

More cracks appear in government-controlled fish-pricing system; SEA-NL demands review of lobster-pricing formula

FOR IMMEDIATE RELEASE Wednesday, April 19th, 2023

Seaward Enterprises Association of Newfoundland and Labrador (SEA-NL) demands the province review the way lobster is priced to the inshore fleet to determine whether enterprise owners are getting fair market return.

“The lobster-pricing formula pays fishermen as if their catch is being sold in the spring when the lobster may be kept in holding tanks and sold in the fall for much higher prices,” says Ryan Cleary, SEA-NL’s Executive Director.

“An independent review will tell owner-operators whether they’re getting fair market return for their lobster catches, because indications are they are not and the lobster pricing formula is obsolete.”

The lobster price to the inshore fleet in this province is set by a pricing formula that was initially adopted in 2011, when it was generally accepted that lobster purchased one week was shipped out the next.

Since then, however, lobster processors and buyers in this province and throughout Atlantic Canada have significantly increased their lobster holding capacity so they can sell to the market later in the year when the prices have risen.

Concerns with the lobster pricing formula were outlined in an April 14th decision of the province’s fish price-setting panel to roll over the 2023 lobster pricing formula from last year.

The panel recommended both this year and in 2022 that lobster be studied by an independent consultant, but the recommendation has yet to be acted on.

The panel also recommended the pricing formula be based on receipts that show the prices processors are actually paid for lobster, as well as the time that lobster enter the market, but the Association of Seafood Producers has refused.

Receipts are used in the pricing formula for halibut.

“If the Association of Seafood Producers won’t release the actual lobster receipts, and the provincial government won’t make them, then owner-harvesters cannot be certain they’re getting a fair market share and faith in the pricing system has been undermined.”

Last year the province ordered a review of the fishing industry’s collective bargaining model, but the final report barely mentioned lobster.

The final-offer selection of fish pricing in this province sees a government-appointed panel choose the price of fish when the union and processors cannot agree. The panel must choose one price offer or the other, and nowhere in between. The panel-set price of snow crab to start the 2023 season has failed to get the fishery started, the same situation as last year with various fisheries.

The lobster fishery is the province’s third largest commercial fishery after snow crab and northern shrimp, with a 2022 landed value of \$105 million. According to DFO statistics, total lobster landings last year came in at 13 million pounds, up from about 10 million pounds in 2020.

-30-

Contact Ryan Cleary 682 4862