

STANDING FISH PRICE-SETTING PANEL ANNUAL REPORT 2021-22




Newfoundland
&
Labrador
CANADA

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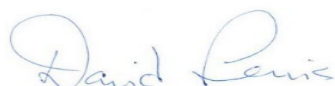
Message from the Chairperson

In the Province of Newfoundland and Labrador, the **Fishing Industry Collective Bargaining Act** (the Act) regulates collective bargaining between fish harvesters and processors. This Act has been in place since 1971. In 2006, amendments to the legislation were passed resulting in the creation of the Standing Fish Price-Setting Panel (the Panel), whose main functions include: establishing the parameters for negotiations; facilitating collective bargaining; acting as an arbitration panel in the setting of fish prices and conditions of sale; and ultimately setting fish prices when the parties to negotiations are unable to agree.

The COVID-19 pandemic continued to create tremendous uncertainty in the fishing industry regarding the safe conduct of harvesting and processing operations as well as the receptivity of markets to our seafood products in the face of widespread lockdowns. Through the diligence of the harvesting and processing sectors, and the involvement of the Panel, where necessary to facilitate collective agreements, it was possible for fisheries to be successful despite this challenge. While the risks created by the pandemic continued to present challenges throughout 2021-22, greater predictability of the impacts on fisheries and markets enabled the fishery to be pursued in a more orderly fashion. Some key markets were able to adjust to a shift from food service to retail sales, to take advantage of consumer's desire for increased seafood consumption at home, as well as the positive benefits of pandemic stimulus programming in the United States which enabled more people to purchase provincial seafood products. Consequently, prices reached all-time high for snow crab, our most valuable seafood export, and were also strong for certain other key species such as lobster/

In the 2021 fishing season, the Panel conducted nine hearings, and the parties were able to reach collective agreements without the involvement of the Panel in seven other cases where potential hearing dates had been set. For the first time, collective bargaining was used to set prices for sea cucumber. The Panel continued its practice of conducting post-season reviews in consultation with industry stakeholders and Provincial Government departments involved in the collective bargaining process. These post-season reviews focus on continuous improvement through identifying best practices and policy or procedural issues arising from the previous year's activity. The Panel found this process to be quite beneficial and will be continuing these consultations in 2022-23.

The Panel is committed to facilitating and encouraging successful collective bargaining and, where necessary, setting fish prices and conditions of sale through a well-managed, unbiased, timely and transparent process. As Chair, I am grateful for the dedication, professionalism, and commitment of all Panel members in ensuring Panel decisions are always evidence-based and apolitical. The Panel is a Category Three entity. It is fully accountable for the preparation of this Report and achievement of the objectives and results contained within. This Report represents the second year of the Panel's 2020-23 Activity Plan.



David Lewis - Chair

Overview

The legislative authority establishing the Standing Fish Price-Setting Panel's role and responsibilities is contained in Sections 19.1 to 19.14 of the **Fishing Industry Collective Bargaining Act** (the Act) and associated Regulations. The Panel is classified as a Category Three entity under the **Transparency and Accountability Act**.

This was the Panel's sixteenth year of operation. Panel members included:

- **Mr. Wayne Follett** (Chair)
- **Mr. Bill Carter** (Vice Chair)
- **Mr. Brendan Condon** (Member)
- **Mr. Jim Flight** (Alternate Member)
- **Mr. Wayne Fowler** (Alternate Member)

The Panel facilitator provided support for Panel activities and stakeholders' work in establishing fish prices. Administrative and secretarial support services during the fiscal year were provided by: the Labour Relations Division of the Department of Environment and Climate Change. Market intelligence support was provided by staff at the Department of Fisheries, Forestry and Agriculture.

Current funding for the Panel is contained in budget estimates under the Department of Environment and Climate Change (see Financial Information on page 10 for more details). The Panel's office is located at: 2nd Floor, Beothuk Building, 20 Crosbie Place, St. John's, NL, A1B 4J6, telephone: (709) 729-2711.

The mandate of the Panel is to annually identify, following consultation with the stakeholders, fish species for which prices and conditions for sale will be collectively bargained, and that these prices and conditions are in place by the date established by the Minister of Fisheries, Forestry and Agriculture. The Panel establishes parameters to facilitate collective bargaining, acts as an arbitration panel where the parties to negotiations fail to agree, and has the authority to set prices when negotiations do not take place.

Additional information regarding the Panel, including its schedule of hearings and pricing decisions, can be found at <https://www.gov.nl.ca/fishpanel>.

Lines of Business

Establishing a Schedule of Hearings

On an annual basis, the Panel will consult with parties to negotiations to determine the particular fish species to be bargained under the Act for the coming season.

The Minister of Fisheries, Forestry and Agriculture, on an annual basis, sets dates by which prices and conditions of sale must be in effect for the species subject to collective bargaining. The Panel will then provide written notice to applicable industry stakeholders of particular fish species subject to collective bargaining, the date by which binding agreements must be in effect, potential hearing dates, locations of the Panel hearings and also receive submissions in the event binding agreements have not been achieved.

Providing Support to Collective Bargaining

Rules and Procedures

The Panel, in consultation with the major parties to negotiations, has established its Rules and Procedures, as provided under Section 19.4 of the Act, for the purpose of carrying out its duties. The intent of its rules and procedures is to provide direction to parties to negotiations through the various collective bargaining stages, including the hearing stage, if necessary.

Facilitation

The Panel provides the services of a facilitator to parties to negotiations for all species identified in the schedule of negotiations. The facilitator provides support to the parties by helping to identify outstanding issues and mediating/facilitating the collective bargaining process to assist parties in reaching a collective agreement. The facilitator also coordinates activities between the Panel, the parties to negotiations, and relevant Provincial Government departments.

The Panel envisions that their work with industry stakeholders will help achieve the optimum economic value from the fishing industry and thus contribute to economic growth, competitiveness and prosperity for the provincial economy. In addition, the vision of the Panel is of an optimal collective bargaining climate between fish harvesters and processors in the province to ensure that binding collective agreements are in place for the timely commencement of the fisheries on an annual basis.

The Panel has a unique mandate to facilitate and act as an arbitration panel to the collective bargaining regime for the harvesting and processing sectors in the province's fishing industry, ensuring that fish prices and conditions of sale are in place to enable fisheries to start on a timely basis every year.

In order to provide improved labour relations supports conducive to positive workplace relations, it is the Panel's intent to work with relevant industry stakeholders to annually identify particular fish species subject to collective bargaining and ensure that prices and conditions of sale are in place prior to dates established by the Minister of Fisheries, Forestry and Agriculture. In the absence of such binding agreements, the Panel will establish hearing dates, receive submissions from industry stakeholders, and conduct hearings to establish such prices and conditions of sale, to enable timely openings of the relevant fisheries.

The intended result is the establishment of price and conditions of sale prior to the start of each fishery, whether through successful collective bargaining or timely decisions issued by the Panel. The conclusion of a collective agreement by an established period provides certainty to the industry.

Highlights and Partnerships

Collective Bargaining Facilitation and Hearing Results

On February 25, 2021, the Panel advised the parties to collective bargaining of the deadlines for binding agreements on prices and conditions of sale during 2021-22 for the species lobster, snow crab, shrimp, whelk, lumpfish (roe), cod, capelin, squid, halibut, herring, sea cucumber, turbot and mackerel. The Panel also advised of the dates on which hearings would be held for the individual species, should a binding agreement not be achieved. The Panel provided similar notification to industry stakeholders in advance of the 2022 fishery on January 14, 2022.

During the 2021 fishing season the Panel conducted a total of nine hearings related to prices and conditions of sale. There were two hearings for the species crab, the initial decision and subsequent reconsideration decision. There was one hearing for the species shrimp for each season, spring, summer and fall respectively. Additionally there was one hearing for each of the following the species: sea cucumber, cod, lobster, and turbot. In all nine of the hearings held, participants were the Fish, Food and Allied Workers' Union (FFAW) and the Association of Seafood Producers (ASP). Of the nine resulting decisions, the Panel selected the position of FFAW on five occasions, and the position of ASP on four occasions. The parties to collective bargaining were able to successfully negotiate an agreement on the following species: halibut, lumpfish (roe), whelk, capelin, herring, squid, and mackerel. Please see Appendix A for the Species Negotiations and Results Summary – 2021 Fishing Season.

Enhancing Rules and Procedures

The Panel consulted with industry stakeholders through a series of meetings in the fall of 2021, to conduct a review of its Rules and Procedures. There were no changes to the Rules and Procedures

as a result of this review. The latest version of the Panel’s Rules and Procedures may be found at <https://www.gov.nl.ca/fishpanel/publications>.

Report on Performance

In its 2020-23 Activity Plan, the Panel identified two strategic issues aimed at ensuring that fish prices and conditions of sale were in place for species under consideration between the parties to collective bargaining in the fishing industry: (1) Ensure binding collective agreements are established annually for particular species; and (2) Recommend legislative or regulatory amendments that provide a realistic mechanism for price setting. The issues and established objectives to address them are referenced throughout the report. The following table provides a summary of the Panel’s objectives and its success in achieving those objectives. As stated in the 2020-23 Activity Plan, the objectives and indicators identified by the Panel apply to the 2020-21, 2021-22 and 2022-23 fiscal years. The 2021-22 Annual Report represents the second year of the Panel’s 2020-23 Activity Plan.

Issue 1: Ensure binding collective agreements are established annually for particular species.

Objective: By March 31, 2022, the Panel will have ensured collective agreements were in place and prices and conditions of sale for fish species were established prior to the date established by the Minister of Fisheries, Forestry and Agriculture.

Indicators for 2021-22	Performance for 2021-22
Industry stakeholders responsible for collective bargaining of fish species were notified of the dates by which binding collective agreements were to be in effect	The Panel consulted with industry stakeholders prior to the start of the 2021 fishing season, and advised by way of a letter to all stakeholders on February 25, 2021, the dates by which binding collective agreements were to be in place for lobster, snow crab, shrimp, sea cucumber, turbot, whelk, lumpfish (roe), cod, capelin, squid, halibut, herring and mackerel. Consultation was conducted just prior to the 2021-22 fiscal year, as the Panel advises industry stakeholders early in the calendar year to ensure they may have meaningful input in establishing an appropriate schedule for collective bargaining. The Panel provided similar notification to industry stakeholders in advance of the 2022 fishery on January 14, 2022.

<p>Requisite facilitation/mediation services were made available to the parties to collective bargaining through the Panel facilitator, to assist the parties in achieving a collective agreement</p>	<p>Throughout 2021-22, the Panel facilitator worked with the parties to collective bargaining for all species throughout the fishing season to help achieve binding collective agreements on fish prices and conditions of sale. The facilitator was available on a full-time basis throughout the year to support collective bargaining by answering enquiries, scheduling Panel meetings and coordinating all administrative communications and functions.</p>
<p>Industry stakeholders responsible for collective bargaining of fish species were notified of hearing dates, where the parties did not achieve a collective agreement</p>	<p>The Panel advised industry stakeholders on February 25, 2021 of the dates on which hearings would be held for all species, should they be necessary. Consultation was conducted just prior to the 2021-22 fiscal, as the Panel advises industry stakeholders early in the calendar year to ensure that stakeholders have adequate time to prepare for collective bargaining and conclude collective agreements prior to the scheduled hearings for each particular species. The Panel provided similar notification to industry stakeholders in advance of the 2022 fishery on January 14, 2022.</p>
<p>Where collective agreements were not achieved, hearings were conducted to provide the parties to collective bargaining an opportunity to represent their respective positions to the Panel</p>	<p>The Panel conducted a total of nine hearings during 2021 fishing season, allowing the parties to collective bargaining an opportunity to represent their respective positions. Two of the hearings were related to the species crab (the initial decision and subsequent reconsideration decision). One hearing was held for each shrimp fishing season, spring, summer and fall; one hearing was also held for sea cucumber, cod, lobster and turbot.</p>
<p>Following a hearing, the Panel made timely decisions, which established prices and conditions of sale for the particular fish species</p>	<p>For each species under consideration, the Panel made timely decisions throughout 2021-22, typically within two days of the hearing, prior to the start of the fishery for the species under consideration.</p>
<p>The Panel advised all industry stakeholders affected by its decision for a particular species</p>	<p>When a hearing was required, the Panel notified the parties to collective bargaining (and other affected stakeholders) of its decision at least three days prior to the start of the fishery. Written copies of the Panel decisions were sent to impacted stakeholders and placed on the Panel's website for public viewing. Over ten notifications related to decisions were distributed and posted on the website throughout 2021-22. One notification was in relation to the lump roe as the panel had to publish the price due there being no majority processor for that species.</p>

At the end of 2021-22, the second of three years covered in the 2020-23 Activity Plan, the Panel had ensured that collective agreements were in place and prices and conditions of sale were established in accordance with deadlines established by the Minister of Fisheries, Forestry and Agriculture for all species subject to collective bargaining.

Issue 2: Recommend legislative or regulatory amendments that provide a realistic mechanism for price setting.

Objective: By March 31, 2022, the Panel, where in its opinion it was warranted, made recommendations to the Minister responsible, with respect to an amendment to, or modification of, the **Fishing Industry Collective Bargaining Act** and Regulations.

Indicators for 2021-22	Performance for 2021-22
The collective bargaining process was monitored	Throughout 2021-22, the Panel continuously monitored the collective bargaining process to ensure that where the services of the Panel were required in relation to assisting in the setting of fish prices, parties were engaged and provided with support in order to ensure the timely commencement of the fishery.
Recommendations for changes to the legislation and regulations proposed, as warranted	The Panel, as warranted, makes representation to the Minister Responsible for Labour and the Minister of Fisheries, Forestry and Agriculture on the collective bargaining framework for the fishery and on possible amendments to the legislation. It was not deemed necessary during the 2021-22 fiscal year to make representation to either Minister.

At the end of 2021-22, the second of three years covered in the 2020-23 Activity Plan, the Panel had ensured that it had, where it was warranted, made representations to the Minister responsible, with respect to an amendment to, or modification of, the **Fishing Industry Collective Bargaining Act** and Regulations. It was not deemed necessary during the 2021-22 fiscal year to make representation regarding amendments or modifications.

Opportunities and Challenges Ahead

Looking ahead to next year’s fishing season, the global pandemic is less of a concern for the fish market. In 2021, crab markets were robust, with a high demand for the Newfoundland snow crab. This resulted in a record high raw material price for crab. While there is always uncertainty in the market, indicators are such that there is a high probability they will remain strong, and possibly strengthen. Studies have indicated crab stocks are quite healthy and it is projected that there will be quota increases in crab and possibly other species as well going forward.

The United States market is the single most important factor that drives the fishing industry in the Province. This market along with Asian markets are speculated to remain strong for next fishing season. These vitally important consumers are key to a successful fishing season for 2022-23. The majority of fish sales to the market are to the food service sector and while COVID-19 saw negative impacts to this sector there are strong indications that this is turning around. With the prevalence of vaccines and the loosening of restrictions in many areas of the globe, indicators are that social activity will increase. This should translate to a return to normal patterns of activity, hopefully creating strong demand in both the food service and retail sectors for items like snow crab.

The challenge for the industry for the upcoming fishing season will be potential market uncertainty due to the effect of the pandemic on social spending. While COVID-19 is seen to be under control and consumer confidence is beginning to return, there are still concerns over new variants to the virus which could negatively affect the market.

Collective bargaining in the fishery will likely continue to be conducted in virtual forums but there will be an attempt to resume in person bargaining. Industry stakeholders and participants have used virtual technology for the past two years and have become more comfortable with its use but it is not the preferred method.

Financial Information

The following table is a summary of Panel expenditures for 2021-22.

Expenditures included in this document are unaudited and based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended March 31, 2022. The Standing Fish Price-Setting Panel is not required to provide a separate audited financial statement.

**Standing Fish Price-Setting Panel
Summary of Expenditures
For the Year Ended March 31, 2022**

Summary of Expenditures For the Year Ended March 31, 2022			
Activity – 4.1.04	Actual Expenditure \$	Amended Budget \$	Original Budget \$
Salaries	\$148,889	\$148,900	\$107,000
Transportation and Communication	\$672	\$17,200	\$17,200
Supplies	\$43	\$200	\$200
Professional Services	\$72,785	\$77,400	\$77,400
Purchased Services	\$10,284	\$3,500	\$3,500
Property, Furnishings and Equipment	\$253	\$100	\$100
Total	\$232,926	\$247,300	\$205,400

Appendix A

Species Negotiations and Results Summary: 2021 Fishing Season

Species	Parties to Bargaining	Agreement Reached	Hearing Held	Panel Decision
Capelin	ASP and FFAW	Yes	No	NA
Cod	ASP and FFAW	No	Yes	ASP
Crab	ASP and FFAW	No	Yes	FFAW
Crab Reconsideration	ASP and FFAW	No	Yes	FFAW
Halibut	ASP and FFAW	Yes	No	NA
Herring	ASP and FFAW	Yes	No	NA
Lobster	ASP and FFAW	No	Yes	FFAW
Lumpfish (roe)	ASP and FFAW	Yes	No	Panel Confirmed Agreement
Mackerel	ASP and FFAW	Yes	No	NA
Sea Cucumber	ASP and FFAW	No	Yes	ASP
Shrimp (Fall)	ASP and FFAW	No	Yes	FFAW
Shrimp (Spring)	ASP and FFAW	No	Yes	ASP
Shrimp (Summer)	ASP and FFAW	No	Yes	ASP
Squid	ASP and FFAW	Yes	No	NA
Turbot	ASP and FFAW	No	Yes	FFAW
Whelk	ASP and FFAW	Yes	No	NA



Standing Fish Price-Setting Panel

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<https://www.gov.nl.ca/fishpanel/>