

LOBSTER AGREEMENT

FFAW and ASP have come to an agreement on the 2024 Lobster Schedule. The agreement secures a fair share to harvesters while at the same time ensuring that the fishery will continue uninterrupted throughout the season.



FFAW | UNIFOR
Fish, Food & Allied Workers

2024 LOBSTER FORMULA



The minimum price for lobster will be \$3.25CAD for all Urner Barry price listings up to and including \$5.00CAD, and the price will increase by 70% of any incremental amount greater than \$5.00CAD and 80% of any incremental amount greater than \$6.00CAD.

The price will be calculated using the Thursday-Tuesday average Urner Barry price, except for the weeks prior to Mother's Day where only the Tuesday price will be used.

In previous lobster schedules, the Urner Barry price the week leading to Mother's Day was calculated based on only the Tuesday UB low quote the following week (if Mother's Day is May 12, the price for the week of May 5-11 is calculated based on the Tuesday, May 14 UB quoted price).

In this schedule, the price for weeks leading up to Mother's Day will be calculated using only the UB quoted price the following Tuesday.

FOR EXAMPLE

The price payable for landings in Week 1 (from Sunday to Saturday inclusive) is calculated based on the Urner Barry listing for Tuesday of Week 2 and so on until the week leading to Mother's Day.

All other weeks are calculated using the Thursday-Tuesday average. This change only impacts the first three weeks of the season.

WHY DID THE NEGOTIATING COMMITTEE AGREE TO THIS CHANGE?

Historically, the lobster market starts at very high prices and declines quickly leading to Mother's Day.

During the 2023 season, companies stopped buying at the beginning of the season because the market was declining so rapidly and they could not recoup their raw material price.

NEGOTIATING COMMITTEE PRIORITIES

When the Negotiation Committee began this year, they outlined the two key priorities for this year's lobster schedule:

1 A fair market share: the committee was insistent on getting 80% after \$6.00 back.

2 An uninterrupted fishery: in a time-limited fishery, the committee wanted a deal that would keep the fishery going all season.

This agreement met those priorities. ASP has assured us that dropping the Thursday UB price in the early weeks of the season will give them the ability to keep buying while we get our 80% share back.



WERE THERE ANY OTHER CHANGES?

No. The lobster schedule is the exact same as the schedule in 2023 before the terms were renegotiated.

What are the Monetary Implications of this Agreement?

This agreement brings back the 80% of value after \$6.00, which is an improvement over the renegotiated prices from 2023.

However, a retrospective analysis of 2016-2023 showed that the new way of calculating the UB Market price will decrease the price to harvesters by an average of \$0.23/lbs. during the first three weeks of the season.

The committee was comfortable making this concession to ensure an uninterrupted fishery.

During these first few weeks of the fishery, prices to harvesters are on average \$10.00 - \$12.00, or \$2.00-\$3.00 more than the rest of the year.