

## **STANDING FISH PRICE-SETTING PANEL**

### **SQUID FISHERY – 2009**

By notice dated the 13<sup>th</sup> day of February, 2009, the Panel advised that collective agreements binding on all processors in the Province that process the species squid, must be in effect by August 6, 2009. 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 at 2:00pm on Friday, August 7, 2009 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 Seafood Processors of Newfoundland and Labrador (hereinafter referred to as "SPONL", 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 SPONL. 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.

On July 17, 2009, the Department of Fisheries and Aquaculture advised that the Association of Seafood Producers (hereinafter referred to as "ASP"), represented processors that process the majority percentage of the species squid. The Panel, in keeping with the requirements and intent of the Act, accepted ASP as having the status formerly held by Seafood Processors of Newfoundland and Labrador (SPONL) in any proceeding with respect to the species squid in 2009.

At the request of the parties to the negotiations, the Hearing was deferred to Friday, August 14, 2009. The Panel convened its Hearing on squid at 12:00 noon at the Labour Relations Board Hearings Room. The parties having exchanged submissions (copies attached) prior to the Hearing supported their positions in main argument and rebuttal.

Given the low volume of landings of squid in the province, with the possible exception of 2006, prices in the international market have not been a compelling factor related to prices for raw material. Essentially, local landings are insufficient to supply the bait requirements for the crab fishery. Unless there is a dramatic and unanticipated rise in squid landings in 2009, the volumes landed are not expected to meet the requirements for bait in the 2010 crab fishery. The pricing of squid in 2009 is essentially an issue of a price related to domestic bait requirements.

The fact is that squid prices have been 15 ¢ a lb. or better as indicated by the FFAW, since 1979. It is difficult to accept, in the absence of any evidence, that landings would have been significantly higher had the price for raw material been lower. In 2008,

with again very low volumes landed, the FFAW indicates that no members complained of being unable to sell their catch.

The main argument made by ASP, for a lower price for squid in 2009, is that economic circumstances are difficult in 2009 due to the global economic crisis. The Panel understands that producers, and harvesters as well, are experiencing a financially difficult year.

Should the Panel therefore accept as ASP put it at page 4 of its submission: "15 cents does not take into account economic circumstances generally." ASP in its proposal also takes into account landings beyond the requirements of the bait market, proposing a lower price should landings exceed 6000 mt in total. The lower offer for squid that might be subject to export presumably is made in expectation of lower prices in export markets.

The other issue is would the maintenance of prices at 15¢ result in lower landings or no outlet to harvesters for potential landings in 2009. This should depend on the volumes available to harvesters which are unpredictable. It is however, highly unlikely that 2009 will result in significant volumes available to harvesters. Should circumstances prove otherwise, the Panel and the parties could react to those changed circumstances. At present, the Panel anticipates volumes available to harvesters are not likely to exceed domestic bait requirements.


The Panel is of the view that any change in what has been the prevailing price for squid is not required. The economic circumstances for both harvesters and processors, within the context of landing squid for domestic bait requirements, remains essentially unchanged.

It is the decision of the Panel to accept the position of the FFAW. The minimum price for the species squid for 2009, as of the 17<sup>th</sup> day of August, 2009, will be 15 cents a pound for round squid and 30 cents per pound for tubed squid. These prices will form a collective agreement or part of a collective agreement between processors and the FFAW. By virtue of the Act, the prices and collective agreement(s) will be binding on all processors of squid within the Province.

Dated at St. John's this 17th day of August, 2009.



**JOE O'NEILL**



**BILL WELLS**



**MAX SHORT**