STANDING FISH PRICE-SETTING PANEL

REDFISH FISHERY 2026

Background

1. The Standing Fish Price-Setting Panel, hereinafter referred to as "the Panel," consulted with the parties on January 26, 2026. Thereafter, in accordance with Section 19 of the *Fishing Industry Collective Bargaining Act*, (the "*Act*"), the Panel issued its Schedule of Hearings for 2026. The parties agreed that Collective Bargaining for the species Redfish would occur between July 27 - 30, 2026. Both parties agreed that should an agreement not be reached in bargaining, they would exchange their final offers and submissions to the on Thursday July 30, 2026, with a hearing before the Panel on Friday, July 31, 2026.

2. On February 27, 2026, the Minister of Fisheries and Aquaculture (the "Minister") set the dates by which the price of Redfish would be set. Known as the "Minister's date", August 10, 2026, is the date by which the price and conditions of sale for Redfish must be set. Under the *Fishing Industry Collective Bargaining Act*, ("*FICBA")* and its regulations, the Panel is required to provide the Minister with the price and conditions of sale of Redfish no later than August 7, 2026, three days before the Minister's date.

3. The Panel has been advised by the Department of Fisheries and Aquaculture ("DFA") that the Association of Seafood Producers ("ASP") represents processors that process the majority percentage of the species Redfish. As a result, under Section 19(11) of the *Act*, should a hearing be required for Redfish, the parties appearing before the Panel would be the Fish, Food and Allied Workers' Union ("FFAW"), and ASP. Section 19.11(1) of the *Act* and regulations made thereunder require that the decision of the Panel must be in accordance with one of the positions on price and conditions of sale submitted to the Panel by the parties at the hearing. The Panel further advised that no other positions would be accepted by it and should other representatives of this species wish to attend the hearing concurrence from both parties to the collective bargaining must first be obtained.

4. The parties were unable to come to an agreement on all aspects of the price and conditions of sale for Redfish for the 2026 season. Therefore, the Panel conducted a hearing on Friday, July 31, 2026, at 2:00 p.m. via videoconferencing.

5. In keeping with the Panel's Rules of Procedure and an agreement between the parties and the panel, FFAW and ASP provided their written submissions prior to 12:00 p.m. on July 30, 2026. They appeared before the Panel and provided their arguments in support of their final offers, as well as rebuttal to each other's

arguments, and answered the Panel's questions. The Panel thanks them for their submissions and attendance.

Setting the price of Redfish in 2026

6. This is the first panel decision setting the price of Redfish and the panel understands that this is the first year the parties have attended negotiations for Redfish.

7. Redfish (Ocean Perch) are slow-growing pelagic fish, comprised of two major species, *Sebastes mentella* and *Sebastes fasciatus,* that are caught by trawl gear.

8. The information relied on by the Panel in reaching its decision in this matter included the Parties' submissions for the hearing, the *Act,* and the data and Redfish industry reports provided to the Parties and the Panel by DFA. As noted by both parties, Redfish has, in the past, been a floating price set between harvesters and processors at the dock. As a consequence, there is a dearth of market information for this species. The information provided to and considered by the panel included:

- Industry Articles
- Atlantic Canada Ocean Perch Exports 2021-26 (May)
- Atlantic Canada Ocean Perch Monthly Exports 2021-26 (May)
- Redfish landings and landed values 2021-26 (July)
- Redfish production 2021-25

The issue in dispute

9. The sole issue in dispute in this final offer arbitration is the price per pound of Redfish.

Redfish fishery information

10. This is a new fishery for panel deliberations, as both parties noted in their submissions, the commercial inshore redfish fishery in Unit 1 only reopened in 2024 and is in the early stages of redevelopment.

11. The parties agree that negotiations and the setting of a minimum price herein is specific to inshore landings of redfish on Newfoundland's West coast, caught from the Gulf of St. Lawrence (referred to as "unit 1") approximately 60 miles from the shore.

12. Redfish fished on the Province's South coast offshore (Unit 2) and Nova Scotia and New Brunswick's South coast (Unit 3) are both outside the scope of NL's collective bargaining regime.

13. As noted by both parties, the Unit 1 Redfish fishery reopened in 2024, following a 29-year moratorium.

14. The parties agree that there are currently 12-14 active harvesting enterprises (all of which are in the <65' trawler fleet) and two active processors for this species. The harvesters and processers are all adjacent to the resource on the West coast of the island. Unit 1 Redfish is landed directly to the processing plants.

15. For further information, FFAW highlights that most trips are 2-3 days in length, with vessels fishing 50-80 nm offshore. Most vessels can carry approximately 130,000 lbs., with a small number able to carry more. They also note that the fishery has had a restrictive management regime since opening: restricted fishing depths and areas, with enforced high levels of at-sea observer coverage, which is a cost borne by harvesters. It has become slightly less onerous during May 2025- May 2026.

16. The Unit 1 management year is from May 15th – May 14th, with most fishing occurring in October and November and some occurring in February and March.

17. ASP highlighted that current fish size in Unit 1 limits processing to whole frozen products destined for bait or low-value Asian markets.

18. ASP also notes that in contrast, the Unit 2 fishery has operated continuously and did not have the three-decade moratorium. It is generally conducted by large factory-freezer vessels, with some landings caught by smaller vessels through a temporary vessel transfer. This is all landed in Fortune, on the Burin peninsula, but as it is an offshore quota and therefore falls outside this collective bargaining structure. ASP also notes that the fish caught in Unit 2 have a wider range of sizes, creating a bigger pack mix, meaning they can capture a slightly more value from the market. For this reason, ASP argued that Unit 2 economics cannot be used as a proxy for Unit 1.

The Market Information

19. The parties agree that there is limited specific market information for this fishery. The panel and parties have been provided with available landings, production, and export data. However, this data combines both inshore and offshore activity, making it impossible to isolate Unit 1 market performance. The market data is for all Redfish. The parties rely on the same data, albeit with different interpretations of it.

20. Based on the press articles provided by DFA, the panel notes:

- A redfish producer in Nova Scotia has noted, in reference to Unit 1 Redfish, block frozen whole fish, that the demand for whole redfish in Asia has "exploded" and orders have "more than doubled" (Undercurrent News, April 27, 2206.)

- The same producer was quoted in another Undercurrent article of July, 2026 as saying, "whole frozen redfish found strong demand in China," and that the "level of interest is almost overwhelming." (Undercurrent, July 6, 2026)

21. DFA landings and landed value data compared to Redfish export data appears to indicate that a large portion of Redfish is not exported. We know that some is used for bait, but there are no statistics on what it is used for or where it goes domestically.

22. FFAW notes that the "vast majority" of the production for the last several years has been bait and whole fish. Only 0.2% of NL exports were fillets in 2025. All else was whole fish.

23. FFAW states that the primary export markets for NL Redfish have been China and South Korea for the past three years. However, ASP notes that the range in export data to different countries has varied. In one year, there was nothing sent to China, in another, nothing to Japan, and a drop to South Korea in one year.

24. In short there is very little data on this fishery and the export markets are not consistent year over year.

FFAW submission

25. FFAW noted that this will be the first collective agreement on redfish and will be in effect for the 2026/27 season only and will not be used as a precedent for future seasons or future negotiations. It will apply only to Unit 1 Redfish landed by the <65' fleet, fishing on inshore licenses.

26. Their offer is for price paid to harvesters only, and not for other issues.

27. FFAW offered $0.35 / lb. based on their argument that while this fishery is developing, it is not new; export data shows an increase in volume caught and prices overall; and the trade news documents the "overwhelming "interest in redfish from customers in China and South Korea.

28. FFAW agrees that the Unit 2 data is not a proxy for price for Unit 1, as it is a

different fishery. However, like Unit 2, most production and exports are made up of whole fish, with only 0.2% of NL exports being fillets in 2025.

29. FFAW also notes that the main export markets for NL Redfish have been China and South Korea for the past three years. These are the same markets noted in the trade news as having overwhelming interest in redfish.

30. FFAW argued that the demand for redfish appears to be tied to the dynamics of the global whitefish market. As tight global supply and improved market conditions were reflected in prices to harvesters from other whitefish species such as Cod and Turbot in 2026, they argue that there should also be an increase in the price of Redfish. ASP argues that Redfish is not as well known and is a very different species. Therefore, it is not comparable, at this time, to the other whitefish markets.

31. FFAW argued that last year, the price paid to most harvesters was $0.30 for those covered by the collective agreement. However, they noted that that price was subject to a variable ice and water deduction with an average of 8-12% (but it was noted to have ranged as high as 15%).

32. There is only anecdotal evidence available as to the price paid in 2026 already (from the 2025/26 quota year) but the number of buyers and harvesters did not meet the privacy threshold for DFO to produce the data. FFAW admits that the lack of verifiable data is one of the problems facing the parties in setting price when faced with a small number of buyers and harvesters.

33. FFAW argued that because the price paid to harvesters last year averaged ~ $0.30 /lb., and considering that there seems to be a general increase in demand in the market, FFAW submits a minimum price to be paid to harvesters for 2026/27 should be $0.35/ lb.

ASP's submission

34. ASP argued that fish size is the most significant limitation on commercial value in Unit 1 because the stock is dominated by small fish averaging 25cm (approximately 195 grams) which are too small for filleting. This limits processing and marketing capabilities.

35. ASP also highlights that recent stock assessments indicate that individual fish size growth in the Unit 1 stock has slowed. Although the biomass remains high, the proportion of larger fish has not increased as had been anticipated. Therefore, the expectation that the fishery would transition to larger higher-value fish had not yet materialized.

36. ASP notes that Unit 2 fish have a wider range of sizes, suggesting that the other cohorts had contributed more to the fishery than Unit 1. With larger sizes come the ability for fillets.

37. As a consequence, ASP argues that the "biological realities" of Unit 1 constrain market potential and discourage processors from investing in additional processing capacity. ASP also argued that the export data is for all redfish – which makes it impossible to separate Unit 1 exports from Unit 2.

38. Table 1 of ASP's presentation provides market information, in pounds, demonstrating what ASP argues is an "inconsistent relationship in data" while the overall landings remained stable from 2021-2024, exports fluctuated from year to year. In 2021, exports were nearly 4 x reported production, but in 2024, despite production representing 78% of all landings, exports accounted for only 10% of production. ASP argued that the relationship between production and exports is further complicated by the fact that a portion of NL Redfish is sold into domestic markets for bait, and reliable information on bait market volumes is not publicly available.

39. ASP also argued that the year-to-year variability in export markets indicates that processors are testing markets rather than supplying stable predictable customers. This, they argue, is characteristic of a developing fishery.

40. ASP argued that the two articles provided by DFA with the market information highlight encouraging signs of market development for Canadian redfish but also illustrate that the industry remains in the initial states of establishing commercially viable markets. The articles also acknowledge that the fish are small, much of the catch is entering lower-value bait markets, and that maritime processors are investing time and resources into developing products and customers. They argue "expressions of optimism and growing customer interest are not substitutes for demonstrated commercial returns."

41. ASP argued that the objective of establishing a minimum price is to reflect demonstrated market value while supporting a sustainable fishery. Despite large quotas in 2024 and 2025, landings were "low". This, ASP argued, demonstrates that the reopening of the fishery has not yet translated into significant commercial activity. They also argued that "price has remained stable regardless of quota changes, reinforcing that current market value aligns with existing price levels."

42. ASP argued that $0.30 would establish a floor price, not a fixed rate, allowing processors to pay more if higher-quality fish or improved market conditions are justified. They highlighted that not all redfish landings are of equal quality or value. It depends on whether they are harvested using refrigerated seawater (RSW) vessels or other higher quality control practices. FFAW noted on rebuttal that

none of the vessels currently harvesting Redfish inshore are RSW vessels, rendering that argument moot.

43. ASP also brought arguments with respect to ice and water. The parties have agreed that the sole matter for the panel to decide in this hearing is the price per pound of Redfish. All other matters, such as whether there is a deduction for ice, etc. will be negotiated between the parties.

44. Because the inshore commercial Redfish fishery is still in early development, reliable market information is limited, volumes remain low, fish size restricts value and bait and export market values are low, ASP offered $0.30 / lb.

<u>Analysis</u>

45. The sole matter for consideration is the minimum price to be paid by processers to harvesters for Redfish in Unit 1, inshore, vessels under 65' using trawl gear.

46. ASP's offer is approximately 1.8 cents below the average price paid for Redfish in the three years this fishery has been open, for vessels < 65' from both Unit 1 and Unit 2. FFAW's offer is 3.2 cents higher. The parties acknowledged that the prevailing price for Redfish in Unit 1 last year was ~ $0.30 / lb.

47. As noted by the parties, there is a dearth of information on inshore redfish pricing, exports, and the difference between fish sold for bait or for consumption. While processors in Nova Scotia are hopeful that the increased demand for Redfish, as a species, in China and South Korea will result in higher prices there, there is not yet any evidence that this will materialize for the Unit 1 inshore fishery where the fish are smaller and have been sold frozen whole. Hope is not data. ASP cautioned the panel to adopt a "cautious evidence-based approach," but the panel notes that there is very little evidence to consider for this 'evidence-based approach'.

48. While the news articles that were provided to the panel are very positive about the level of market interest in Redfish, they speak more to the ability to sell the product than to any clear indication of an increasing return.

49. The parties agree that the data for Unit 1 Redfish cannot be separated from the Unit 2 data, which is almost all frozen at sea and said to be larger fish, and that Unit 2 prices cannot be used as a proxy for Unit 1.

50. Based on the two offers presented and the paucity of evidence on the specific inshore Unit 1 fishery for boats under 65' using trawl gear, the Panel is taking a cautious approach and accepting the ASP's offer of $0.30 / lb. for the 2026/2027 fishing season only. It is not to be used as a precedent for future seasons' negotiations. It is based on the ASP offer being the one closer to the average price paid for Redfish in the first three years of this renewed fishery.

51. All other matters concerning the conditions of sale of Redfish shall be as negotiated between the parties, as requested.

<u>Decision</u>

52. The parties have submitted their final offers on the price to be paid for Redfish in Newfoundland and Labrador for the 2026-27 season. The panel has decided to accept the ASP's proposal of a minimum price of $0.30 per pound to be paid by processors to harvesters for Redfish in Unit 1, inshore vessels under 65' using trawl gear, for this season only. This decision shall not be used as a precedent for setting the price in future seasons.

Dated at St. John's this 1st day of August, 2026

Sheilagh M. Murphy K. C. Chairperson	Art Dodd Member	Earle McCurdy Member