

SEA-NL demands province order ‘serious’, sweeping review of fish-price setting system

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Seaward Enterprises Association of Newfoundland and Labrador (SEA-NL) demands the provincial government order a “serious” and sweeping investigation into the broken fish price-setting system after last year’s token review failed to fix it.

“This province’s three largest commercial fisheries — snow crab, northern shrimp, and lobster — are all in chaos this season, and two of them for the second year in a row,” says Ryan Cleary, SEA-NL’s Executive Director.

“It’s obvious that last year’s lightning fast, three-month review of the price-setting system — a review that didn’t even bother to consult with inshore enterprise owners — was a token attempt at reform by a government unwilling and unprepared to act.”

In July 2022 the provincial government announced a review of the collective bargaining model for fish pricing after prices failed to kick-start commercial fisheries such as shrimp, sea cucumber, and east coast capelin — leading to industry chaos with boats either refusing to fish or processors refusing to buy.

As a result of the review, the province made some minor changes to the existing “final-offer selection” model, which involves a government-appointed panel deciding the price of fish when the union and processors can’t agree.

Under the system both sides put forward a price, and the panel must choose one or the other, and nowhere in between. Only once again this year panel prices have failed to get commercial fisheries up and running.

The snow crab fleet has been tied up since early April, refusing to fish for the panel-set price of \$2.20/lb, while processors have refused to buy lobster for the agreed-to formula prices. As for shrimp, some boats plan to land in Nova Scotia again this year rather than sell in this province for the average panel price of \$1.08/lb.

Under the final-offer selection model, prices are binding on all sides (meaning owner-operators do not vote on fish prices/collective agreements, which also must change), and strikes and lock-outs are prohibited.

The panel itself routinely highlights issues with final-offer selection.

In setting the \$2.20/lb crab price to start the season, the panel noted the “correct” price was somewhere in between the processors’ offer of \$2.20/lb and the FFAW’s \$3.10/lb, but its hands were tied under the legislation.

In this year’s lobster price decision, the panel warned enterprise owners may not be getting a fair market share because buyers may be holding spring catches in holding tanks until the fall and sold at higher prices.

Despite repeated calls by the panel for processors and buyers to produce actual market receipts, they have refused to do so, and the province has refused to make them.

While processors/buyer have the right to ship in live seafood like crab for processing, inshore enterprise owners do not have the right to truck out their catches, and are often blocked from moving from one local buyer to another.

"The days of the inshore fleet being held hostage must end," Cleary said.

The consultant who carried out the 2022 price-setting review rejected SEA-NL's idea of an electronic auction pilot project, and didn't entertain the suggestion of outside buyers, which apparently fell outside the review's mandate.

So too did the control that some processors (foreign and domestic) have over inshore enterprises in terms of controlling and financial agreements, as well as the exclusion of fish pricing from the federal Competition Act.