

STANDING FISH PRICE-SETTING PANEL

SNOW CRAB FISHERY - 2024

Procedural history

1. The Standing Fish Price-Setting Panel, hereinafter referred to as the "Panel", issued its Schedule of Hearings for 2024, on March 6, 2024. Pursuant to Section 19 of the *Fishing Industry Collective Bargaining Act*, hereinafter referred to as the "Act", the Panel set Friday, March 22, 2024, as the date by which collective agreement(s) binding on all processors in the province that process Snow Crab ("Crab") must be in effect or a hearing would take before the Panel to determine the price and conditions of sale of Crab.
2. The Panel also noted at that time that it had been advised by the Department of Fisheries, Forestry and Agriculture, that the Association of Seafood Producers, (hereinafter referred to "ASP") represented processors processing the majority percentage of the species Snow Crab. As a result, under Section 19(11) of the *Act*, should a hearing be required for Snow Crab, the parties appearing before the Panel would be the Fish, Food and Allied Workers' Union, (hereinafter referred to as "FFAW"), and ASP. (FFAW and ASP are also referred to as "the Parties").
3. The Parties were unable to successfully negotiate the terms of the collective agreement for the price and conditions of sale of Crab for the 2024 season. On March 20, 2024, both FFAW and ASP asked for a postponement of the hearing date from March 22, 2024, to March 28, 2024. Given the joint nature of the request, and the Parties' continued bargaining, the Panel granted the request.
4. On March 26, 2024, the Panel received a request from ASP to postpone the hearing from March 28, 2024 a further two days to March 30, 2024. The reason for the request was that the Parties had been informed by the Minister of Environment and Climate Change / Minister Responsible for Labour that there was an imminent amendment to the *Fishing Industry Collective Bargaining Regulations, 2022, NLR 79/22*. Because the Regulations had not yet changed, and the parties were required to provide their submissions and offers with respect to the price and

conditions of sale of Crab to the Panel by March 27, 2004, ASP requested a further postponement of the hearing. FFAW did not consent to the request for further postponement.

5. The Panel considered the request and also considered the Panel was required to provide the Minister with its decision as to the price and conditions of sale no later than April 1, 2024. Recognizing the unique procedural situation of a pending Regulation change that may affect how the parties filed their offers and briefs, and seeking to strike a balance between issues of procedural fairness for the parties and the Panel's own ability to deliberate and provide its decision in time for the Minister's deadline, and noting that FFAW would not suffer any undue prejudice if it granted an extension, the Panel unanimously granted an extension to Friday March 29, 2024.

Procedural change

6. Until March 26, 2024, 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. No other positions 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.
7. On March 26, 2024, the Government of Newfoundland and Labrador filed Regulation 15/24 *Amendment to the Fishing Industry Collective Bargaining Regulations, 2022* [the "new regulations"].
8. The new regulations amended Section 4. (3) to include, among other things, the following:
 4. (4) Notwithstanding subsections (1) and (2), for the purpose of Subsection 19.11 (1) of the *Act*, in making a decision

(a) on the price for crab, each party shall submit a proposed formula to be used to determine the price

for crab and the panel shall select one party's proposal; and

(b) on the conditions of sale for crab, the panel shall proceed by way of arbitration.

9. On March 28, 2024, in accordance with the Panel's Rules and Procedures, the Parties provided their final offers with respect to the formula they proposed to be used to determine the price for crab, and their submissions and final offers on the conditions of sale for crab.
10. On Friday, March 29, 2024, at 10:00 a.m., the Panel convened the hearing at the Marriott Inn and Suites, Kenmount Road, St. John's. Appearing before the Panel were the FFAW and ASP. The Parties, having previously attended exchanged their final offer submissions, and filed copies with the Panel, (copies attached) supported their submissions in main argument and rebuttal.

Information before the Panel

11. In addition to the parties' written submissions, the parties and the Panel had the benefit of a market report prepared by John Sackton Seafood Datasearch, hereinafter referred to as "Sackton," as well as information provided by the Newfoundland and Labrador, Department of Fisheries, Forestry and Agriculture, including Atlantic Canada export data 2019-24 (January); USA Imports 2019-2024 (January); Japan Imports 2019-2024 (January); production data 2019-2023; Japanese crab market update ("Meros" report); and various news articles relating to dock prices for Nova Scotia snow crab, and other crab market commentary from Comtell, *Undercurrent News*, and *Seafoodnews.com*.
12. The parties and the Panel also had the benefit of a report produced by the Fish Price-Setting Strategic Review Team (the "Review Team"), dated October 31, 2023. The report was authored by Gabe Gregory, Bill Broderick, and chair Glenn Blackwood (hereinafter, the "Blackwood Report"). The Review Team was provided with terms of reference by the Minister of Environment and Climate Change Minister Responsible for Labour on September 6, 2023 following significant upheaval in the crab

industry in Newfoundland and Labrador in the 2023 season. A key recommendation of the report was that “formula-based pricing be adopted for all species where analysis determines that it is a more objective, independent and practical method of establishing pricing for a given species.” It further stated, “such is the case for snow crab which should be undertaken immediately up to prior to the start of the 2024 season.”

13. The Blackwood Report put forward a proposed formula for potential use by the parties. The formula was based on many factors, one of which was the historical UB 5-8 oz sale prices for crab, converted for applicability in this province. The proposed formula suggested that the parties enter into a sharing arrangement where the harvesters would be paid 80% of the value of their catch upon landing and, at the end of the season, there would be a settlement of the remaining funds, based on the average of the UB 5-8 oz price that occurred throughout the season. In that way, there would be no potential overpayment to harvesters that they would later have to repay, it would ensure that all harvesters received the same dollar amount per pound of crab landed regardless of when in the season they landed their catch (thereby potentially solving the problem of all harvesters fishing at the same time during period in the season when prices were slightly higher, thereby putting strain on processing), and it would share the risk and reward of the season between processors and harvesters. The Blackwood Report and its proposed formula are discussed further below, to the extent they are relevant to this hearing.

Overview for the 2024 season

14. The 2024 Crab Market Review report prepared by John Sackton of Seafood DataResearch (“Sackton”) reported that prices in the US market have been stable between December 2023 and March 2024. Sackton predicts, based on the past 25 years of research, that crab prices will behave “normally” during the rest of this year (Sackton, at page 9). What that means is that the price agreed on in late May 2024 will generally represent the lowest price of the year, and prices will trend higher.

15. Sackton observes that the stable prices are signaling that excess unsold inventory will not be a major problem this year, unlike last year (Sackton, at p. 11).
16. Sackton predicts that this year, unsold inventory will not be a problem. Unsold inventory in the market was a major issue for the 2023 crab season. Sackton notes:

One of the best indicators of whether there is an issue with excess inventory that will affect prices is the behavior of crab prices prior to the season in the period between December and March.

In the past 25 years, prices have been stable or rose during this period 18 times, and each subsequent season has followed a traditional pattern where the lowest prices for the year occur around the end of May at a point when half the expected production has been landed. Once the season ends, prices usually firm, and sellers are able to recover the additional costs of storage and financing for the rest of the year. This is the pattern of a healthy crab market where supply and demand are in balance.

In seven out of the past 25 years crab prices fell between December and March. In each of the subsequent seasons, prices never recovered from their low point in May. On average they remained flat, which meant that in reality sellers were absorbing increased costs without getting higher prices, effectively forced to discount crab sections in order to sell them.

For 2024 for the first time in 2 years, prices for sections between December and March have remained stable, and are giving an unambiguous signal that excess unsold inventory is not going to be a major problem this year. (Sackton, at page 28-29)

17. Both ASP and FFAW acknowledge that the UB sections 5-8 prices have increased from \$5.30 USD to \$5.45 USD per pound from January 1 – January 22, 2024. They have remained at \$5.45 USD.

18. Sackton predicts that this is a stable market, and that it appears that this will be a “normal” crab season.
19. Sackton also notes that overall snow crab exports to Asia fell in 2023 due to increased competition from Russia. Some of the Japanese meat picking was done with brine frozen snow crab from Russia, and Sackton predicts that this trend will continue into 2024, with Russian crab competing with Canadian snow crab for Japanese meat picking business (Sackton, p. 28).
20. Sackton also notes that the biggest issue facing the Newfoundland crab industry is that sales are overwhelmingly through the retain channel. Retailers have cleared out their inventory in 2023, sales have increased, but the trend since August 2023 is that prices have continued to decline with no comparable increase in volume (Sackton, pgs. 29-30).

Final offer selection process for formula

21. As discussed above, pursuant to the new regulations, this matter proceeded by way of final offer arbitration to determine price. ASP and FFAW each presented their positions.

ASP’s Proposal

22. ASP proposed a formula as follows:

$$y = \min (0.13x^2 - 1.4x + 5.83, 0.37x)$$

Where y is the raw material price (“RMP”) and x is the average of the Tuesday and Thursday Urner Barry low price (UB Crab, Snow, Newfoundland, Cluster, 5-8 oz.) for the prior week, converted to CAD\$. The exchange rate used will be an average of the prior week, Sunday to Saturday.

Should Urner Barry provide a listing on Tuesday or Thursday, but not both, that listing shall be used for the basis of the calculation. Should no Urner Barry listing be

provided during the week, the most recent prior UB listing shall be the basis of the calculation.

The y is determined through calculating a minimum of

$$y = 0.13x^2 - 1.4x + 5.83$$

and $y = 0.37x$

This means that when the ratio implied by the quadratic formula is less than 0.37 of RMP to market price, the RMP is determined by $y = (0.13x^2 - 1.4x + 5.83)$. When the ratio implied is greater than 0.37, the ratio is equal to 0.37 multiplied by x.

23. ASP's proposed formula does not purport to be a "Blackwood" formula. However, it is based on the historical UB 5-8 oz crab prices and addressed a number of the issues raised in the Blackwood report.
24. ASP's proposed formula results in a floor price, or minimum price, of \$2.60 / lb. CAD if the UB converted price is less than \$7.43 CAD. If the UB 5-8 oz NL price meets or exceeds \$7.43 CAD, then the formula will calculate the RMP based on market price.
25. ASP noted that there was no variance used to determine an initial payment in its formula, and there is no reconciliation at the season's end. ASP noted that throughout negotiations, FFAW insisted that their members would not agree to a "holdback" or "variance" at the beginning of the season, as suggested in the Blackwood report; therefore, there is no variance in ASP's proposal.
26. ASP argued that the RMP calculated provides some risk mitigation for producers and also provides a greater share to harvesters: under this formula, harvesters will always receive more than 50% of the market price.
27. ASP argued that the Gulf snow crab is not an appropriate proxy for Newfoundland and Labrador. The Gulf snow crab, harvested in the Maritimes, has maintained a higher market price due to its physical

characteristics (shell colour and cleanliness) and size distribution (larger average size) [see, Gardner Pinfold report, 2014; ASP submission at para 20]. Additionally, ASP noted that NL crab transportation to Boston costs an additional \$0.05-\$0.10 per pound, plant labour rates are higher, and productivity is lower because organic matter such as barnacles and sea lice must be dealt with. ASP cited the Gardner Pinfold report of 2014, which revealed that NL processors experience higher costs such as Workplace NL and Employment insurance premiums, (\$0.08 / lb.); higher transportation / freight costs (\$0.05 - \$0.10 / lb.); and mandatory dockside grading, which adds \$0.015 - \$0.02 / lb. for processors in NL.

28. ASP calculated that these differences collectively result in a cost differential of between \$0.27-\$0.35 /lb. being the difference in the costs to Maritime processors vs NL processors per pound of crab.
29. The price of Crab in the Gulf is currently \$3.00 CAD / based on UB Crab, Snow, Gulf Lawrence, Cluster, 5-8 oz at \$6.00 USD / 5-8oz section. ASP Argued that this supports the price being set at \$2.60 at the current NL UB price of \$5.45 USD for NL 5-8 oz sections. (This gulf crab price was based on an email from processor representative Gilles Theriault, who described it as an "offer.")
30. ASP's proposed formula, if we input the current UB price for Crab, NL, Cluster, 5-8 oz, gives a price of \$2.60, which ASP argues is consistent with the historical market differences between this province and the Maritimes.
31. ASP's proposed formula does not include deductions for quality, but ASP says that it takes into account the market realities related to the quality of NL crab, including:
 - (a) Critically weak crab;
 - (b) Over-filled pans;
 - (c) Crab not kept at proper temperatures;
 - (d) The presence of barnacles, and
 - (e) The presence of leech eggs.

32. Should the Panel not accept ASP's formula on price, then ASP argued that the Panel will need to make a determination on each of these items in the interest arbitration portion of this hearing, relating to the conditions of sale for crab this season.
33. ASP's position provides a minimum price to harvesters of \$2.60 CAD per pound if the UB converted price is less than \$7.43 CAD. That is the "floor price" proposed. The formula based around that floor price then shows that during market prices between \$7.43 CAD and \$7.70 CAD, harvesters will receive between 53.9 % - 55.1% of the market price. When the UB price reaches \$6.00, then the price paid to the harvester will be \$3.00 / lb. which is the current price offered to harvesters in the Gulf.

FFAW Proposal – Final offer Section - Price

34. FFAW proposed the following as its formula:

The following formula will take effect for the 2024 crab fishing season for crab 4" carapace and over. The formula will be reviewed by both parties following the season.

The raw material price per pound to harvesters will be determined through a formula of:

$$Y = 0.0151x^2 + 0.24999x + 0.1714$$

Where y is the raw material price, and x is the average of the Tuesday and Thursday Urner Barry low price (UB Crab, Snow, Newfoundland, Cluster, 5-8 ox) for the week of landings, converted to CAD\$. The exchange rate used will be an average of the prior week, Sunday to Saturday.

Harvesters will receive an initial advance payment as per appendix A.

The settlement price will be based on a statistically significant representative sample of the actual sales of all

2024 snow crab products, determined by an independent third party, through September 30, 2024 or four weeks after the season ends, whichever is later. Settlement will be paid in full by October 31, 2024.

This formula applies only to the UB price from \$6.00 - \$15.000 CAD\$, inclusive. Either party has the right to a reconsideration outside of this price range.

35. FFAW argued that landings are highly correlated to sales: as fish is landed in one month, it is sold in the following month. Therefore, the settlement period ought to consider the month following the fishing season, to the end of September.
36. FFAW proposed that the panel use the Blackwood formula, but modified how to apply it. The Blackwood report and suggested formula recommended an initial payment structure that pays 80% of raw material cost to harvesters throughout the season to allow for the sharing of risk throughout the season. This would ensure that all harvesters are paid the same price per pound of crab landed regardless of when in the season they landed their crab. This would ensure that those who landed crab in the busier parts of the season when the price was lower would be paid the same per pound overall as the harvesters who landed crab at times in the season when the price was higher. It would also allow for sharing of risk between harvesters and processors should the market decrease significantly or should the UB 5-8 minimum price over estimate the actual value of the product.
37. FFAW referred to its formula as being very similar to that suggested by the Strategic Review Panel, colloquially referred to as the "Blackwood formula." However, it is important to note that while the proposed formula looks similar to that of the "Blackwood" formula, it is not the same when we consider the entirety of the FFAW's offer.
38. FFAW's definitions of x and y put forward in their proposal were not identical to those of Blackwood et al. Further, FFAW proposed a different payment regime under their formula, and did not accept the suggested flat 80% initial payment with a settling of accounts at the end of the

season or a month after the end of the season as Blackwood had. Rather, they proposed a "sliding scale payment" where the initial percentage paid to harvesters decreases progressively from 100% payment up front to 80% up front between \$3.00 to harvesters at UB \$7.71 CAD to \$4.18 to harvesters at \$10.00 CAD UB over a fixed range. FFAW argued that this was beneficial to both parties because it still adjusts to the market while providing an initial margin in which both parties could operate.

39. FFAW acknowledged that under that sliding scale arrangement, harvesters would accept that if the final price per pound of crab didn't exceed the average UB price during the season, then what each harvester received would depend on the timing of their landings. Whereas, the Blackwood formula's underlying feature was that harvesters would receive an average price over the course of the season, so that all harvesters were paid the same price regardless of at what time in the season they landed their catch. The benefit of such a regime was that harvesters could fish at any point in the season and be paid the same per pound overall, thereby relieving pressure on plants during points in the season when prices were slightly higher.
40. FFAW's "sliding scale" presented a problem to the panel. As is shown in the FFAW's calculations and attached table, the sliding scale presented a situation where the situation could arise where the harvesters would be in a position of having to pay the processors back an overpayment at the end of the season. In particular, the Appendix "A" presented showed that when UB 5-8 oz Newfoundland price reached \$7.71 CAD / pound, the harvester price per pound would be \$3.00 and the initial payment to the harvester would be \$3.05 per pound. This would result in an overpayment to the harvester at UB prices between \$7.71/ pound and \$7.82 / pound, meaning that at the end of the season, the situation could arise where the harvester would have to pay back the overpayment to the producer or start the next season owing the processor money. Such a scenario was unacceptable to the entirety of the panel. Any scenario in which harvesters who, having caught and landed their catch and paid their crews would then have to pay back the processor at the end of the season or start the following season in a negative position (i.e. owing the processors money) gave the panel

significant concerns. While the difference may appear to affect a small portion of the range of prices, it does demonstrate a flaw in the formula.

41. FFAW argued that this overpayment scenario would have a small likelihood of occurring, and it would only occur within a ten cent per pound range. However, the formula and Appendix 1 noted that at that price, such over-payment would be a certainty. In other words, if the Panel chose this formula as presented, then the Panel would be agreeing to a scenario where there was certainty that the harvester would be indebted to the processor at the end of the season where the UB price had ranged between \$7.71 - \$7.82 / pound (which converts to \$3.00 - \$3.05 CAD at the wharf).
42. The Panel's second significant concern with the FFAW formula is that FFAW based its formula on the UB average weekly price of 5-8 oz crab the week before. The Blackwood formula was also based on data for the price of the UB 5-8 crab average the week before. The basis for Blackwood et al using the 5-8 oz crab prices was the decades of data they had showing the UB 5-8 oz prices and how those UB 5-8 oz prices could be used as a proxy in the formula to calculate the price of crab over the course of the season. However, the FFAW formula did not end there.
43. FFAW insisted that the panel consider in its definition of "formula" the proviso that **"the settlement price [being a price paid to the harvesters by the processors at the end of the season] will be based on a statistically significant representative sample of the actual sales of all snow crab products, determined by an independent third party, through September 30, 2024 or four weeks after the season ends, whichever is later. Settlements will be paid in full by October 31, 2024"** (emphasis added).
44. The Panel explicitly asked FFAW whether the Panel was permitted to consider the quadratic equation alone as the "formula" for setting the price of crab. FFAW was unequivocal in its response: FFAW's definition of "formula" in this case, in its interpretation of the Regulations, is that the Panel must consider all the ancillary items such as the sliding scale connected to the quadratic formula above.

45. FFAW explained that, part and parcel of its offer was the requirement that, at the end of the season after processing had occurred, harvesters would then be entitled to a settlement based on the Canadian export sales data for all crab products exported for sale.
46. During the 2023 Panel hearing on Crab, the Panel heard considerable debate as to the Canadian export data on the export of final crab products to market in relation to how that data related to actual crab landed at the wharf in this province. The Panel continues to express concern that the debate remains as to the reliability of export data as a representation of the actual crab landed at the wharf in the province: it is all crab exported after processing. The Blackwood formula was rooted in the UB 5-8 oz price. FFAW roots its formula in the UB 5-8 oz price, but proposes to add a factor based on Canadian export data of all crab products, post processing.
47. The panel observes that if it were to follow this proposed formula in its entirety, the value added to the crab between harvest and export would then be applied in the calculation of the settlement to the harvesters at the end of the season. While UB 5-8 oz section data were used as the proxy for the purpose of developing the Blackwood formula, and while UB 5-8 section data prices throughout the season would form the basis of the input into the FFAW's proposed formula for calculating the price of crab each week, FFAW's proposal is that the export data of all crab product then be applied as a form of settlement to harvesters at the end of the season. For the majority of the panel, this was not acceptable.
48. The price paid to harvesters has always been the raw material price, not the post-processing export price of all crab products. FFAW argued that the export data would be used to account for larger crab such as 8-10 oz sections, which are generally more lucrative. While those sections might be more profitable, and they are not reflected in the development of the Blackwood formula or the FFAW formula, (both being based on 5-8 oz) the export data the FFAW proposes to use is "actual sales of **all 2024 snow crab products**." There is no reliable weighing of the various products at actual sale prices. The panel was not permitted to adjust the formula as presented.

49. It was for these primary reasons that the Panel could not accept the FFAW's proposed formula for the 2024 season.

Conclusion re price-setting formula:

50. On the final offer arbitration for the formula to be used in the 2024 season for the price of crab paid by processors to harvesters for raw material landed, based on the formulas as worded, the Panel could not accept the FFAW's proposed formula.
51. ASP's offer provided a minimum "floor price" to harvesters, a scale of increased payment as the UB Newfoundland 5-8 oz section price increased, and showed, throughout its calculations, that the harvesters will always obtain at least 53.90% of the share of the market price. Once the market price reaches \$8.02 CAD / lb., the harvester share of the market price will remain constant at 56.9%. The ASP offer provides a formula that addresses the FFAW's requirement that there be no initial holdback or "variance," and does not predict a situation which could result in a harvester receiving an overpayment that would need to be repaid to the processor or otherwise adjusted at the end of the season.
52. The Panel has determined that the raw material price paid to harvesters though the 2024 season shall be in accordance with the formula proposed by ASP to the Panel on March 29, 2024 and articulated above.
53. The Panel reminds the parties that this decision is based on the presentations made solely for the 2024 fishing season. While ASP argued that the Panel ought to be mindful of setting the formula, as it may apply for years to come, our jurisdiction at this hearing was, pursuant to final offer selection, to choose one of two presentations and not fashion own formula or impose a formula on the parties that had not been presented by one of the parties. This formula is for the 2024 season only.

Analysis re interest arbitration on the conditions of sale

54. This hearing then proceeded via interest arbitration on issues concerning the conditions of sale.

ASP's position on conditions of sale - Panel analysis

55. ASP brought arguments on the following conditions of sale:

- (a) A size deduction of \$0.30 on crab under 4" carapace, with a 5% tolerance for legal size crab <4" in each landing;
- (b) A deduction of 24% of the weight where there are 15 or greater barnacles on the entire crab;
- (c) A deduction of \$0.25/lb. for landings that are not cooled at 4°C or less;
- (d) A deduction of \$0.035 / lb. for landings with overfilled pans (in excess of 23 kg/ 50.6 lbs.);
- (e) A deduction for the presence of leech eggs;
- (f) 20% variance (i.e. 20% holdback)
- (g) UB price proxy; and
- (h) Obligations restating the regulatory requirements to minimize critically weak crab; and
- (i) All other terms and conditions apply as set out in the attached Crab Schedule.

56. ASP argued that if its proposed final offer with respect to price were selected, then a number of its concerns re conditions of sale would have been met, and therefore only three issues remained.

57. Having already decided on the issue of price, and being mindful of the very tight deadline the Panel is under to provide a decision as a result in the delays in the hearing schedule, the Panel will only address those items relating to conditions of sale that remain in issue now that the price has been set.

58. ASP sought the following:

- (a) A deduction for smaller crab with a tolerance, namely, a size deduction of \$0.30 on crab under 4" carapace, with a 5% tolerance for legal size crab <4" in each landing;
- (b) A deduction of 24% of the weight at landing where there are 15 or greater barnacles **on the entire crab**;
- (c) Obligations restating the regulatory requirements to minimize critically weak crab; and
- (d) All other terms and conditions apply as set out in ASP's proposed 2024 Crab Schedule in the event that the Panel selects ASP's formula.

59. ASP did not seek deductions for quality in the event that the Panel selects its formula.

Smaller crab

60. ASP provided research to show that in recent years, the 20% tolerance used in past seasons has rendered the size deduction meaningless. Based on historical data from 2013-2023, between 9 – 14% of crab landed is under the 4" carapace size. Therefore, ASP argues that there is no need for a tolerance beyond 5% if the average landing includes only 10.55% of standard crab. ASP argued that the tolerance is on a per landing basis, which means that while the average amount of standard crab was less than 20%, there could have been landings with more than 20% standard crab such that the size deduction was applied, however the aggregate landing data suggests that on average, the size deduction was not applied because harvesters do not land more than 20% standard crab per landing. Because the 20% tolerance renders the size deduction meaningless, ASP argued that this eliminates the mitigation of risk established by the size deduction.

61. ASP argued that the market conditions for standard crab has completely deteriorated. The market for <4" is not available and very little standard crab is sold in the US market.

62. As was reported in Sackton (a pages 26-28), processors no longer have the same access to the Japanese markets where they historically sold standard crab. Russia has entered the picked crab meat market, which

was previously exclusively NL crab. Russian crab is not being sold in the US market, and Sackton predicts that Russian crab will compete with Canadian crab for Japanese meat picking business. This would cause a decrease in the price of picked crab 2024 for less than 4.”

63. Therefore, ASP seeks a size reduction of \$0.30 on crab under 4” carapace, with a 5% tolerance of the legal-size crab <4” in each landing. This would mean that the first 5% of the legal-size crab <4” in each landing will be paid at the price for greater than or equal to 4” crab. For all legal-size crab <4” landed greater than 5% of the landing will be paid \$0.30 less than the formulated price. ASP argues that this more fairly allocates risk. The 5% tolerance protects against bad actors while meeting the policy objectives to prevent high-grading.

Barnacles

64. ASP argued that crab with removed barnacles is worth less at the market than crab with no barnacles. IDG provided ASP with a report in 2006 with respect to barnacles, and noted that heavy scarring following barnacle removal impacts the marketability of Newfoundland snow crab, as Gulf crab is relatively free of barnacles, making it more favourable. Also, moderate breakage from barnacles results in lower yield. ASP noted that scarring and breakage are quality issues, and they are willing to compromise on those issues in lieu of the proposed formula; however, ASP wished to see a deduction for the weight of barnacles.
65. ASP reviewed the history of barnacle weight deduction from TAC and harvester catch statistics. The 2006 IDG study resulted in subjecting the barnacle rejects to a 24% weight reduction.
66. ASP argued that research in the IDG report of 2006 showed that the average weight of barnacles was 5-9% after total barnacle removal, with more than half (roughly 75%) total weight of barnacles being on the back of the crab. Therefore, the ASP argued that the appropriate formula to use at dockside should account for the prevalence of barnacles on the whole crab, not just the right side as previously done.

67. ASP did not seek to change the percentage of the previous barnacle weight deduction of 24%. They clarified in their submission that they want to change how the deduction is applied. ASP sought to apply the deduction of 24% of the weight where there are 15 or more barnacles on the entire crab.
68. ASP argued that this does not result in unfairness to harvesters with respect to their individual quotas, because the DFO does not deduct for the weigh-back of barnacles from a harvester's individual quota.
69. ASP argued that the appropriate formula to use at dockside for barnacles should account for the prevalence of barnacles on the whole crab.
70. The Panel notes that the evidence relied on by ASP in its request for this change to the Crab schedule to the collective agreement is more than eighteen years old. The provisions in the Collective Agreement relating to barnacles have remained unchanged throughout that period.

Critically Weak Crab

71. ASP explained that critically weak and dead crab is a problem in some areas, with the percentage increasing as the temperature increases. IDG is required to notify the province's fish inspection service if any landing has > 20% critically weak or more than 4% dead or decomposed, in which case that load is "subject to production".
72. ASP Further noted that crab needs to be handled properly. The Fish Inspection Operations Regulations 28 require that, in reference to crab:
 24. (1) Where fish intended for processing or marketing for human consumption is
 - (a) on board a vehicle;
 - (b) being transported; or
 - (c) being held
 - (i) in a holding area or chill room, or
 - (ii) preparatory to entering the production line, fish shall be:

- (d) protected from physical damage, contamination and weather at all times;
- (e) stowed in a container so that the depth of fish and ice does not exceed 90 centimetres but in any event so that the minimum distance between the fish and ice and the top of the container is 4 centimetres;
- (f) in the case of fish other than shrimp, iced or chilled in a manner so as to maintain the temperature of the fish below 4°C.
- (h) in the case of crab, stored in 70-litre capacity stackable tote pans not to exceed 23 kilograms per tote pan; and
 - (2) A container referred to in paragraph (1)(e) may be placed on top of another container provided no pressure is, as a result, exerted on fish in the container on which it is placed.

- 73. These regulations are applicable to both FFAW and ASP and enforced by DFA.
- 74. ASP proposed that to lessen the amount of critically weak crab, the Panel should impose the following terms and conditions of sale: (a) Harvesters shall ensure that crab is: Properly iced at sea; or held in a Refrigerated Sea Water (RSW) system or Recirculating Sea Water System such that the crab is maintained at a temperature below 4°C as per section 24(1)(f) of the Fish Inspection Operations Regulations; and (b) Harvesters are required to store crab in 70-litre capacity stackable tote pans not to exceed 23 kilograms per tote pan, as stipulated in Section 24(1)(h) of the Fish Inspection Operations Regulations.
- 75. The Panel notes that these terms currently exist in the previous crab schedules to the Collective Agreement. In essence, ASP is restating the regulations and what is already in the collective agreement.
- 76. FFAW's arguments against ASP's proposals on the prevention of critically weak crab centered on ASP's submission that there should be a fine imposed by DFA as well as a reduction in price concerning issues of over-filled pans and improper temperature. The issues of overfilled pans and

temperature are already dealt with in the regulations. Compliance with the regulations, by harvesters and processors, has been articulated in the previous Crab schedules to the Collective Agreement. ASP's proposal on this matter is really a re-statement of that section of the previous crab schedule.

FFAW arguments re conditions of sale – Panel analysis

77. FFAW and ASP noted that the Blackwood report (pages 60-61) made the following recommendations with respect to quality:

6. The Review Team has concluded that the current structure of fish pricing setting is not conducive to maximizing the inherent value of the resource. There is significant economic opportunity to be gained from a market-based approach driven by a focus on improving the quality of the harvest and the products produced.

7. The Review Team repeats the recommendations from a number of prior reports that fish prices reflect the inherent market value of products produced in the industry. As noted in our report, market value for most all species is a function of size and quality characteristics. These attributes are best determined through independent dockside grading that correlate and reward attributes that give rise to increased market returns that can increase and improve the long-term viability of the entire industry. There is much more to share when value is maximized. The industry needs to establish clear and attainable goals over the short and long-term. These should be empirically measured and the benefits shared as gains and milestones are achieved.

78. FFAW acknowledges that the Blackwood report recommends measures to maximize quality, but it does not go so far as to include any financial deduction based on poor quality. FFAW argues that quality must be addressed by the entire industry. A financial penalty only applicable to harvesters in a system that relies on the shared responsibility of harvesters and processors puts an undue burden on harvesters and violates the premise of a shared risk on which any formula is based.

Therefore, the FFAW argued that the panel should not implement a financial penalty against harvesters for quality issues such as temperature and overfilled pans, particularly in light of the fact that the Government of NL department of Fisheries, Food and agriculture ("FFA") via the *Fish Inspection Act* regulates proper handling, transport and quality protections for all fish products in the province and gives Government inspectors the authority to issue financial penalties to anyone who breaks the conditions, whether processor or harvester (Regulations cited above).

79. In its submission, FFAW argued the following items on conditions of sale:

- (1) There will be a 20% tolerance for legal size crab <4" in each landing. This means the first 20% of legal size crab < 4" in each landing will be paid at the price for greater than or equal to 4" crab. For all legal size crab < 4" landed greater than 20% of the shipment will be paid \$0.30 less than the formulated price from above #1 [the raw material price calculated using the formula presented in final offer arbitration].
- (2) Crab shall be properly iced at sea or held in a Refrigerated Sea Water ("RSW") system, or Recirculating Sea Water System that maintains the crab at a temperature below 4°C as per section 24 (1) (f) of the *Fish Inspection Operations Regulations*.
- (3) There will be a tolerance of 5 for critically weak crab, i.e. the first 5% of the critically weak crab in each landing will be paid as per the price schedule. **All critically weak crab in excess of 5% will be reject crab, if determined to be dead** (emphasis added).
- (4) FFAW proposed that the barnacle provision currently in the collective agreement remain the same this year: that a crab will be "heavily infested" if the number of barnacles from the right side of the animal is 15 or greater, with the description of the weight reduction from each shipment the same as previous conditions of the sale articulated in the 2023 Collective Agreement.

80. The remaining items concerning conditions of sale, such as dockside grading, receipts, trip limits, the Discharge/ Trucking/ Handline Protocol, which company will be the exclusive dockside monitoring company and grading company for the crab fishery were the same as previous versions of the collective agreement.

Critically weak & reject crab

81. Both the FFAW and ASP's position included a 5% tolerance for critically weak crab subject to quantities of ice being made available by processors. The FFAW has proposed a revision to the working of the collective agreement by adding the phrase "All critically weak crab in excess of 5% will be reject crab if determined to be dead."
82. The dockside grading company would make the decision on the wharf as to whether the crab was determined to be dead at the point of sale. The FFAW argued that the previous wording of this provision enabled processing companies to reject an excess of 5% critically weak crab while potentially still processing and selling them. This, they argued results in the processors receiving free crab. There is precedent for this wording, from the 1997 crab schedule, FFAW argued, in that the 1997 collective agreement stated "Dead and critically weak crab will be reject crab except in a situation where critically weak crab is to be processed at the point of landing, in which case it will be acceptable." The panel notes that this is not the same wording as proposed by FFAW here. The explanation provided by FFAW at the hearing did not answer the question of why the crab schedule ought to be changed in relation to the current Crab Schedule in the Collective Agreement, except to provide anecdotal evidence that a harvester reported that they thought some of their "reject crab" had been sent on for processing later, which resulted in a processor obtaining "free crab." There was no source given for the information, or any details as to the amount, and when and where it was alleged to have occurred. The argument was not supported by evidence and had very little weight.
83. The panel has decided that, based on the lack of a compelling reason to change the language of that section of the Crab Schedule, the panel will, for the 2024 season, leave the section of the Crab Schedule pertaining

to critically weak crab in the format in which it has existed. In other words,

There will be a tolerance of 5 for critically weak crab, i.e. the first 5% of the critically weak crab in each landing will be paid as per the price schedule. All critically weak crab in excess of 5% will be reject crab.

Overfilled pans

84. FFAW argued that the ASP's proposed implementation of a deduction based on average pan weight at landing was unfair. If a harvester's pan weight average at landing exceeded 50.6 lbs. (23 kg), contrary to the maximum articulated by the Fish Inspection Operation Regulations (the "inspection regulations") the harvester would be deducted \$0.035 for every pound of overage. Under ASP's proposed deduction, the average pan weight would be determined by dividing the net weight of crab offloaded at landing by the total number of pans filled.
85. FFAW opposed the deduction for two reasons (i) NL Department of FFA already has the authority to penalize those who break the Inspection Regulations and issue a fine, and (ii) some overfilled pan violations are often outside the harvester's control. For example, if a processor hired an offloading company and the crew offloading the vessel had an insufficient number of pans available to them or they simply overfilled the pans at the wharf while unloading the vessel, then this would be outside the harvester's control. In certain occasions, crab is transported in bulk, unloaded quickly in pans and then immediately moved to bulk storage. In such situations, a harvester could be subject to a penalty for overfilled pans even when those pans were loaded only to move the crab from the vessel to bulk storage. In such a situation, FFAW argued that those overfilled pans would not jeopardize the quality of the product and the deduction would not be a way of incentivizing harvesters to improve quality, but simply be an easy way to reduce the price paid to harvesters.
86. The issue on deduction for over filled pans became moot when the panel accepted ASP's formula. However, to the extent that the Panel's input

may be of use to the parties, FFAW has a point: it would appear that harvesters would be subject to the fines issued by FFA and a deduction by the processors in the event of over filled pans, and in some cases, those pans being over-filled may not have been caused by the harvesters. Had that proposal remained, the Panel would have rejected it based on those issues. The panel reiterates that both parties have a responsibility to follow DFA regulations with respect to over-filling of pans.

Temperature

87. ASP's submission proposed an imposed deduction of \$0.25 per pound for the entire load of crab if a number of pans were found to be greater than 4°C. Specifically, IDG, the grading monitor, would undertake temperature sampling and for loads less than 3,000 lbs. a minimum of two pans would be sampled and the temperature of each would be recorded. If one of the two temperature readings recorded was >4°C, the load is subject to a \$0.25 deduction / pound applied to the raw material price. For loads >3,000 lbs., 5% of the pans would be sampled and the temperature of each recorded if three temperature recordings of >4° were recorded from the sample size, then the load will be subject to a \$0.25 deduction in raw material price.
88. FFAW argued that, as was the case with the proposed over-filled pan deduction, the provision would not be appropriate, given that temperature is already regulated by FFA and the Fish Inspection Regulations.
89. FFAW argued that all parties have a duty to abide by the regulations. Applying a "minimum" of two pans to be tested means that in theory, a processor could arguably "fish for a deduction," and continue to test pans until they found two that exceeded 4°C to therefore apply a deduction of \$0.25 to the entire catch. Further, DFA representatives could then issue fines against the harvester for the same temperature violation, resulting in a double deduction.
90. FFAW argued that if ASP's purpose in implementing the deductions is to incentivize harvesters to ensure quality regulations are met, this is a

penalty and not an incentive. Therefore, FFAW argued that the issues with respect to overfilled pans and temperature remain with DFA inspectors and not with penalties to be imposed by the processors.

91. The issue on the deduction proposed by ASP for temperature again became moot when the panel accepted ASP's formula. However, to the extent that the Panel's input may be of use to the parties, FFAW again has a point: it would appear that harvesters would be subject to the fines issued by FFA and a deduction by the processors and could be subject to "temperature shopping" if the deductions based on temperature were implemented in the manner put forward by ASP in this submission. Had that proposal remained, the Panel would have rejected it based on those issues. The panel again reminds the parties of their obligations under the Regulations to ensure crab is kept at the required temperature at all times.

Barnacles

92. FFAW argued that ASP's suggested barnacle provision would mean that the weight of each shipment will be reduced by .32 times the percentage of the total shipment that is heavily infested by barnacles, a change from the current multiplier of .24 times the percentage. ASP further proposed to change the definition of "heavily infested" to mean 15 barnacles on the entire crab, versus the current standard of 15 barnacles on the right side of the crab.
93. FFAW argued that ASP provided no evidence upon which to base its change in multiplier from previous crab schedules and argued that in essence, ASP was saying that for each pound of heavily infested crab caught, .24 of the weight is barnacles, but now .32 is the weight of barnacles, so harvesters will not be paid for them. The Panel notes that while this was the anticipated argument, it was not ASP's final offer. There was no evidence put forward to show that there has been any change in the weight or abundance of barnacles that would require that change. Likewise, there has been no study produced to account for ASP's request that there should be deviations to the previously agreed-upon crab schedule concerning barnacles.

94. In light of the lack of new evidence with respect to weight of barnacles, and the lack of agreement between the parties, the panel rejects the arguments to revise the Crab Schedule with respect to the presence of barnacles and has decided that the Crab Schedule shall remain the same as 2023 in that regard.
95. Overall, FFAW argued that a risk-sharing formula on price is in and of itself a market-based incentive for harvesters to improve quality, as a higher quality product will be reflected in the final price. Quality deductions would result in punishing harvesters with lower financial returns.
96. Further, FFAW argued that quality is a concern of the entire industry and therefore their position is that the province is responsible for enforcing the regulations concerning temperature, pan weights, and other quality control issues and that it would be inappropriate for the crab schedule to the collective agreement to potentially add another penalty.
97. There has been no evidence provided to show that there has been a sudden change in the weight of barnacles or to support the proposal that the definition of "heavily infested" has changed since the last crab schedule was agreed to by the parties. As a result, the Panel has unanimously decided that the crab schedule shall remain status quo with respect to barnacles.
98. There shall be no additional deduction for pan weights or temperature outside the quality provisions of the DFA's Fish Inspection Regulations.
99. FFAW, ASP, the Strategic Review Team, and the Panel acknowledge that quality issues and issues such as overfilled pans and harvest not being kept at the appropriate temperature can lead to more critically weak or dead crab. This results in wastage of a resource precious to this Province, and to decreased income to harvesters and to processors. Ensuring that regulations such as the Fish Inspection Regulations are followed and enforced are to everyone's advantage.

100. With respect to FFAW's request for a change in the language to the Crab Schedule in Collective Agreement concerning the definition of "critically weak," the FFAW has not provided any evidence that harvesters are receiving crab for "free" and then processing it. FFAW's proposed language has not been agreed to in the past, and there has not been compelling evidence put forward at this time to warrant a substantive change in the language on this point.

Conclusion

For the reasons above, panel has concluded the following Crab Schedule. The prices and related terms and conditions for crab for 2024 are set out in the schedule below.

2024 Crab Schedule

The prices and related terms and conditions for crab for 2024 are set out in this Schedule.

This schedule and the Master Collective Agreement dated September 17, 2020 together constitute a Crab Collective Agreement between the parties for the purposes of the *Fishing Industry Collective Bargaining Act*.

1. The following formula will take effect for the 2024 snow crab season.

The guaranteed minimum price will be \$2.60 per pound, subject to Appendix A.

Once the Urner Barry low price (UB Crab, Snow, Newfoundland, Cluster, 5-8 oz) reaches \$7.43 CAB / Lb. Then the raw material price per pound for harvesters will be determined through a formula of:

$$y = \min (0.13x^2 - 1.4x + 5.83, 0.37x)$$

Where y is the raw material price ("RMP") and x is the average of the Tuesday and Thursday Urner Barry low price (UB Crab, Snow, Newfoundland, Cluster, 5-8 oz.) for the

prior week, converted to CAD\$. The exchange rate used will be an average of the prior week, Sunday to Saturday.

Should Urner Barry provide a listing on Tuesday or Thursday, but not both, that listing shall be used for the basis of the calculation. Should no Urner Barry listing be provided during the week, the most recent prior UB listing shall be the basis of the calculation.

Example:

UB 5-8 oz low price for the respective week is \$5.50 USD /lb. USD\$

Exchange rate average for the prior week is 1.36.

UB price converted to CAD \$ is \$7.48/ lb.

$y = \min (0.13(7.48)^2 - 1.4(7.48) + 5.83, 0.3(7.48)$

$y = \$2.63/\text{lb. for premium size crab (>4" carapace)}$

2. There will be a 20% tolerance for legal size crab <4" in each landing. This means the first 20% of legal size crab < 4" in each landing will be paid at the price for greater than or equal to 4" crab. For all legal size crab < 4" landed greater than 20% of the shipment will be paid \$0.30 less than the formulated price from #1 above.
3. Prices are based on legal sized crab (at least 3 ¾").
4. Crab shall be properly iced at sea or held in a Refrigerated Sea Water (RSW) system or Recirculating Sea Water System that maintains the crab at a temperature below 4°C as per section 24(1) (f) of the Fish Inspection Operations Regulations.
5. The companies will ensure adequate quantities of ice are available to fish harvesters.
6. Subject to paragraph 4, there will be a tolerance of 5% for critically weak crab, i.e., the first 5% of critically weak crab in each landing will be paid as per the price schedule. All critically weak crab in excess of 5% will be reject crab.

May 15 to End of Season	40,000 lbs per trip – Single Enterprises 44,000 lbs per trip – Combined/Buddy Up
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RSW Option

June 1 to End of Season	60,000 lbs per week
May 1 – May 31	50,000 lbs per week

3LNO Fulltime & Large Supplementary

May 1 – May 31	39,000 lbs per trip
June 1 to End of Season	45,000 lbs per trip

RSW Option

May 1 – May 31	50,000 lbs per week
June 1 to End of Season	60,000 lbs per week

3L Small Supplementary

May 1 to May 31	30,000 lbs per week – Single Enterprises 30,000 lbs per trip, 50,000 lbs per week – Combined/Buddy Up
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June 1 to End of Season	30,000 lbs per trip
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3Ps

May 1 to End of Season	25,000 lbs per trip
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10. **Barnacle Provision**

A crab will be deemed to be “heavily infested” if the number of barnacles from the right side of the animal is 15 or greater. The weight of each shipment will be reduced by .24 times the percentage of the total shipment which is heavily infested. The amount for which the harvester is receipted and paid and the amount charged against the harvester’s IQ will be the net of the deduction for heavily infested crab. Incidence of barnacles does not affect the grading results.

11. The Parties to this Agreement undertake to implement the provisions of the attached Discharge / Trucking/ Handling Protocol.
12. This Schedule will be in effect to the end of the 2024 crab fishery.
13. Fish Harvesters' Resource Centre (FHRC) will be the exclusive dockside monitoring company for the crab fishery and the exclusive dockside grading company shall be IDG.
14. The terms and conditions of this Agreement may be amended by mutual consent.

Dated at St. John's this 1st day of April, 2024.



Sheilagh Murphy



Brian Vallis

Mr. McCurdy dissents from this decision, with reasons to follow.

Discharge/Trucking/Handling Protocol – Crab

The following protocols for crab discharge, handling and trucking provide processors, dischargers and transporters with a results based action plan for ensuring that crab is maintained at the proper temperatures and holding conditions required to maximize quality. These protocols are in accordance with the management plan, the task force report and the Department of Fisheries and Aquaculture's Fish Inspection Regulations. Processors have the responsibility to ensure that these protocols are adhered to and are responsible for ensuring that their shore agents and truckers abide by these protocols.

Requirements (as per the Fish Inspection Operations Regulations: 76/07)

- Maintenance of crab at a temperature of 0 to 4 degrees Celsius from the vessel through processing;
- Maintenance of crab in an enclosure or area of containment in which the relative humidity is greater than 75%;
- Protection of crab from physical damage, contamination and weather at all times;
- Stowage of crab in a container so that the depth of crab and ice does not exceed 90 centimetres but in any event so that the minimum distance between the crab and ice and the top of the container is 4 centimetres; and
- The utilization of handling practices that minimize the downgrading of crab from the boat through processing.

Prerequisites

- Adherence by harvesters to established protocols and regulations on: temperature, box weight and handling.
- Crab landings not meeting established guidelines, i.e., where grading samples exceed 4% dead or 20% critically weak, will be immediately reported to DFFA for inspection and harvesters notified. Protocols Unloading and Transport
- Unloading will occur at a suitable storage area which is conducive to maintaining crab at temperature of 0 to 4 degrees Celsius;
- Acceptable truck loading facilities must be available at the wharf. Required to eliminate crab trauma caused by throwing pans aboard the truck;

- Transport methods and handling must be conducive to maintaining the temperature at 0 to 4 degrees Celsius;
- Boxes must be stowed "so that the depth of fish (crab) and ice does not exceed 90 centimetres but in any event so that the minimum distance between the fish and ice and the top of the container is 4 centimetres . . . A container . . . may be placed on top of another container provided no pressure is, as a result, exerted on fish (crab) in the container on which it is placed" (Fish Inspection Operations Regulations: 76/07 s24 (1)(e) and (2));
- Prior to departure from the dock, truck operators must obtain a record detailing: time(s) and location(s) of loading, weight per lot, temperature records at the time of loading and should develop a loading plan identifying each load. Temperatures must be checked and recorded prior to discharge.

Plant Holding

- Crab should be stored in lots in a CFIA approved holding area;
- Temperatures and box stowage must be maintained within established guidelines during holding;
- Records detailing the arrival time of the crab, its temperature and box weights at arrival, holding room temperatures, and lot locations must be maintained.

APPENDIX A

Currency Provision to be in effect for 2024 crab fishing season and only applies to raw material price not calculated by the formula:

The parties agree to establish a base currency exchange based on the average for the week ending Saturday, April 6, 2024 and thereafter, to monitor week to week, with the weekly average shall be set by 12 noon on Monday for week starting the previous day (Sunday). Any change in either direction of \$0.025 CAD from the base rate at the time of calculating the average would adjust the price by \$0.07 cents.

Example: If the base rate for the USD to CAD is established at \$1.300 in the week ending April 6, 2024, the exchange would have to either go above 1.325 or below 1.275, to trigger the price change.

The average exchange rate would have to go to an average of > \$1.350 in a given week (Sunday to Saturday) during the crab fishing season to trigger another change upward of 7 cents/lb in minimum pricing. Each additional \$0.025 would add a further \$0.07 adjustment to the minimum price. The same process is followed in a decrease from the exchange rate base.

Appendix B

Market Price CAD\$	RMP
\$7.43	\$2.60
\$7.44	\$2.61
\$7.45	\$2.62
\$7.46	\$2.62
\$7.47	\$2.63
\$7.48	\$2.63
\$7.49	\$2.64
\$7.50	\$2.64
\$7.51	\$2.65
\$7.52	\$2.65
\$7.53	\$2.66
\$7.54	\$2.66
\$7.55	\$2.67
\$7.56	\$2.68
\$7.57	\$2.68
\$7.58	\$2.69
\$7.59	\$2.69
\$7.60	\$2.70
\$7.61	\$2.70
\$7.62	\$2.71
\$7.63	\$2.72
\$7.64	\$2.72
\$7.65	\$2.73
\$7.66	\$2.73
\$7.67	\$2.74
\$7.68	\$2.75
\$7.69	\$2.75
\$7.70	\$2.76
\$7.71	\$2.76
\$7.72	\$2.77
\$7.73	\$2.78
\$7.74	\$2.78
\$7.75	\$2.79
\$7.76	\$2.79

\$7.77	\$2.80
\$7.78	\$2.81
\$7.79	\$2.81
\$7.80	\$2.82
\$7.81	\$2.83
\$7.82	\$2.83
\$7.83	\$2.84
\$7.84	\$2.84
\$7.85	\$2.85
\$7.86	\$2.86
\$7.87	\$2.86
\$7.88	\$2.87
\$7.89	\$2.88
\$7.90	\$2.88
\$7.91	\$2.89
\$7.92	\$2.90
\$7.93	\$2.90
\$7.94	\$2.91
\$7.95	\$2.92
\$7.96	\$2.92
\$7.97	\$2.93
\$7.98	\$2.94
\$7.99	\$2.94
\$8.00	\$2.95
\$8.01	\$2.96
\$8.02	\$2.96
\$8.03	\$2.97
\$8.04	\$2.97
\$8.05	\$2.98
\$8.06	\$2.98
\$8.07	\$2.99
\$8.08	\$2.99
\$8.09	\$2.99
\$8.10	\$3.00
\$8.11	\$3.00
\$8.12	\$3.00
\$8.13	\$3.01
\$8.14	\$3.01
\$8.15	\$3.02
\$8.16	\$3.02
\$8.17	\$3.02
\$8.18	\$3.03
\$8.19	\$3.03

\$8.20	\$3.03
\$8.21	\$3.04
\$8.22	\$3.04
\$8.23	\$3.05
\$8.24	\$3.05
\$8.25	\$3.05
\$8.26	\$3.06
\$8.27	\$3.06
\$8.28	\$3.06
\$8.29	\$3.07
\$8.30	\$3.07
\$8.31	\$3.07
\$8.32	\$3.08
\$8.33	\$3.08
\$8.34	\$3.09
\$8.35	\$3.09
\$8.36	\$3.09
\$8.37	\$3.10
\$8.38	\$3.10
\$8.39	\$3.10
\$8.40	\$3.11
\$8.41	\$3.11
\$8.42	\$3.12
\$8.43	\$3.12
\$8.44	\$3.12
\$8.45	\$3.13
\$8.46	\$3.13
\$8.47	\$3.13
\$8.48	\$3.14
\$8.49	\$3.14
\$8.50	\$3.14
\$8.51	\$3.15
\$8.52	\$3.15
\$8.53	\$3.16
\$8.54	\$3.16
\$8.55	\$3.16
\$8.56	\$3.17
\$8.57	\$3.17
\$8.58	\$3.17
\$8.59	\$3.18
\$8.60	\$3.18

\$8.61	\$3.19
\$8.62	\$3.19
\$8.63	\$3.19
\$8.64	\$3.20
\$8.65	\$3.20
\$8.66	\$3.20
\$8.67	\$3.21
\$8.68	\$3.21
\$8.69	\$3.22
\$8.70	\$3.22
\$8.71	\$3.22
\$8.72	\$3.23
\$8.73	\$3.23
\$8.74	\$3.23
\$8.75	\$3.24
\$8.76	\$3.24
\$8.77	\$3.24
\$8.78	\$3.25
\$8.79	\$3.25
\$8.80	\$3.26
\$8.81	\$3.26
\$8.82	\$3.26
\$8.83	\$3.27
\$8.84	\$3.27
\$8.85	\$3.27
\$8.86	\$3.28
\$8.87	\$3.28
\$8.88	\$3.29
\$8.89	\$3.29
\$8.90	\$3.29
\$8.91	\$3.30
\$8.92	\$3.30
\$8.93	\$3.30
\$8.94	\$3.31
\$8.95	\$3.31
\$8.96	\$3.32
\$8.97	\$3.32
\$8.98	\$3.32
\$8.99	\$3.33

\$9.00	\$3.33
\$9.01	\$3.33
\$9.02	\$3.34
\$9.03	\$3.34
\$9.04	\$3.34
\$9.05	\$3.35
\$9.06	\$3.35
\$9.07	\$3.36
\$9.08	\$3.36
\$9.09	\$3.36
\$9.10	\$3.37
\$9.11	\$3.37
\$9.12	\$3.37
\$9.13	\$3.38
\$9.14	\$3.38
\$9.15	\$3.39
\$9.16	\$3.39
\$9.17	\$3.39
\$9.18	\$3.40
\$9.19	\$3.40
\$9.20	\$3.40
\$9.21	\$3.41
\$9.22	\$3.41
\$9.23	\$3.42
\$9.24	\$3.42
\$9.25	\$3.42
\$9.26	\$3.43
\$9.27	\$3.43
\$9.28	\$3.43
\$9.29	\$3.44
\$9.30	\$3.44
\$9.31	\$3.44
\$9.32	\$3.45
\$9.33	\$3.45
\$9.34	\$3.46
\$9.35	\$3.46
\$9.36	\$3.46
\$9.37	\$3.47
\$9.38	\$3.47

\$9.39	\$3.47
\$9.40	\$3.48
\$9.41	\$3.48
\$9.42	\$3.49
\$9.43	\$3.49
\$9.44	\$3.49
\$9.45	\$3.50
\$9.46	\$3.50
\$9.47	\$3.50
\$9.48	\$3.51
\$9.49	\$3.51
\$9.50	\$3.51
\$9.51	\$3.52
\$9.52	\$3.52
\$9.53	\$3.53
\$9.54	\$3.53
\$9.55	\$3.53
\$9.56	\$3.54
\$9.57	\$3.54
\$9.58	\$3.54
\$9.59	\$3.55
\$9.60	\$3.55
\$9.61	\$3.56
\$9.62	\$3.56
\$9.63	\$3.56
\$9.64	\$3.57
\$9.65	\$3.57
\$9.66	\$3.57
\$9.67	\$3.58
\$9.68	\$3.58
\$9.69	\$3.59
\$9.70	\$3.59
\$9.71	\$3.59
\$9.72	\$3.60
\$9.73	\$3.60
\$9.74	\$3.60
\$9.75	\$3.61
\$9.76	\$3.61
\$9.77	\$3.61

\$9.78	\$3.62
\$9.79	\$3.62
\$9.80	\$3.63
\$9.81	\$3.63
\$9.82	\$3.63
\$9.83	\$3.64
\$9.84	\$3.64
\$9.85	\$3.64
\$9.86	\$3.65
\$9.87	\$3.65
\$9.88	\$3.66
\$9.89	\$3.66
\$9.90	\$3.66
\$9.91	\$3.67
\$9.92	\$3.67
\$9.93	\$3.67
\$9.94	\$3.68
\$9.95	\$3.68
\$9.96	\$3.69
\$9.97	\$3.69
\$9.98	\$3.69
\$9.99	\$3.70
\$10.00	\$3.70
\$10.01	\$3.70
\$10.02	\$3.71
\$10.03	\$3.71
\$10.04	\$3.71
\$10.05	\$3.72
\$10.06	\$3.72
\$10.07	\$3.73
\$10.08	\$3.73
\$10.09	\$3.73
\$10.10	\$3.74
\$10.11	\$3.74
\$10.12	\$3.74
\$10.13	\$3.75
\$10.14	\$3.75
\$10.15	\$3.76
\$10.16	\$3.76

\$10.17	\$3.76
\$10.18	\$3.77
\$10.19	\$3.77
\$10.20	\$3.77
\$10.21	\$3.78
\$10.22	\$3.78
\$10.23	\$3.79
\$10.24	\$3.79
\$10.25	\$3.79
\$10.26	\$3.80
\$10.27	\$3.80
\$10.28	\$3.80
\$10.29	\$3.81
\$10.30	\$3.81
\$10.31	\$3.81
\$10.32	\$3.82
\$10.33	\$3.82
\$10.34	\$3.83
\$10.35	\$3.83
\$10.36	\$3.83
\$10.37	\$3.84
\$10.38	\$3.84
\$10.39	\$3.84
\$10.40	\$3.85
\$10.41	\$3.85
\$10.42	\$3.86
\$10.43	\$3.86
\$10.44	\$3.86
\$10.45	\$3.87
\$10.46	\$3.87
\$10.47	\$3.87
\$10.48	\$3.88
\$10.49	\$3.88
\$10.50	\$3.88
\$10.51	\$3.89
\$10.52	\$3.89
\$10.53	\$3.90
\$10.54	\$3.90
\$10.55	\$3.90

\$10.56	\$3.91
\$10.57	\$3.91
\$10.58	\$3.91
\$10.59	\$3.92
\$10.60	\$3.92
\$10.61	\$3.93
\$10.62	\$3.93
\$10.63	\$3.93
\$10.64	\$3.94
\$10.65	\$3.94
\$10.66	\$3.94
\$10.67	\$3.95
\$10.68	\$3.95
\$10.69	\$3.96
\$10.70	\$3.96
\$10.71	\$3.96
\$10.72	\$3.97
\$10.73	\$3.97
\$10.74	\$3.97
\$10.75	\$3.98
\$10.76	\$3.98
\$10.77	\$3.98
\$10.78	\$3.99
\$10.79	\$3.99
\$10.80	\$4.00
\$10.81	\$4.00
\$10.82	\$4.00
\$10.83	\$4.01
\$10.84	\$4.01
\$10.85	\$4.01
\$10.86	\$4.02
\$10.87	\$4.02
\$10.88	\$4.03
\$10.89	\$4.03
\$10.90	\$4.03
\$10.91	\$4.04
\$10.92	\$4.04
\$10.93	\$4.04
\$10.94	\$4.05

\$10.95	\$4.05
\$10.96	\$4.06
\$10.97	\$4.06
\$10.98	\$4.06
\$10.99	\$4.07
\$11.00	\$4.07
\$11.01	\$4.07
\$11.02	\$4.08
\$11.03	\$4.08
\$11.04	\$4.08
\$11.05	\$4.09
\$11.06	\$4.09
\$11.07	\$4.10
\$11.08	\$4.10
\$11.09	\$4.10
\$11.10	\$4.11
\$11.11	\$4.11
\$11.12	\$4.11
\$11.13	\$4.12
\$11.14	\$4.12
\$11.15	\$4.13
\$11.16	\$4.13
\$11.17	\$4.13
\$11.18	\$4.14
\$11.19	\$4.14
\$11.20	\$4.14
\$11.21	\$4.15
\$11.22	\$4.15
\$11.23	\$4.16
\$11.24	\$4.16
\$11.25	\$4.16
\$11.26	\$4.17
\$11.27	\$4.17
\$11.28	\$4.17
\$11.29	\$4.18
\$11.30	\$4.18
\$11.31	\$4.18
\$11.32	\$4.19
\$11.33	\$4.19

\$11.34	\$4.20
\$11.35	\$4.20
\$11.36	\$4.20
\$11.37	\$4.21
\$11.38	\$4.21
\$11.39	\$4.21
\$11.40	\$4.22
\$11.41	\$4.22
\$11.42	\$4.23
\$11.43	\$4.23
\$11.44	\$4.23
\$11.45	\$4.24
\$11.46	\$4.24
\$11.47	\$4.24
\$11.48	\$4.25
\$11.49	\$4.25
\$11.50	\$4.25
\$11.51	\$4.26
\$11.52	\$4.26
\$11.53	\$4.27
\$11.54	\$4.27
\$11.55	\$4.27
\$11.56	\$4.28
\$11.57	\$4.28
\$11.58	\$4.28
\$11.59	\$4.29
\$11.60	\$4.29
\$11.61	\$4.30
\$11.62	\$4.30
\$11.63	\$4.30
\$11.64	\$4.31
\$11.65	\$4.31
\$11.66	\$4.31
\$11.67	\$4.32
\$11.68	\$4.32
\$11.69	\$4.33
\$11.70	\$4.33
\$11.71	\$4.33
\$11.72	\$4.34

\$11.73	\$4.34
\$11.74	\$4.34
\$11.75	\$4.35
\$11.76	\$4.35
\$11.77	\$4.35
\$11.78	\$4.36
\$11.79	\$4.36
\$11.80	\$4.37
\$11.81	\$4.37
\$11.82	\$4.37
\$11.83	\$4.38
\$11.84	\$4.38
\$11.85	\$4.38
\$11.86	\$4.39
\$11.87	\$4.39
\$11.88	\$4.40
\$11.89	\$4.40
\$11.90	\$4.40
\$11.91	\$4.41
\$11.92	\$4.41
\$11.93	\$4.41
\$11.94	\$4.42
\$11.95	\$4.42
\$11.96	\$4.43
\$11.97	\$4.43
\$11.98	\$4.43
\$11.99	\$4.44
\$12.00	\$4.44
\$12.01	\$4.44
\$12.02	\$4.45
\$12.03	\$4.45
\$12.04	\$4.45
\$12.05	\$4.46
\$12.06	\$4.46
\$12.07	\$4.47
\$12.08	\$4.47
\$12.09	\$4.47
\$12.10	\$4.48
\$12.11	\$4.48

\$12.12	\$4.48
\$12.13	\$4.49
\$12.14	\$4.49
\$12.15	\$4.50

--- End of Schedule ---

Appendix 1

Market Price CAD\$	RMP	Yield 65% Raw Material Cost	Harvester Share of Market Price
\$7.43	\$2.60	\$4.01	53.9%
\$7.44	\$2.61	\$4.02	54.0%
\$7.45	\$2.62	\$4.02	54.0%
\$7.46	\$2.62	\$4.03	54.0%
\$7.47	\$2.63	\$4.04	54.1%
\$7.48	\$2.63	\$4.05	54.1%
\$7.49	\$2.64	\$4.06	54.2%
\$7.50	\$2.64	\$4.07	54.2%
\$7.51	\$2.65	\$4.07	54.2%
\$7.52	\$2.65	\$4.08	54.3%
\$7.53	\$2.66	\$4.09	54.3%
\$7.54	\$2.66	\$4.10	54.4%
\$7.55	\$2.67	\$4.11	54.4%
\$7.56	\$2.68	\$4.12	54.5%
\$7.57	\$2.68	\$4.13	54.5%
\$7.58	\$2.69	\$4.13	54.5%
\$7.59	\$2.69	\$4.14	54.6%
\$7.60	\$2.70	\$4.15	54.6%
\$7.61	\$2.70	\$4.16	54.7%
\$7.62	\$2.71	\$4.17	54.7%
\$7.63	\$2.72	\$4.18	54.8%
\$7.64	\$2.72	\$4.19	54.8%
\$7.65	\$2.73	\$4.20	54.9%
\$7.66	\$2.73	\$4.21	54.9%
\$7.67	\$2.74	\$4.22	55.0%
\$7.68	\$2.75	\$4.22	55.0%
\$7.69	\$2.75	\$4.23	55.1%
\$7.70	\$2.76	\$4.24	55.1%
\$7.71	\$2.76	\$4.25	55.1%
\$7.72	\$2.77	\$4.26	55.2%
\$7.73	\$2.78	\$4.27	55.2%
\$7.74	\$2.78	\$4.28	55.3%

4130-8726-5359

\$7.75	\$2.79	\$4.29	55.3%
\$7.76	\$2.79	\$4.30	55.4%
\$7.77	\$2.80	\$4.31	55.4%
\$7.78	\$2.81	\$4.32	55.5%
\$7.79	\$2.81	\$4.33	55.6%
\$7.80	\$2.82	\$4.34	55.6%
\$7.81	\$2.83	\$4.35	55.7%
\$7.82	\$2.83	\$4.36	55.7%
\$7.83	\$2.84	\$4.37	55.8%
\$7.84	\$2.84	\$4.38	55.8%
\$7.85	\$2.85	\$4.39	55.9%
\$7.86	\$2.86	\$4.40	55.9%
\$7.87	\$2.86	\$4.41	56.0%
\$7.88	\$2.87	\$4.42	56.0%
\$7.89	\$2.88	\$4.43	56.1%
\$7.90	\$2.88	\$4.44	56.1%
\$7.91	\$2.89	\$4.45	56.2%
\$7.92	\$2.90	\$4.46	56.3%
\$7.93	\$2.90	\$4.47	56.3%
\$7.94	\$2.91	\$4.48	56.4%
\$7.95	\$2.92	\$4.49	56.4%
\$7.96	\$2.92	\$4.50	56.5%
\$7.97	\$2.93	\$4.51	56.6%
\$7.98	\$2.94	\$4.52	56.6%
\$7.99	\$2.94	\$4.53	56.7%
\$8.00	\$2.95	\$4.54	56.7%
\$8.01	\$2.96	\$4.55	56.8%
\$8.02	\$2.96	\$4.56	56.9%
\$8.03	\$2.97	\$4.57	56.9%
\$8.04	\$2.97	\$4.58	56.9%
\$8.05	\$2.98	\$4.58	56.9%
\$8.06	\$2.98	\$4.59	56.9%
\$8.07	\$2.99	\$4.59	56.9%
\$8.08	\$2.99	\$4.60	56.9%
\$8.09	\$2.99	\$4.61	56.9%
\$8.10	\$3.00	\$4.61	56.9%
\$8.11	\$3.00	\$4.62	56.9%
\$8.12	\$3.00	\$4.62	56.9%
\$8.13	\$3.01	\$4.63	56.9%
\$8.14	\$3.01	\$4.63	56.9%
\$8.15	\$3.02	\$4.64	56.9%
\$8.16	\$3.02	\$4.64	56.9%
\$8.17	\$3.02	\$4.65	56.9%

\$8.18	\$3.03	\$4.66	56.9%
\$8.19	\$3.03	\$4.66	56.9%
\$8.20	\$3.03	\$4.67	56.9%
\$8.21	\$3.04	\$4.67	56.9%
\$8.22	\$3.04	\$4.68	56.9%
\$8.23	\$3.05	\$4.68	56.9%
\$8.24	\$3.05	\$4.69	56.9%
\$8.25	\$3.05	\$4.70	56.9%
\$8.26	\$3.06	\$4.70	56.9%
\$8.27	\$3.06	\$4.71	56.9%
\$8.28	\$3.06	\$4.71	56.9%
\$8.29	\$3.07	\$4.72	56.9%
\$8.30	\$3.07	\$4.72	56.9%
\$8.31	\$3.07	\$4.73	56.9%
\$8.32	\$3.08	\$4.74	56.9%
\$8.33	\$3.08	\$4.74	56.9%
\$8.34	\$3.09	\$4.75	56.9%
\$8.35	\$3.09	\$4.75	56.9%
\$8.36	\$3.09	\$4.76	56.9%
\$8.37	\$3.10	\$4.76	56.9%
\$8.38	\$3.10	\$4.77	56.9%
\$8.39	\$3.10	\$4.78	56.9%
\$8.40	\$3.11	\$4.78	56.9%
\$8.41	\$3.11	\$4.79	56.9%
\$8.42	\$3.12	\$4.79	56.9%
\$8.43	\$3.12	\$4.80	56.9%
\$8.44	\$3.12	\$4.80	56.9%
\$8.45	\$3.13	\$4.81	56.9%
\$8.46	\$3.13	\$4.82	56.9%
\$8.47	\$3.13	\$4.82	56.9%
\$8.48	\$3.14	\$4.83	56.9%
\$8.49	\$3.14	\$4.83	56.9%
\$8.50	\$3.14	\$4.84	56.9%
\$8.51	\$3.15	\$4.84	56.9%
\$8.52	\$3.15	\$4.85	56.9%
\$8.53	\$3.16	\$4.86	56.9%
\$8.54	\$3.16	\$4.86	56.9%
\$8.55	\$3.16	\$4.87	56.9%
\$8.56	\$3.17	\$4.87	56.9%
\$8.57	\$3.17	\$4.88	56.9%
\$8.58	\$3.17	\$4.88	56.9%

\$8.59	\$3.18	\$4.89	56.9%
\$8.60	\$3.18	\$4.90	56.9%
\$8.61	\$3.19	\$4.90	56.9%
\$8.62	\$3.19	\$4.91	56.9%
\$8.63	\$3.19	\$4.91	56.9%
\$8.64	\$3.20	\$4.92	56.9%
\$8.65	\$3.20	\$4.92	56.9%
\$8.66	\$3.20	\$4.93	56.9%
\$8.67	\$3.21	\$4.94	56.9%
\$8.68	\$3.21	\$4.94	56.9%
\$8.69	\$3.22	\$4.95	56.9%
\$8.70	\$3.22	\$4.95	56.9%
\$8.71	\$3.22	\$4.96	56.9%
\$8.72	\$3.23	\$4.96	56.9%
\$8.73	\$3.23	\$4.97	56.9%
\$8.74	\$3.23	\$4.98	56.9%
\$8.75	\$3.24	\$4.98	56.9%
\$8.76	\$3.24	\$4.99	56.9%
\$8.77	\$3.24	\$4.99	56.9%
\$8.78	\$3.25	\$5.00	56.9%
\$8.79	\$3.25	\$5.00	56.9%
\$8.80	\$3.26	\$5.01	56.9%
\$8.81	\$3.26	\$5.01	56.9%
\$8.82	\$3.26	\$5.02	56.9%
\$8.83	\$3.27	\$5.03	56.9%
\$8.84	\$3.27	\$5.03	56.9%
\$8.85	\$3.27	\$5.04	56.9%
\$8.86	\$3.28	\$5.04	56.9%
\$8.87	\$3.28	\$5.05	56.9%
\$8.88	\$3.29	\$5.05	56.9%
\$8.89	\$3.29	\$5.06	56.9%
\$8.90	\$3.29	\$5.07	56.9%
\$8.91	\$3.30	\$5.07	56.9%
\$8.92	\$3.30	\$5.08	56.9%
\$8.93	\$3.30	\$5.08	56.9%
\$8.94	\$3.31	\$5.09	56.9%
\$8.95	\$3.31	\$5.09	56.9%
\$8.96	\$3.32	\$5.10	56.9%
\$8.97	\$3.32	\$5.11	56.9%

\$8.98	\$3.32	\$5.11	56.9%
\$8.99	\$3.33	\$5.12	56.9%
\$9.00	\$3.33	\$5.12	56.9%
\$9.01	\$3.33	\$5.13	56.9%
\$9.02	\$3.34	\$5.13	56.9%
\$9.03	\$3.34	\$5.14	56.9%
\$9.04	\$3.34	\$5.15	56.9%
\$9.05	\$3.35	\$5.15	56.9%
\$9.06	\$3.35	\$5.16	56.9%
\$9.07	\$3.36	\$5.16	56.9%
\$9.08	\$3.36	\$5.17	56.9%
\$9.09	\$3.36	\$5.17	56.9%
\$9.10	\$3.37	\$5.18	56.9%
\$9.11	\$3.37	\$5.19	56.9%
\$9.12	\$3.37	\$5.19	56.9%
\$9.13	\$3.38	\$5.20	56.9%
\$9.14	\$3.38	\$5.20	56.9%
\$9.15	\$3.39	\$5.21	56.9%
\$9.16	\$3.39	\$5.21	56.9%
\$9.17	\$3.39	\$5.22	56.9%
\$9.18	\$3.40	\$5.23	56.9%
\$9.19	\$3.40	\$5.23	56.9%
\$9.20	\$3.40	\$5.24	56.9%
\$9.21	\$3.41	\$5.24	56.9%
\$9.22	\$3.41	\$5.25	56.9%
\$9.23	\$3.42	\$5.25	56.9%
\$9.24	\$3.42	\$5.26	56.9%
\$9.25	\$3.42	\$5.27	56.9%
\$9.26	\$3.43	\$5.27	56.9%
\$9.27	\$3.43	\$5.28	56.9%
\$9.28	\$3.43	\$5.28	56.9%
\$9.29	\$3.44	\$5.29	56.9%
\$9.30	\$3.44	\$5.29	56.9%
\$9.31	\$3.44	\$5.30	56.9%
\$9.32	\$3.45	\$5.31	56.9%
\$9.33	\$3.45	\$5.31	56.9%
\$9.34	\$3.46	\$5.32	56.9%
\$9.35	\$3.46	\$5.32	56.9%
\$9.36	\$3.46	\$5.33	56.9%

\$9.37	\$3.47	\$5.33	56.9%
\$9.38	\$3.47	\$5.34	56.9%
\$9.39	\$3.47	\$5.35	56.9%
\$9.40	\$3.48	\$5.35	56.9%
\$9.41	\$3.48	\$5.36	56.9%
\$9.42	\$3.49	\$5.36	56.9%
\$9.43	\$3.49	\$5.37	56.9%
\$9.44	\$3.49	\$5.37	56.9%
\$9.45	\$3.50	\$5.38	56.9%
\$9.46	\$3.50	\$5.38	56.9%
\$9.47	\$3.50	\$5.39	56.9%
\$9.48	\$3.51	\$5.40	56.9%
\$9.49	\$3.51	\$5.40	56.9%
\$9.50	\$3.51	\$5.41	56.9%
\$9.51	\$3.52	\$5.41	56.9%
\$9.52	\$3.52	\$5.42	56.9%
\$9.53	\$3.53	\$5.42	56.9%
\$9.54	\$3.53	\$5.43	56.9%
\$9.55	\$3.53	\$5.44	56.9%
\$9.56	\$3.54	\$5.44	56.9%
\$9.57	\$3.54	\$5.45	56.9%
\$9.58	\$3.54	\$5.45	56.9%
\$9.59	\$3.55	\$5.46	56.9%
\$9.60	\$3.55	\$5.46	56.9%
\$9.61	\$3.56	\$5.47	56.9%
\$9.62	\$3.56	\$5.48	56.9%
\$9.63	\$3.56	\$5.48	56.9%
\$9.64	\$3.57	\$5.49	56.9%
\$9.65	\$3.57	\$5.49	56.9%
\$9.66	\$3.57	\$5.50	56.9%
\$9.67	\$3.58	\$5.50	56.9%
\$9.68	\$3.58	\$5.51	56.9%
\$9.69	\$3.59	\$5.52	56.9%
\$9.70	\$3.59	\$5.52	56.9%
\$9.71	\$3.59	\$5.53	56.9%
\$9.72	\$3.60	\$5.53	56.9%
\$9.73	\$3.60	\$5.54	56.9%
\$9.74	\$3.60	\$5.54	56.9%
\$9.75	\$3.61	\$5.55	56.9%

\$9.76	\$3.61	\$5.56	56.9%
\$9.77	\$3.61	\$5.56	56.9%
\$9.78	\$3.62	\$5.57	56.9%
\$9.79	\$3.62	\$5.57	56.9%
\$9.80	\$3.63	\$5.58	56.9%
\$9.81	\$3.63	\$5.58	56.9%
\$9.82	\$3.63	\$5.59	56.9%
\$9.83	\$3.64	\$5.60	56.9%
\$9.84	\$3.64	\$5.60	56.9%
\$9.85	\$3.64	\$5.61	56.9%
\$9.86	\$3.65	\$5.61	56.9%
\$9.87	\$3.65	\$5.62	56.9%
\$9.88	\$3.66	\$5.62	56.9%
\$9.89	\$3.66	\$5.63	56.9%
\$9.90	\$3.66	\$5.64	56.9%
\$9.91	\$3.67	\$5.64	56.9%
\$9.92	\$3.67	\$5.65	56.9%
\$9.93	\$3.67	\$5.65	56.9%
\$9.94	\$3.68	\$5.66	56.9%
\$9.95	\$3.68	\$5.66	56.9%
\$9.96	\$3.69	\$5.67	56.9%
\$9.97	\$3.69	\$5.68	56.9%
\$9.98	\$3.69	\$5.68	56.9%
\$9.99	\$3.70	\$5.69	56.9%
\$10.00	\$3.70	\$5.69	56.9%
\$10.01	\$3.70	\$5.70	56.9%
\$10.02	\$3.71	\$5.70	56.9%
\$10.03	\$3.71	\$5.71	56.9%
\$10.04	\$3.71	\$5.72	56.9%
\$10.05	\$3.72	\$5.72	56.9%
\$10.06	\$3.72	\$5.73	56.9%
\$10.07	\$3.73	\$5.73	56.9%
\$10.08	\$3.73	\$5.74	56.9%
\$10.09	\$3.73	\$5.74	56.9%
\$10.10	\$3.74	\$5.75	56.9%
\$10.11	\$3.74	\$5.75	56.9%
\$10.12	\$3.74	\$5.76	56.9%
\$10.13	\$3.75	\$5.77	56.9%
\$10.14	\$3.75	\$5.77	56.9%

\$10.15	\$3.76	\$5.78	56.9%
\$10.16	\$3.76	\$5.78	56.9%
\$10.17	\$3.76	\$5.79	56.9%
\$10.18	\$3.77	\$5.79	56.9%
\$10.19	\$3.77	\$5.80	56.9%
\$10.20	\$3.77	\$5.81	56.9%
\$10.21	\$3.78	\$5.81	56.9%
\$10.22	\$3.78	\$5.82	56.9%
\$10.23	\$3.79	\$5.82	56.9%
\$10.24	\$3.79	\$5.83	56.9%
\$10.25	\$3.79	\$5.83	56.9%
\$10.26	\$3.80	\$5.84	56.9%
\$10.27	\$3.80	\$5.85	56.9%
\$10.28	\$3.80	\$5.85	56.9%
\$10.29	\$3.81	\$5.86	56.9%
\$10.30	\$3.81	\$5.86	56.9%
\$10.31	\$3.81	\$5.87	56.9%
\$10.32	\$3.82	\$5.87	56.9%
\$10.33	\$3.82	\$5.88	56.9%
\$10.34	\$3.83	\$5.89	56.9%
\$10.35	\$3.83	\$5.89	56.9%
\$10.36	\$3.83	\$5.90	56.9%
\$10.37	\$3.84	\$5.90	56.9%
\$10.38	\$3.84	\$5.91	56.9%
\$10.39	\$3.84	\$5.91	56.9%
\$10.40	\$3.85	\$5.92	56.9%
\$10.41	\$3.85	\$5.93	56.9%
\$10.42	\$3.86	\$5.93	56.9%
\$10.43	\$3.86	\$5.94	56.9%
\$10.44	\$3.86	\$5.94	56.9%
\$10.45	\$3.87	\$5.95	56.9%
\$10.46	\$3.87	\$5.95	56.9%
\$10.47	\$3.87	\$5.96	56.9%
\$10.48	\$3.88	\$5.97	56.9%
\$10.49	\$3.88	\$5.97	56.9%
\$10.50	\$3.88	\$5.98	56.9%
\$10.51	\$3.89	\$5.98	56.9%
\$10.52	\$3.89	\$5.99	56.9%
\$10.53	\$3.90	\$5.99	56.9%

\$10.54	\$3.90	\$6.00	56.9%
\$10.55	\$3.90	\$6.01	56.9%
\$10.56	\$3.91	\$6.01	56.9%
\$10.57	\$3.91	\$6.02	56.9%
\$10.58	\$3.91	\$6.02	56.9%
\$10.59	\$3.92	\$6.03	56.9%
\$10.60	\$3.92	\$6.03	56.9%
\$10.61	\$3.93	\$6.04	56.9%
\$10.62	\$3.93	\$6.05	56.9%
\$10.63	\$3.93	\$6.05	56.9%
\$10.64	\$3.94	\$6.06	56.9%
\$10.65	\$3.94	\$6.06	56.9%
\$10.66	\$3.94	\$6.07	56.9%
\$10.67	\$3.95	\$6.07	56.9%
\$10.68	\$3.95	\$6.08	56.9%
\$10.69	\$3.96	\$6.09	56.9%
\$10.70	\$3.96	\$6.09	56.9%
\$10.71	\$3.96	\$6.10	56.9%
\$10.72	\$3.97	\$6.10	56.9%
\$10.73	\$3.97	\$6.11	56.9%
\$10.74	\$3.97	\$6.11	56.9%
\$10.75	\$3.98	\$6.12	56.9%
\$10.76	\$3.98	\$6.12	56.9%
\$10.77	\$3.98	\$6.13	56.9%
\$10.78	\$3.99	\$6.14	56.9%
\$10.79	\$3.99	\$6.14	56.9%
\$10.80	\$4.00	\$6.15	56.9%
\$10.81	\$4.00	\$6.15	56.9%
\$10.82	\$4.00	\$6.16	56.9%
\$10.83	\$4.01	\$6.16	56.9%
\$10.84	\$4.01	\$6.17	56.9%
\$10.85	\$4.01	\$6.18	56.9%
\$10.86	\$4.02	\$6.18	56.9%
\$10.87	\$4.02	\$6.19	56.9%
\$10.88	\$4.03	\$6.19	56.9%
\$10.89	\$4.03	\$6.20	56.9%
\$10.90	\$4.03	\$6.20	56.9%
\$10.91	\$4.04	\$6.21	56.9%
\$10.92	\$4.04	\$6.22	56.9%

\$10.93	\$4.04	\$6.22	56.9%
\$10.94	\$4.05	\$6.23	56.9%
\$10.95	\$4.05	\$6.23	56.9%
\$10.96	\$4.06	\$6.24	56.9%
\$10.97	\$4.06	\$6.24	56.9%
\$10.98	\$4.06	\$6.25	56.9%
\$10.99	\$4.07	\$6.26	56.9%
\$11.00	\$4.07	\$6.26	56.9%
\$11.01	\$4.07	\$6.27	56.9%
\$11.02	\$4.08	\$6.27	56.9%
\$11.03	\$4.08	\$6.28	56.9%
\$11.04	\$4.08	\$6.28	56.9%
\$11.05	\$4.09	\$6.29	56.9%
\$11.06	\$4.09	\$6.30	56.9%
\$11.07	\$4.10	\$6.30	56.9%
\$11.08	\$4.10	\$6.31	56.9%
\$11.09	\$4.10	\$6.31	56.9%
\$11.10	\$4.11	\$6.32	56.9%
\$11.11	\$4.11	\$6.32	56.9%
\$11.12	\$4.11	\$6.33	56.9%
\$11.13	\$4.12	\$6.34	56.9%
\$11.14	\$4.12	\$6.34	56.9%
\$11.15	\$4.13	\$6.35	56.9%
\$11.16	\$4.13	\$6.35	56.9%
\$11.17	\$4.13	\$6.36	56.9%
\$11.18	\$4.14	\$6.36	56.9%
\$11.19	\$4.14	\$6.37	56.9%
\$11.20	\$4.14	\$6.38	56.9%
\$11.21	\$4.15	\$6.38	56.9%
\$11.22	\$4.15	\$6.39	56.9%
\$11.23	\$4.16	\$6.39	56.9%
\$11.24	\$4.16	\$6.40	56.9%
\$11.25	\$4.16	\$6.40	56.9%
\$11.26	\$4.17	\$6.41	56.9%
\$11.27	\$4.17	\$6.42	56.9%
\$11.28	\$4.17	\$6.42	56.9%
\$11.29	\$4.18	\$6.43	56.9%
\$11.30	\$4.18	\$6.43	56.9%
\$11.31	\$4.18	\$6.44	56.9%

\$11.32	\$4.19	\$6.44	56.9%
\$11.33	\$4.19	\$6.45	56.9%
\$11.34	\$4.20	\$6.46	56.9%
\$11.35	\$4.20	\$6.46	56.9%
\$11.36	\$4.20	\$6.47	56.9%
\$11.37	\$4.21	\$6.47	56.9%
\$11.38	\$4.21	\$6.48	56.9%
\$11.39	\$4.21	\$6.48	56.9%
\$11.40	\$4.22	\$6.49	56.9%
\$11.41	\$4.22	\$6.49	56.9%
\$11.42	\$4.23	\$6.50	56.9%
\$11.43	\$4.23	\$6.51	56.9%
\$11.44	\$4.23	\$6.51	56.9%
\$11.45	\$4.24	\$6.52	56.9%
\$11.46	\$4.24	\$6.52	56.9%
\$11.47	\$4.24	\$6.53	56.9%
\$11.48	\$4.25	\$6.53	56.9%
\$11.49	\$4.25	\$6.54	56.9%
\$11.50	\$4.25	\$6.55	56.9%
\$11.51	\$4.26	\$6.55	56.9%
\$11.52	\$4.26	\$6.56	56.9%
\$11.53	\$4.27	\$6.56	56.9%
\$11.54	\$4.27	\$6.57	56.9%
\$11.55	\$4.27	\$6.57	56.9%
\$11.56	\$4.28	\$6.58	56.9%
\$11.57	\$4.28	\$6.59	56.9%
\$11.58	\$4.28	\$6.59	56.9%
\$11.59	\$4.29	\$6.60	56.9%
\$11.60	\$4.29	\$6.60	56.9%
\$11.61	\$4.30	\$6.61	56.9%
\$11.62	\$4.30	\$6.61	56.9%
\$11.63	\$4.30	\$6.62	56.9%
\$11.64	\$4.31	\$6.63	56.9%
\$11.65	\$4.31	\$6.63	56.9%
\$11.66	\$4.31	\$6.64	56.9%
\$11.67	\$4.32	\$6.64	56.9%
\$11.68	\$4.32	\$6.65	56.9%
\$11.69	\$4.33	\$6.65	56.9%
\$11.70	\$4.33	\$6.66	56.9%

\$11.71	\$4.33	\$6.67	56.9%
\$11.72	\$4.34	\$6.67	56.9%
\$11.73	\$4.34	\$6.68	56.9%
\$11.74	\$4.34	\$6.68	56.9%
\$11.75	\$4.35	\$6.69	56.9%
\$11.76	\$4.35	\$6.69	56.9%
\$11.77	\$4.35	\$6.70	56.9%
\$11.78	\$4.36	\$6.71	56.9%
\$11.79	\$4.36	\$6.71	56.9%
\$11.80	\$4.37	\$6.72	56.9%
\$11.81	\$4.37	\$6.72	56.9%
\$11.82	\$4.37	\$6.73	56.9%
\$11.83	\$4.38	\$6.73	56.9%
\$11.84	\$4.38	\$6.74	56.9%
\$11.85	\$4.38	\$6.75	56.9%
\$11.86	\$4.39	\$6.75	56.9%
\$11.87	\$4.39	\$6.76	56.9%
\$11.88	\$4.40	\$6.76	56.9%
\$11.89	\$4.40	\$6.77	56.9%
\$11.90	\$4.40	\$6.77	56.9%
\$11.91	\$4.41	\$6.78	56.9%
\$11.92	\$4.41	\$6.79	56.9%
\$11.93	\$4.41	\$6.79	56.9%
\$11.94	\$4.42	\$6.80	56.9%
\$11.95	\$4.42	\$6.80	56.9%
\$11.96	\$4.43	\$6.81	56.9%
\$11.97	\$4.43	\$6.81	56.9%
\$11.98	\$4.43	\$6.82	56.9%
\$11.99	\$4.44	\$6.83	56.9%
\$12.00	\$4.44	\$6.83	56.9%
\$12.01	\$4.44	\$6.84	56.9%
\$12.02	\$4.45	\$6.84	56.9%
\$12.03	\$4.45	\$6.85	56.9%
\$12.04	\$4.45	\$6.85	56.9%
\$12.05	\$4.46	\$6.86	56.9%
\$12.06	\$4.46	\$6.86	56.9%
\$12.07	\$4.47	\$6.87	56.9%
\$12.08	\$4.47	\$6.88	56.9%
\$12.09	\$4.47	\$6.88	56.9%

\$12.10	\$4.48	\$6.89	56.9%
\$12.11	\$4.48	\$6.89	56.9%
\$12.12	\$4.48	\$6.90	56.9%
\$12.13	\$4.49	\$6.90	56.9%
\$12.14	\$4.49	\$6.91	56.9%
\$12.15	\$4.50	\$6.92	56.9%

Dissent – 2024 Crab Decision

1. I respectfully dissent from the majority decision for 2024 crab pricing.
2. In doing so, I would like to highlight the very difficult position in which the Panel has been placed. The 11th hour amendments to the *Fishing Industry Collective Bargaining Act* regulations placed the Panel in a straitjacket in that it was compelled to use final offer selection from price formula offers submitted by the parties, despite the strong likelihood it would be confronted with two complex submissions based on entirely different approaches to a price-to-market formula, which is exactly what turned out to be the case. The Panel would have potentially been in a much better position to be of service to the industry in finding an acceptable basis for all concerned for the 2024 fishery, if it had been given the authority to apply interest arbitration to the price formula as well as to conditions of sale (i.e. had not been bound to accept one of the submissions in its entirety.) Unfortunately, the Panel's hands were tied in this regard.
3. The *Fish-Price-Setting Strategic Review Team* compiled an extensive report (the Blackwood Report) aimed at assisting the parties in implementing a price-to-market formula that would tie raw material prices to prices received by NL crab in the market. The report used an 18-year history of pricing for 5-8 ounce crab sections, as reported over the years by the market analysis firm Urner Barry.
4. The FFAW submission had an identical price-to-market table to the Blackwood Report table, but it modified the implementation of this table in material ways, as outlined in the majority report.
5. Even though the ASP submission dismissed the FFAW submission as “antithetical to the Blackwood Report”, the ASP submission bears no resemblance whatsoever to the Blackwood recommendations. When pressed by the Panel as to the basis of their price table, the ASP representative said it was based on what ASP felt was “fair and reasonable”, a subjective consideration if there ever was one. **ASP presented no evidence to link their price table to the historic relationship between market and raw material prices.**
6. The ASP submission proposes not one formula, but two. They propose that the raw material price be the lesser of the application of the two formulae at any particular point in the market. They did not explain why it was necessary to have two formulae instead of one, or why it should be the lower raw material price of the two that should apply. Nor did they provide adequate justification for a starting price of \$2.60, significantly below the Blackwood price at the same market interval.

7. Finally, the ASP submission deviates quite dramatically from the Blackwood Report in the sharing of market return as the market price increases. The Blackwood Report, as well as both submissions before the Panel, provides for an increased harvester share as the market price increases. But the devil is in the detail. The Blackwood Report and the FFAW submission both recommend the harvester share increase until the market return reaches \$12.00 CDN, at which point the harvester percentage share would be frozen. ASP recommends the harvester percentage share be frozen after the market return hits \$8.00. As a consequence, the gap between the ASP and the Blackwood tables widens at every market price point beyond \$8.00, to the point that at a market return of \$12.00 CDN., the ASP offer proposes a wharf price of \$4.44, compared to \$5.33 under Blackwood.
8. I acknowledge that there were shortcomings with both submissions. This is why the lack of flexibility that was afforded the Panel is so problematic, as those shortcomings could have been addressed by the Panel and a reasonable balance struck if the Panel were not tied to final offer selection on the price submissions. On balance, the gap between the Blackwood table and the ASP table, the dramatic difference in the point at which the harvester share of the market return would be frozen, the lack of clarity around ASP's two-formula offer, and the failure of ASP to present evidence linking their offer to the historic relationship between market returns and raw material prices prevent me from supporting the majority decision.
9. In light of the foregoing, I respectfully dissent from the majority report.

Respectfully submitted,



Earle McCurdy

April 1, 2024