

STANDING FISH PRICE-SETTING PANEL

SEA CUCUMBER FISHERY - 2026

Procedural history

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 known as “Sea Cucumber” would occur prior to June 26, 2026. Should an agreement not be reached, a hearing before the Panel would occur on Friday, June 26, 2026. The parties later jointly requested that the hearing take place on Wednesday, June 24, 2026. The Panel agreed to their request.
2. On February 27, 2026, the Minister of Fisheries and Aquaculture (the “Minister”) set the dates by which the price of Sea Cucumber would be set. Known as the “Minister’s date”, July 10, 2026, is the date by which the price and conditions of sale for Sea Cucumber. 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 Sea Cucumber no later than July 7, 2026, three days before the Minister’s date.
3. For the species Sea Cucumber, there was no majority processor or processors’ organization identified by the Department of Fisheries and Aquaculture. Under Section 19(11) of the *Act*, should a hearing be required for Sea Cucumber, the parties appearing before the Panel would be the Fish, Food and Allied Workers’ Union (“FFAW”), and sea cucumber processors. The panel has been advised that ASP attended bargaining on behalf of processors. ASP has acted throughout this matter as the party representing processors in relation to Sea Cucumber. Pursuant to Section 19.11(1) of the *Act* and regulations made thereunder, 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 only parties who provided submissions or appeared at the hearing were FFAW and ASP. 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, they must first obtain the agreement of both parties to collective bargaining in order to do so.
4. The parties were unable to come to an agreement on all aspects of the price and conditions of sale for Sea Cucumber for the 2026 season. While there was no majority processor, ASP delivered the presentation on behalf of the Processors, and there were no objections raised prior to or at the hearing to that procedure. The Panel

conducted a hearing on Wednesday, June 24, 2026, via videoconferencing. 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 2:00 pm on Tuesday, June 23, 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 Sea Cucumber in 2026

Information considered

5. The documents relied on by the Panel in reaching its decision in this matter included the Parties' briefs, the *Fishing Industry Collective Bargaining Act*, and the data and Sea Cucumber industry reports provided to the Parties and the Panel by the Department of Fisheries and Agriculture ("DFA"). This information included:
 - Atlantic Canada Sea Cucumber exports 2021-26 (Mar)
 - China Sea Cucumber imports 2021-26 (Mar)
 - MEROS China Sea Cucumber market update (2026)
 - NL Monthly Sea Cucumber Exports 2021-26 (Apr)
 - NL Monthly Sea Cucumber exports 2021-26 (Mar)
 - Sea Cucumber Exports by Province 2021-26 (Apr)
 - Sea Cucumber exports by Province 2021-26 (Mar)
 - Sea Cucumber production 2021-25
 - USA Sea Cucumber imports 2021-26 (Mar)
6. At issue in this hearing is the price of Sea Cucumber to be paid by processors to harvesters. All other terms and conditions were agreed to between the parties.

Market information

7. Meros highlighted the following as the "overall trend" in Sea Cucumber for 2026:

In 2025, amid pressures such as tariffs and import bans, Chinese imports of both frozen and dried sea cucumbers fell and have still not returned to pre-pandemic levels. Meanwhile, Chinese domestic production of sea cucumbers continued to grow. (Meros, at p. 17)
8. They discussed frozen and dried Sea Cucumber imports, import trends, and retail end use. The report provides the following Market Conclusions:
 - In 2025, China imported a total of 3,854 MT of frozen sea cucumbers, a 9% year-on-year decrease from the 4,253 MT it imported in 2024. Imports have been on a downward trend since 2023, following the two-year period

of 2021 and 2022 when they were on a recovery trend following the plunge due to COVID-19 in 2020.

- Due to its falling import price, Canada maintained its position as the top supplier of frozen sea cucumbers to China in 2025 despite its decreasing import volume and the 25% tariff on Canadian seafood.
- Canada solidified its dominant market share for frozen sea cucumber imports from 67% in 2024 to 70% in 2025. Iceland had the second-highest market share, growing from 20% to 24%. Canada has more than tripled its share of the import market compared to 2019 before the pandemic, when its share was just 19%.
- Canadian exports of dried sea cucumbers recovered compared to the steep drop in 2024. Exports plunged 69% in 2024 from 1,024 MT to 185 MT, but doubled to 392 MT in 2025. It remains to be seen whether they can again show the steady growth seen between 2020 and 2023.
- In 2025, Chinese imports of frozen sea cucumber from Canada were priced at USD 4.32/kg, a 23% drop compared to USD 5.52/kg in 2024. This price was even below the 2020 price, when overall Sea Cucumber imports plunged.
- By contrast, the price of frozen sea cucumbers from other players like Iceland and Malaysia grew by 5% and 13%. The lower Canadian price helped Canada maintain its dominant market share, which several interviewees had expressed concern about in the previous year's report.
- The price of Canada's dried sea cucumbers exported to China plunged from USD 16.05/kg in 2024 to USD 4.73/kg in 2025, returning to the downward trend seen from 2020 to 2023 that was briefly upended in 2024 when the price soared.

(Meros, at p. 17)

9. Meros noted Canada's performance and made recommendations for Canadian exporters. They highlighted the following:

- Price remains the primary challenge facing Canadian sea cucumbers in China.
- Rapidly expanding domestic production of lower-priced sea cucumbers continues to place downward pressure on imported products.
- In addition, the 25% tariff on Canadian seafood products has further increased pricing pressure. **The current Canadian sea cucumber**

wholesale prices in China are sometimes lower than the prices charged by Canadian exporters.

- Among Chinese consumers, Canadian sea cucumbers are generally perceived as a premium and natural imported product. However, greater marketing efforts are needed to improve consumer awareness and recognition. When prices are similar, consumers tend to choose products and brands they already know and trust...

(Meros, at p. 18, emphasis added)

10. Both parties acknowledged that there has been no indication that Chinese tariffs of 25% will change. Both parties have acknowledged that Chinese domestic fish farming of sea cucumber has continued to increase and forms a significant part of the market.
11. While FFAW highlighted the fact that Canada's percentage of Sea Cucumber exports to China has increased relative to other countries, the fact remains that Chinese imports of Sea Cucumber significantly decreased again in 2025, and there is no indication from the Meros report or the market information that Chinese imports will increase this year. While Canadian Sea Cucumber represents a higher proportion of the Chinese import market, it is a shrinking market of which it has an increasing percentage.

The Parties' positions

12. FFAW is seeking a roll-over of \$0.69 / lb from 2025 to 2026, and ASP is seeking a reduction in the raw material price to \$0.50 / lb for 2026. It is helpful to review what happened in 2025 to set the \$0.69 / lb price before considering whether a roll-over of that price is reasonable for 2026.

2025 Background to 2026 negotiations

13. The parties agreed that there was significant uncertainty in the Sea Cucumber industry in 2025. Price negotiations that were initially scheduled for early May were postponed multiple times, at the request of both parties, while they monitored the market for potential improvements.
14. ASP summarized its outlook on the 2025 season as follows:

The market remains unfavourable for NL Sea Cucumber. Weak consumer demand, elevated inventory levels of Canadian Sea Cucumber, particularly in Chinese bonded warehouses, and intensified competition from China's domestic production have all contributed to the market downturn. Further compounding these pressures is a 25% tariff imposed by China on Canadian

Sea Cucumber imports, significantly undermining competitiveness and market access. (ASP 2025 submission, at p. 2)

15. ASP argued in 2025 that given the evidence they presented and based on their “market data and macroeconomic analysis” ... “it is both prudent and necessary that the minimum price for Sea Cucumber be significantly reduced in 2025 to reflect current supply, demand, and broader economic conditions.” Their offer of \$0.50 / lb in 2025, representing a 32% decrease from 2024, aimed to:
 - Maintain competitiveness with significantly lower-priced domestic Chinese Sea Cucumber;
 - Acknowledge the reduced purchasing power of Chinese consumers amid ongoing economic slowdown;
 - Recognize the discretionary and luxury nature of Sea Cucumber, which places it among the first items cut from household budgets during periods of reduced consumer spending; and
 - Preserve long-standing relationships with Chinese buyers by offering a realistic and sustainable price aligned with current financial conditions in the market.
16. FFAW agreed that China is a very important market for Sea Cucumber, and in 2025 they argued that the Canadian export data was showing a shift away from frozen Sea Cucumber exports to China towards dried exports to the US, arguing that this indicated a “doubling of export value of dried cucumbers to the US.” They argued that “domestically-grown Sea Cucumber in China is a low-cost product, filling the low-to-mid range market and that is not the market in which the NL Sea Cucumbers are sold. Imported [Canadian] Sea Cucumbers tend to fill the mid-to-higher-end market,” as stated by Meros. The market for those mid-to-higher-end Sea Cucumbers appeared to FFAW to be more stable in 2025, in their opinion, based on the Chinese import data.
17. The Panel chose the FFAW submission last year to reduce the price of Sea Cucumber to \$0.69 / lb but not to reduce it to \$0.50 / lb as sought by ASP.
18. FFAW’s 2025 submission reviewed landings and exports from NL and other Atlantic provinces, arguing that their analysis and review of the information available showed “dramatically increased exports of dried cucumber to the US...our offer reflects the overall stability we see from the data and market intelligence available but also accounts for the uncertainty in the Chinese market.” This formed the basis of their argument in 2025.
19. ASP countered, to say that the so-called “dramatically increased exports of dried cucumber to the US” was not reflective of the entire market and was instead going to

be a one-off that season. The Panel's analysis was that there was insufficient evidence available at the time it made its decision on the 2025 season to warrant as dramatic a drop in Sea Cucumber raw material price as ASP had proposed, i.e., a price of \$0.50 / lb. instead of \$0.69 / lb.

20. It is the \$0.69 / lb price for 2025 that FFAW seeks to roll over into 2026. ASP argues that \$0.69 / lb was not sustainable in 2025, and even less sustainable in 2026.

2026

21. The 2026 Meros market analysis and the data provided by DFA for the 2026 Sea Cucumber Season showed that there was not a dramatic shift to exports of dried cucumber to the US throughout the 2025 year. In fact, the only export of dried Sea Cucumber to the US in 2025 was the January export cited in the 2025 negotiations.
22. This year, FFAW is seeking a roll-over of last year's price of \$0.69, stating that the export data "looks relatively positive" and that the market report highlights the same concerns as last year: the impact of the Chinese tariff that remains on Canadian seafood and the domestic production of Sea Cucumber in China. They argue that these are the same factors that were at play in 2025.
23. FFAW admits that the \$0.69 / lb did not result in a full fishery in 2025. Nonetheless, they argued that "it was at a level that was viable for two companies and the harvesters that sell to them" (FFAW 2026 Submission at p. 1). FFAW also admits that the exploratory fishery in 3LNO did not occur last year due to economic reasons.
24. The parties have estimated that approximately 20% of the 2025 Sea Cucumber quota was landed. Fewer than 50% of the processors that ordinarily process cucumber did so in 2025. When asked by the panel how many harvesters harvested Sea Cucumber last year, FFAW estimated that approximately 9-12 of the approximately 60 enterprises available to harvest cucumber fished last year.
25. In total, FFAW argued that maintaining last year's minimum price of \$0.69 /lb "is warranted and sustainable." However, even at \$0.69/lb, FFAW admitted that not all harvesters will be able to turn a profit and like last year, many will likely decide not to fish. Presumably, even fewer will make it at \$0.50 / lb.
26. ASP's position is that the prediction it made in 2025 has been proven by the data and analysis in the 2026 Meros report. ASP argued that this year's data shows conclusively that last year's price of \$0.69 was not sustainable: fewer than half the processors processed Sea Cucumber and only a small proportion of enterprises fished for Sea Cucumber. Moreover, 80% of the quota was left in the water in 2025 when the price of raw material was set at \$0.69 /lb.

27. ASP also highlighted the Meros report, quoting one interviewee's comments on the wholesale market:

It's hard to sell [Canadian Sea Cucumbers] recently **as the current wholesale price in China is even lower than the price charged by Canadian exporters!** The prevailing trend is to sell Canadian Sea Cucumbers with added ingredients (to inflate their weight), which does not significantly affect the taste, and consumers so far are ok with that (or maybe don't know about it" (Meros 2026, at p.10, emphasis added).

28. ASP argued that until raw material prices are adjusted downward to reflect the severe compression in export values, NL processors will remain financially constrained. This constraint will make them continue to be unable to undertake the marketing initiatives necessary to protect or grow their position in China's increasingly competitive market.

Analysis and decision

29. In its 2025 decision, the Panel concluded that based on the information at the time, "ASP provided an overly grim portrait of the Sea Cucumber prices, talking about "price collapse" and other descriptors that were not supported by the evidence provided in the Meros reports or in the export data." The Panel also noted that "FFAW's outlook was not entirely rosy, and was perhaps a little more optimistic than the picture painted by the export prices and the Meros reports, but it was grounded in the export data, the prices for dried and frozen cucumber, and the fact that Meros concluded that so far this year, the potential significantly negative impacts of tariffs have not materialized."
30. In 2026, with the benefit of the Meros analysis and export data, to say that the outlook for Sea Cucumber is "not entirely rosy" is an understatement. The current wholesale price being charged in China is less than what is being paid to Canadian exporters. The 2025 price of \$0.69 for raw material resulted in only 20% of the quota being landed. These are not indicators of a raw material price ("RMP") roll-over being "warranted and sustainable."
31. As stated by Meros and argued by ASP, in order to maintain its place in the market, Canadian Sea Cucumber prices must decrease. This means that the raw material price must also decrease. The Panel does not accept a roll-over of last year's price as being acceptable in light of the market report and the export data. Therefore, the Panel has chosen the ASP's offer of \$0.50 / lb for Sea Cucumber for 2026.

Reconsideration

32. ASP argued that in the event that the Panel chose the FFAW's roll-over this year, reconsideration is not always a feasible or effective mechanism for addressing market

deterioration. They noted, “reconsideration requires clear, demonstrable evidence of market change; however, when export prices and markets collapse to the point that processors cannot make sales, no transactional data exists to substantiate a reconsideration request.” (ASP 2026 Submission, at p. 8). Because the Meros report indicates that wholesale prices in China have fallen below Canadian export prices, ASP argues that this is creating conditions where sales may not occur at all. In such an environment, the processors would be left without the market information required to trigger or support a reconsideration application. The Panel takes their point in these circumstances.

33. The practical way in which to address the current market decline, in light of the two prices presented, is through an adjustment to the RMP at the outset of the season and not a roll-over.

Conclusion

34. The Panel has unanimously accepted ASP’s proposed pricing for Sea Cucumber for 2026. Therefore, the price per pound of Sea Cucumber shall be set at \$0.50 / lb for 2026. All other terms and conditions remain the same as 2025.

All of which is respectfully submitted this 25th day of June, 2026.

Sheilagh M. Murphy

Earle McCurdy

Brian Vallis