



2024 Snow Crab Price Agreement



FFAW | UNIFOR
Fish, Food & Allied Workers

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MESSAGE FROM THE PRESIDENT

This is an historic pricing agreement for harvesters in our province; restoring fairness in the crab fishery and giving harvesters a sharing arrangement they have not seen in a very long time.

FFAW-Unifor is very pleased about the progress made within this agreement as it sets a fair foundation we can be proud of, and build off for future seasons.

I extend my sincere thanks to all members of our Bargaining Committee who stood strong throughout this process and ensured that harvesters in our province would not be shortchanged their fair share.

Significant gains have been made for fish harvesters in recent weeks, despite the forces still working so hard to roll back the clock. Our Union will continue our work in ensuring harvesters have a buyer for their catch, not just for snow crab, but for all commercially fished species.



greg pretty



Bargaining Committee

Chief Negotiator: Greg Pretty, FFAW-Unifor President

Harvester Representatives

3L

Nelson Bussey
Tony Doyle
Matt Jones
Andy Careen
Glen Winslow

3K

Brad Patey
Albert Wells
Glen Newbury
Wayne Hicks
Trevor Jones
Chad Payne

3Ps

Ken Viscount

2J/4R

Alton Rumbolt
Darren Boland

Staff Representatives

Abe Solberg, Market Analyst
Miranda Butler, 3L
Sherry Glynn, 3K
Dwan Street, 3Ps
Jeff Griffin, 4R/2J

Why Don't Harvesters Have a Say? They do.

All price negotiations are done via committees of harvester representatives, who assess available information, develop offers, and direct all steps the Union takes in regard to proposing or accepting offers.

TIMELINE OF EVENTS



OCTOBER 31, 2023

The Blackwood Report is released by the provincial government, providing a detailed review and recommendations for the fishing industry



DECEMBER 2023

Discussions on developing a formula commence between FFAW and ASP



JANUARY 2024

The Negotiating Committee formally assembles and begins developing & exchanging proposals with ASP



FEBRUARY 2024

Provincial Mediator Glen George is brought in to assist the parties come to an agreement



MARCH 21, 2024

Talks stall when ASP refuses to come to a fair, market-based agreement that reflects historical shares



MARCH 22, 2024

Meanwhile, Free Enterprise demonstrations captivate the province and compel the government to make changes to improve competition for harvesters



MARCH 24, 2024

Provincial government changes regulations surrounding Price Setting Panel, giving Panel the authority to choose between two submitted pricing formulas

TIMELINE (CONT.)



MARCH 28, 2024

FFAW and ASP submit their final formula proposals to the Price Setting Panel, with the FFAW using the basis of the Blackwood report with included historical shares, and a system for rewarding harvesters for post-season market returns. ASP's formula had no basis in historical shares and, had it been in place between 2016 to 2023, harvesters would have lost out on \$450 MILLION.



APRIL 1, 2024

The Price Setting Panel select's ASP's formula, despite a strong dissent from Panel member Earle McCurdy. Harvesters say they will not give up their historical share.



APRIL 6, 2024

The opening date for the commercial crab season comes and goes; no one is willing to give up their historical fair share.



APRIL 2-12, 2024

Offers continue to be exchanged between FFAW and ASP.



APRIL 12, 2024

Plans for a large-scale demonstration in St. John's are announced on Friday evening, to take place Monday morning, calling for fair historical share.



APRIL 14, 2024

Premier Furey and Minister Davis meet with both sides prior to the signing of the price agreement.



APRIL 14, 2024

ASP accepts the final offer from the FFAW bargaining committee, securing a higher minimum price and larger market share. As a result, plans for demonstration are called off.

2024 SNOW CRAB PRICING

TERMS OF THE AGREEMENT

- 1** The minimum price for the 2024 crab fishery is \$3.00 per pound.
- 2** The settlement price will be determined by actual FOB Boston sales of 2024 5-8oz sections from the start of the fishery through three weeks after the fishery ends, based on a statistically significant representative sample of the actual sales of 5-8oz sections, FOB Boston, determined by an independent third party.
- 3** The settlement price will be 38.5% the value listed above.
- 4** Both parties will be entitled to a reconsideration; there will be a reconsideration after the market reaches \$6.50 USD.
- 5** The agreement will be signed without prejudice.
- 6** All other terms and conditions of sale are as per the Panel's decision.

1.

MINIMUM PRICE

During negotiations, the negotiating committee recognized the importance of securing our floor. The minimum of \$3.00 ensures that harvesters can profit from the fishery this year even if the market does not perform while still allowing harvesters to gain if the market goes up.



\$2.20/LB

2023 minimum price

\$2.60/LB

2024 panel minimum price

\$3.00/LB

2024 final minimum price

AT CURRENT MARKET VALUES THIS RESULTS IN \$50.8 MILLION GAINED FOR HARVESTERS!

2.

HOW SALES ARE CALCULATED

The settlement price will be determined by actual FOB Boston sales of 2024 5-8oz sections from the start of the fishery through three weeks after the fishery ends, based on a statistically significant representative sample of the actual sales of 5-8oz sections, FOB Boston, determined by an independent third party.

WHY SECTION 5-8'S?

Sections 5-8s are the primary snow crab product exported from Newfoundland. Since 2020, about half of what is produced are Sections 5-8s. At the panel, FFAW requested a cut of all sales, which the panel rejected. Sales of sections 5-8s was a compromise the Negotiating Committee agreed to in order to ensure harvesters still received a portion of market increases.

WHY THREE WEEKS AFTER THE SEASON ENDS?

The snow crab fishery generally closes between July 31st and August 14 each year. It takes about 3 weeks to process and sell snow crab, so this provision ensures that harvesters will get a cut of everything that is landed. By the end of September, over 90% of product will have been exported and sold.

3.

SETTLEMENT REBATE

**NOT A
HOLDBACK!**

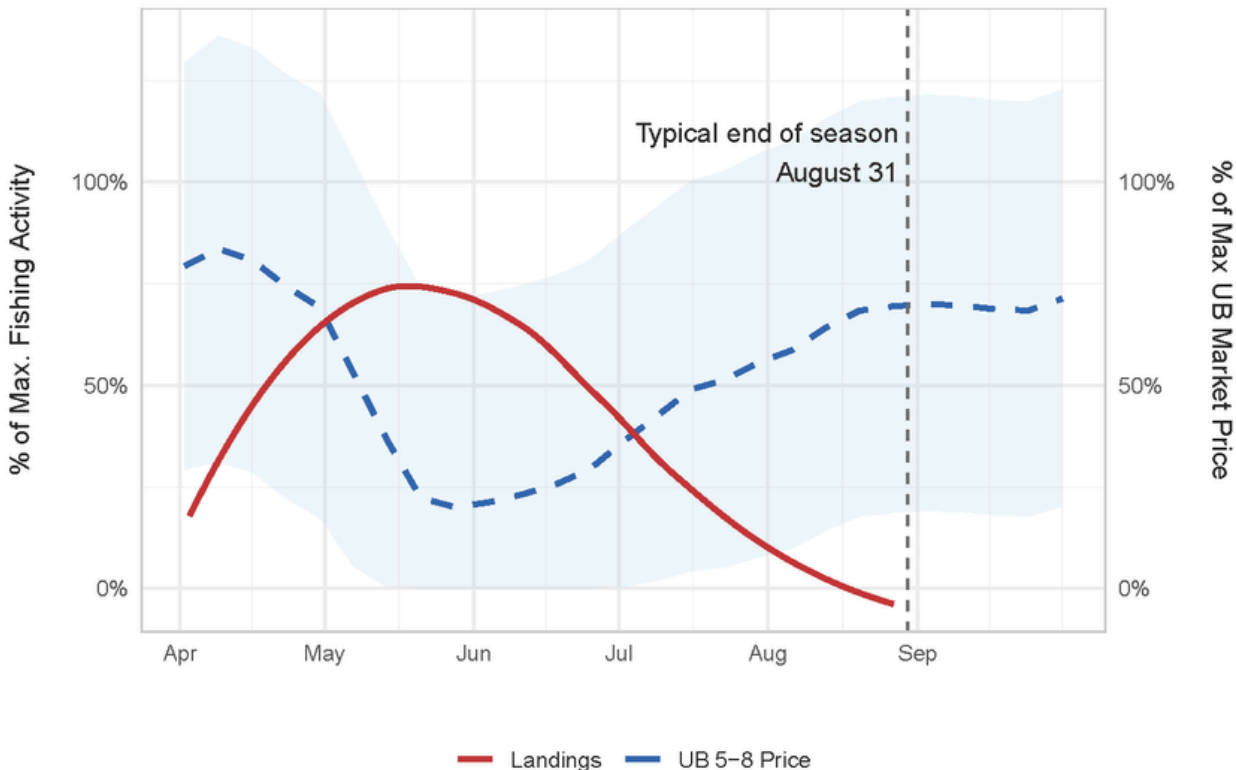
If the market performs well, harvesters will receive a settlement check for 38.5% of the actual sales value.

WHAT THIS MEANS

All harvesters will be paid the same price per pound, regardless of time of landing. The panel's decision would have made it so that harvesters were paid differently based on time of landing.

THIS IS NOT A HOLDBACK

Typical Fishing Season
Market Price vs. Fishing Activity



3.

SETTLEMENT REBATE (CONT.)

THIS IS A MECHANISM TO ENSURE HARVESTERS REAP THE REWARDS OF HIGH MARKET PRICES

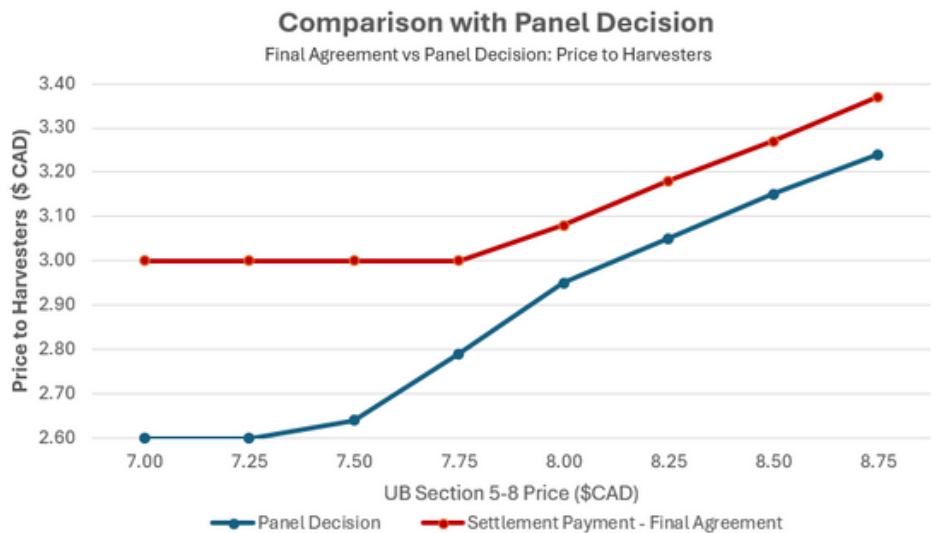
The market typically performs the best after harvesters are finished fishing for the season. This means, companies make the most profit off of your catch once you've already been paid. FFAW wanted to see a mechanism to ensure harvesters receive a cut of that market share.

ARE COMPANIES LEGALLY BOUND TO PAY?

Companies are legally required to pay this settlement payment via the same crew shares identified in the original landing.

HOW ARE THESE RECEIPTS VERIFIED - CAN'T COMPANIES JUST MAKE UP THE NUMBERS?

A third party auditor will receive and validate receipts.



3.

SETTLEMENT REBATE EXAMPLE PAYMENTS

UB Price \$CAD	Minimum Price	Settlement Payment	Panel Decision	Difference	Rebate
\$ 7.00	\$ 3.00	\$ 3.00	\$ 2.60	\$ 0.40	
\$ 7.25	\$ 3.00	\$ 3.00	\$ 2.60	\$ 0.40	
\$ 7.50	\$ 3.00	\$ 3.00	\$ 2.64	\$ 0.36	
\$ 7.75	\$ 3.00	\$ 3.00	\$ 2.79	\$ 0.21	
\$ 8.00	\$ 3.00	\$ 3.08	\$ 2.95	\$ 0.13	\$ 0.08
\$ 8.25	\$ 3.00	\$ 3.18	\$ 3.05	\$ 0.12	\$ 0.18
\$ 8.50	\$ 3.00	\$ 3.27	\$ 3.15	\$ 0.13	\$ 0.27
\$ 8.75	\$ 3.00	\$ 3.37	\$ 3.24	\$ 0.13	\$ 0.37

WHEN WILL I RECEIVE THE PAYMENT?

The cutoff date for market calculations is 3 weeks after the season ends. You can expect to receive the settlement payment by the end of October.

4.

SIGNED WITHOUT PREJUDICE

When an agreement is signed without prejudice it means that **the agreement cannot be used to set precedent or used as evidence in future negotiations**. This was important to the negotiating committee because harvesters did not want to be locked into a 38.5% market share in future years. The renegotiated 2023 lobster agreement was also signed without prejudice, and it was not used in 2024 negotiations.



5.

RECONSIDERATION AT \$6.50 USD

Between \$5.50-\$6.50 USD, or about \$7.40-\$8.75 CAD, a floor of \$3 and a settlement payment of 38.5% is **well within** historic values.

However, above \$6.50 USD both the floor and the settlement payment would be **lower** than our historic fair share.

**THIS RECONSIDERATION GIVES US
AN OPPORTUNITY TO CAPTURE
EVEN MORE VALUE SHOULD THE
MARKET TAKE OFF.**



7.

OTHER TERMS & DEDUCTIONS

20% TOLERANCE FOR SIZE

There is a 20% tolerance for 3 3/4" to 4" crab. Anything above 20% will be paid 30 cents less.

5% TOLERANCE FOR CRITICALLY WEAK CRAB

The wording for critically weak crab is the same as it has been for many years. There is a 5% tolerance for critically weak crab. All critically weak crab in excess of 5% will be reject crab.



7.

OTHER TERMS & DEDUCTIONS

TEMPERATURE AND PAN WEIGHTS

There will be NO deductions for temperature or overfilled pans.

As always, provincial legislation requires that crab be maintained at less than 4C and pan weight not exceed 23 KG (50.6 lb). Harvesters and processors are expected to adhere to those regulations.

BARNACLE PROVISION

The barnacle provision remains the same.

LEECH EGGS

There are no deductions for leech eggs.



EFFECT ON EMPLOYMENT INSURANCE

Once you receive your settlement payment, you must revise your fishing claim with Service Canada.

If you have already maxed out your fishing claim from this earning period, the update will just be for informational purposes but is still required.

If you did not max out your fishing claim from this earning period, your payment amount will be adjusted and retroactively paid out.

As a result, there may be administrative delays with Service Canada when all snow crab harvesters adjust their EI claims. However, Service Canada has been duly informed of this impending change and we expect them to adequately adjust staffing where required.

STATUS OF 2023 GRIEVANCES

Grievances from the 2023 fishing season are still being dealt with via the labour board and the legal arbitration process. Unfortunately, the protracted nature of these resolutions does not align with the annual nature of the fishing industry.

The FFAW has repeatedly asked the provincial government to implement a way to fast-track fishing related grievances, as having these issues unresolved while we bargain for the next season is hurting our ability to negotiate effectively.



WHY WE DON'T NEGOTIATE IN PUBLIC

The Bargaining Committee is composed of elected fleet leaders who are tasked with making those decisions on behalf of their areas, for the benefit of all.

Members express frustration when offers back and forth between the parties are not shared publicly. However, it's important to note this is contrary to good negotiation practice.

Offers can vary significantly and are subject to misinterpretation by those not informed of all the in's and out's of market analysis, policy, and position of elected leaders. Best practice has been to publicly share final offers or accepted offers only.

BEWARE OF ONLINE MISINFORMATION

CONSIDER THE MOTIVE

It's important for members to think critically about the source information comes from, and the underlying intentions of that source.

Unfortunately, it is to the benefit of ASP member companies to sow discontent and discord between Union members. It is also advantageous to those who wish to dismantle the Union.

BEWARE OF ONLINE MISINFORMATION (CONT.)

ONLINE MISINFORMATION & PREMATURE SPREADING OF CONFIRMED INFORMATION CAUSES MORE HARM THAN GOOD

In the case of Sunday evening, a Facebook Group called “The Fishermens Forum” shared news of an ASP accepted offer before the FFAW was able to review the terms of the agreement. **This Facebook group regularly shares false and unsubstantiated information, and often skews or misinterprets official information.**

RESPONSIBILITY TO ENSURE ACCURACY

FFAW is not intentionally hiding any information from members. However, it would have been irresponsible to announce a deal before reviewing terms of said deal in writing. **Within seconds of the agreement being officially signed, FFAW shared the terms of that agreement with all members.**

FFAW’s official channels will, as always, be the only source of accurate and up-to-date information.

Should you ever require questions or clarifications, reach out to your Member Representative or Bargaining Committee Representative for your area.

CONCLUSION AND NEXT STEPS

The Standing Fish Price Setting Panel is no longer achieving the goals it was originally set out to do.

Decisions from the Panel in recent years have resulted in mass distrust among fish harvesters.

Coming to a negotiated agreement will always be the best solution, especially when the trend at Final Offer Selection (FOS) in recent years has been for the parties to get further apart in price offers. When the Panel must choose one of the offers, one party is more likely to either refuse to fish, or refuse to buy.

Formula based agreements have been very successful in the lobster and halibut fisheries. The small lumpfish fishery has also enjoyed a settlement rebate system that **pays harvesters based on actual market returns**.

Market-based pricing systems are a fairer and more transparent way to do business.

