opinion that it was a difficult year to predict what might take place in export markets. Noting the excessive supply and the substantial price drop from last year in squid markets, it submitted the issue of price should be revisited later in August. Its proposal, therefore, was 15 cents a pound, until the 26<sup>th</sup> of August. Without a price re-opener its position was 10 cents a pound for the remainder of the fishery.

The parties could not agree on how the issue of a high volume fishery would or should be handled. The fact remains that no one can be certain if the fishery will produce volumes beyond domestic requirements. As well, if the volumes were to become available, the producers wanted to have the opportunity to revisit price on the grounds the 15 cents may not be appropriate for an export market. In their view, if the price were fixed at 15 cents a pound for the remainder of the season, it could result in lost opportunity for processors and fishers.

The parties were agreed on the minimum price of round squid and double that price for tubed squid. As to the commencement of the collective agreement, the SPNL position was the collective agreement should become effective when the Panel announced its decision. The FFAW, in its formal submission to the Panel, requested retroactivity to July 15<sup>th</sup>.


**Decision of the Panel:**

The Panel notes that the fishery has been underway for some time and that the price to harvesters has generally been 15 cents a pound, related to the fulfillment of domestic requirements for bait. Given that these domestic bait requirements have yet to be met, and may not in fact be exceeded, the Panel is most reluctant to interfere with the established pattern within the fishery. Given that both SPNL and FFAW agree that for the domestic bait fishery in 2006, 15 cents a pound is a fair price, the Panel confirms that price retroactive to August 4<sup>th</sup>, 2006.

The Panel is not prepared to set a re-opening date on price in the abstract. However, should the current conditions in the squid fishery change to the extent that the continuance of the fishery is jeopardized by the price confirmed by the Panel, the parties may mutually agree to refer the issues to the Panel at that time, or should they agree on another price, the Panel will be more than pleased to confirm such a price arrived at by mutual agreement. The Panel will only entertain further submissions based on a substantial change in conditions respecting the fishery, such as volumes of available raw material and market opportunities for export of squid as bait or in the food market.

It is the decision of the Panel that the minimum price for the species squid for 2006, as of the 4<sup>th</sup> day of August, 2006, will be 15 cents a pound for round squid and 30 cents a pound for tubed squid. This minimum price and other matters agreed upon between processors and the FFAW will constitute the collective agreement(s) with respect to the species squid for 2006. The effective date of the collective agreement(s) with respect to price is August 4, 2006. By virtue of the Act this price and collective agreement(s) will be binding on all fish harvesters and processors of squid within the province excluding the Labrador Inuit Land Claims area.

AUG 11 2006

  
JOSEPH O'NEILL  
Chair

  
BILL WELLS

  
MAX SHORT