

STANDING FISH PRICE-SETTING PANEL

LUMPFISH (ROE) FISHERY – 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 16, 2009, as the date by which collective agreement(s) binding on all processors in the province, that process the species lumpfish (roe), must be in effect. In the absence of such collective agreement(s), the Panel set Friday, April 17, 2009, as the date on which the Panel would conduct a hearing regarding prices and conditions of sale for the species lumpfish (roe).

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 lumpfish (roe). As a result, should a hearing be required for lumpfish (roe), the provision of Section 19.9 are to apply. Presentations would be accepted by the Panel from a processor, processors’ organization and the Fish, Food and Allied Workers (FFAW) representatives at the hearing.

The Panel further advised that parties intending to make presentations to the Panel on lumpfish (roe) 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 lumpfish (roe) 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 the industry the Panel rescheduled the date for a hearing, if required, for the species lumpfish (roe), by notice dated April 22, 2009, to May 7, 2009, at the Labour Relations Board Hearings Room, at 2:00 p.m. The hearing as scheduled was to proceed in the absence of a binding agreement(s) being in effect by Wednesday, May 6, 2009. The notice further indicated that should a hearing be required: “presentations will be accepted by the Panel from a processor, processors’ organization and the FFAW representatives at the hearing.”

The Panel convened the hearing on the species lumpfish (roe) at 2:00 p.m. on Thursday, May 7, 2009, at the Labour Relations Board Hearings Room in St. John’s.

The only persons to appear before the Panel were representatives of the FFAW, who filed a written submission (copy attached). The Panel and the parties had the benefit of a lumpfish (roe) update from Gemba Seafood Consulting dated April 7, 2009. (copy attached)

In 2008, the Panel confirmed the collective agreement arrived at between the FFAW and the Association of Seafood Producers (ASP). The agreement provided an initial price of \$1.50 lb with the final settlement tied to actual prices realized in the market. The supplementary payment to harvesters in 2008 was \$2.25 lb for a total price of \$3.75 lb.

According to the FFAW, ASP had expressed an intention to negotiate but were unable to proceed in light of developments in the crab fishery. In any event, 2008 by all accounts was a successful year for the lumpfish (roe) fishery. The methodology in determining average market

prices, initiated in 2007, has benefited the industry. The Panel report of 2007 detailed the issues involved in the lumpfish (roe) fishery, and the impacts that effect the producing countries and a well defined market.

The factors that contributed to the successful fishery in 2008 are still in effect. The FFAW proposed to increase the initial price from \$1.50 to \$1.75 lb. While that proposal is not without merit, the Panel would prefer to maintain the initial price at the \$1.50 level. Harvesters will have the benefit of the higher market returns, as they did in 2008. While the expectation for 2009, considering the volumes projected, can be optimistic, there have been dramatic changes in the economies of all countries. Maintaining initial price levels ensures a good basic return, that results from negotiations between FFAW and processors. The supplementary payment will reflect actual market results.

It is the decision of the Panel that:

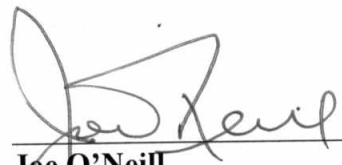
1. At market prices up to \$900 Cdn CIF Europe, fish harvesters will be paid \$1.50 per pound for lumproe.
2. If the market price as outlined in paragraph 3 below exceeds \$900 per barrel, prices to fish harvesters will be increased retroactively based on sales and shipments up to November 30, 2009. Retroactive payments will be due and payable no later than December 10, 2009.

The raw material price will be increased at a rate of \$.01/lb for each \$4 per barrel market price increment in excess of \$900 per barrel. (For example, at \$1,000 per barrel the raw material price would be \$1.75 per pound).

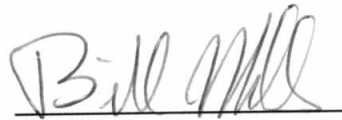
3. Confirmation of average market prices received will be based on sales reports up to and including November 30, 2009 showing volumes and weighted average prices received per barrel (Cdn\$ CIF Europe) from Ocean Choice International (OCI), Beothic Fish Processors and Icwater Fisheries. Verification through independent audit of prices received is at the discretion and cost of FFAW.
4. There will be no deductions from these prices for ice and/or water.
5. The parties agree to a three-week lump season in each area. The parties agree to variable seasons by area, provided that no individual license holder can fish in more than one three-week season. A committee of the FFAW, ASP and Icwater will be established to monitor landings during the first two weeks with a view to increasing/shortening the season should there be a perceived shortfall/oversupply.
6. Temperatures must be controlled by icing and landed roe must be free of foreign material and excess water.

This minimum price and adjustment in the Schedule will constitute a collective agreement or part of a collective agreement which will be binding between the FFAW and on all fish harvesters and processors of lumpfish (roe) within the province.

Dated the 8th of May, 2009.



Joe O'Neill
Chair



Bill Wells



Max Short