

## Inshore Shrimp Fishery – Summer 2007

The Standing Fish Price-Setting Panel, hereinafter referred to as “the Panel” issued its Schedule of Hearings for 2007 on February 12, 2007. Pursuant to Section 19 of the *Fishing Industry Collective Bargaining Act*, hereinafter referred to as “the Act”, the Panel set Monday, March 5, 2007, as the date by which collective agreement(s) binding on all processors in the province that process shrimp must be in effect. In the absence of such collective agreement(s), the Panel set Wednesday, March 7, 2007, as the date on which the Panel would conduct a hearing with respect to shrimp.

The Panel also noted, at that time, that it had been advised by the Department of Fisheries and Aquaculture that the Association of Seafood Producers, hereinafter referred to as “ASP” represented processors that process the majority percentage of the species shrimp. Accordingly, under Section 19(11) of the Act, should a hearing be required for shrimp, the parties appearing before the Panel would be the Fish, Food and Allied Workers, hereinafter referred to as “FFAW”, and ASP. Section 19.11(1) of the Act, and regulations made pursuant thereto required that the decision of the Panel must be in accordance with one of the positions on price and conditions of sale submitted to the Panel by the parties at the hearing. The Panel further advised that no other submissions would be accepted by the Panel and, should other representatives of this species wish to attend the hearing, concurrence from both parties to the collective bargaining must be obtained. The hearing, if required, for shrimp was scheduled to take place at 2:00 p.m., March 7, 2007, at the Battery Hotel and Suites, 100 Signal Hill Road, St. John’s.

The parties to collective bargaining on shrimp prices, the FFAW and ASP, concluded a collective agreement on shrimp prices for the spring shrimp fishery 2007. Section 13 of the Shrimp Schedule for 2007 states that the spring price Table shall be in effect from April 1, 2007 to June 23, 2007. All other terms and conditions of the schedule are to apply from April 1, 2007 until March 31, 2008.

The Panel issued a notice dated the 17 day of May, 2007, advising that in the absence of a binding collective agreement being in effect for summer shrimp prices the Panel would conduct a hearing at the Battery Hotel and Suites on Tuesday, June 19, 2007. At the request of the parties the hearing date was moved to June 20, 2007, at 4:30 p.m. at the Battery Hotel and Suites.

On June 20, 2007, the Panel received the report of the facilitator, the parties having exchanged their positions (copies attached), the hearing convened at 4:30 p.m. The written submissions of the parties were supported by oral representations in main argument and rebuttal.

The parties reported that they had reached agreement on the price Table for the summer shrimp fishery which would be effective from June 24 to September 8, 2007. The issue between the parties arose from the impending increase in the amount of cooked and peeled shrimp that could be imported into the European Union (EU) subject to a lesser tariff under the Autonomous Tariff Rate Quota (ATRQ). It is expected that up to 20,000 m.t. may be imported at a tariff of 6% as opposed to the current 20%.

This is exceedingly good news for the Canadian shrimp fishery and provides a much more competitive position for Canadian shrimp exported to the EU. As well, it is contemplated

under the revised rules that shrimp packed in modified atmosphere processing (MAP), would be included for the preferential tariff treatment. This would be a great advantage for such exports to the most important shrimp market in the United Kingdom.

The FFAW expects that significant benefits will accrue to processors marketing into the EU and it wants to ensure that harvesters gain a share of these benefits in the form of increased prices for the raw materials sold to processors. As a result, the FFAW wanted to ensure in the current pricing arrangement that provision was made for negotiations with ASP on the benefits to be shared as a result of the revised tariff. Most importantly, when the new rates applied they wanted to ensure that any increase in raw material prices would apply retroactively on shrimp landings, especially for the summer months, if exports from these landings were subject to the reduced tariff.

ASP acknowledges that the new tariff will be the subject of discussion between the parties, but that discussion should take place at the time of the next price negotiations with FFAW for the fall shrimp fishery. Any price adjustments that may arise as a result would be applicable on a go forward basis.

In its submission the FFAW proposed that the Panel be given the latitude to make a decision on a basis other than final offer selection. ASP submitted their position as a final offer under that process. In their submission they proposed that the discussions with respect to the ATRQ would be treated as a subset of the fall shrimp price negotiations and, in the absence of an agreement between parties, any reference to the Panel would be made on the basis of final offer selection, on a go forward basis as part of the price of raw material.

At the conclusion of main argument and rebuttal, and during the course of questions from the Panel; on what is or what will be a complex issue with respect to the impact of the new rules of the ATRQ, further consideration was given to the matter of this decision being made by the Panel on the basis of final offer selection. ASP suggested a modified proposal if they were to change their position on final offer selection. The parties were given to 1:00 p.m. on June 21, in which to reach agreement on the issue or the process.


On June 21, ASP and FFAW filed a responses to the Panel (copies attached) agreeing that the Panel would not be bound by final offer selection.


The issues confronting the parties as a result of the expected changes to the ATRQ will be both complex and challenging. The earlier the parties are engaged, once the facts are known, would in the opinion of the Panel be preferable. Therefore, the Panel directs:

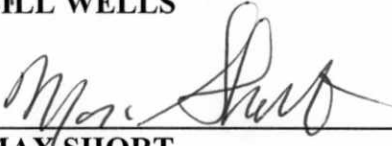
- 1) the parties to engage in discussions with respect to any revision to the ATRQ within two weeks of the date that any revision should come into effect, with the requisite expertise sought where appropriate and agreed.
- 2) the Panel further directs that in the absence of agreement within 10 days of the resumption of discussions the parties shall refer the matters in issue to the Panel, for a decision on a go-forward basis as part of the price of raw material.

In the interim the Panel directs that the price Table effective from June 24 to September 8, 2007, together with the Shrimp Schedule 2007, is binding on all processors that process the species shrimp in the province and will form a new collective agreement or part of a collective agreement with the FFAW.

Dated the 21<sup>st</sup> day of June, 2007.

  
\_\_\_\_\_  
**JOSEPH P. O'NEILL**  
**CHAIR**

  
\_\_\_\_\_  
**BILL WELLS**

  
\_\_\_\_\_  
**MAX SHORT**

### SUMMER SHRIMP PRICES - 2007

Size Categories	June 24 – September 8, 2007	
	Landed at Plant (\$ Per Pound)	Trucked (\$ Per Pound)
2 – 2.9	0.124	0.094
3 – 3.9	0.216	0.186
4 – 4.9	0.309	0.279
5 – 5.9	0.371	0.341
6 – 6.9	0.422	0.392
7 – 7.9	0.464	0.434
8 – 8.9	0.505	0.475
9 – 9.9	0.567	0.537
10+	0.597	0.567