

## DECISION OF THE STANDING FISH-PRICE SETTING PANEL FALL SHRIMP FISHERY 2013

The Standing Fish Price-Setting Panel, hereinafter referred to as the "Panel", issued its decision on the price for fall shrimp 2013 in a one page report on September 11<sup>th</sup>, 2013. (copy attached)

The panel made a unanimous decision to accept the final offer position of the Fish, Food and Allied Workers, hereinafter referred to as the "FFAW", of .62¢/lb. for fall shrimp. This decision was made following deliberations on the two market reports available to the panel and the parties and the respective positions of the parties presented to the panel at a hearing held on September 9<sup>th</sup>, 2013.

At the time of the hearing the panel was presented with a final offer position of .62¢/lb. from the FFAW and .58¢/lb. from the Association of Seafood Producers, hereinafter referred to as "ASP". Having no option other than to select one position or the other, the Panel, in this case selected the position of the FFAW.

With limited exceptions, it has been the pattern in shrimp prices to have the highest price paid in the spring fishery, the lowest price in the summer fishery and the fall price somewhere between the high price in spring and the low price in summer. (In 2009, the parties agreed on a rollover of the summer price to apply to the fall shrimp fishery). This pattern of the price reflecting the yield factor was adopted to account for the yield factor in this fishery. Yields are highest in spring, lowest in summer and rebound again in fall, although generally not to the levels reached in spring.

While not in the jurisdiction of the Panel to deal with the timing of the shrimp fishery, the Panel remains perplexed that the vast majority of the shrimp harvest occurs in the summer at a time when the product is producing its lowest yields. From the surface, it appears this practice is denying processors and harvesters the benefit of much greater returns if more harvesting could be done at the time of greatest yields. The Panel encourages the parties to address this matter in the off season with a view to the conduct of more harvesting in the spring and fall seasons.

In the Panels view, there was no evidence presented to convince the panel this pattern in shrimp prices should change for the 2013 fall shrimp fishery. The Panel does believe however, given the two market consultants view that the markets are best described as "stable" there may have been an opportunity for the parties to do what they did in 2009 and rollover the price. That would have resulted in an agreement between the parties for a fall price of .60¢/lb.

The reports from the market consultants, Sackton.com and GEMBA Seafood Consulting, reach similar conclusions following their analysis of the data from the US and European market situation.

Sackton.com reports in its summary;

***"The current coldwater shrimp market is stable."***

GEMBA Seafood Consulting reports;

***"The forecast is that prices will remain stable in the short run with an upward tendency toward the end of 2013."***

Both Sackton.com and GEMBA Seafood Consulting, analyse various issues in their report to support their overall conclusions; current inventories, current supply of coldwater shrimp, the impact of the warm water shrimp challenges on coldwater shrimp, the slight currency improvements and the ATRQ.

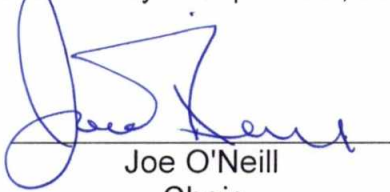
The Panel will not enter into an exhaustive review of the details contained in the two market reports. There has and continues to be differing views and interpretation by the parties with respect to the documentation contained in the market analysts reports. As noted in previous decisions of the panel it is expected the parties will interpret the information in the market reports to support their position. No analysis by the panel will convince either party to take a different view than that presented to the panel at the time of the hearing.

It must be understood and acknowledged that the decision made by the panel affects prices going forward. If we knew with absolute certainty what the markets will do in the period for which the decision applies it would be a much easier exercise. The fact is we do not know what will transpire and can only hope the markets will perform in a manner that has a positive impact on the fall shrimp fishery. Our experience has shown that the markets have delivered surprises both negative and positive that were not anticipated by the market analysts, the parties or the panel.

In summary it is the view of the panel that given the market analysts conclusion that the markets are stable, the pattern for the fall shrimp fishery prices are slightly higher than summer shrimp prices, (to account for yield improvements), the position of the FFAW is more in line with an appropriate raw material price for this period.

The decision of the panel as reported in a one page report on September 11<sup>th</sup>, 2013 is to accept the position of the FFAW for fall shrimp prices.

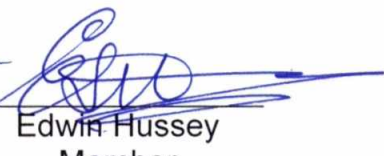
Dated this 24<sup>th</sup> day of September, 2013.



Joe O'Neill  
Chair



Max Short  
Member



Edwin Hussey  
Member