

## **FFAW's Earle McCurdy says processors resisting efforts to lessen dependence on traditional markets**

SEAFOOD.COM NEWS [Viewpoint by Earle McCurdy] July 17, 2008 St. John's Newfoundland - A persistently high Canadian dollar, weakness in the U.S. economy and an expected major increase in the Alaskan crab quota in 2009 all make it very clear Ñ our fishing industry needs to urgently pursue new markets for crab in particular.

Fuel prices remain at outrageous levels, and the expected increase in next year's Alaskan crab fishery is in the order of 40 million pounds.

It is because of these factors that I set up a joint meeting with then Fisheries Minister Tom Rideout, and wrote to the head of the Association of Seafood Producers (ASP) recommending we meet on an urgent basis to deal with these and other critical issues.

Unfortunately, Mr. Rideout left Cabinet before anything came of the meeting we held with him on these issues, and as of press time there was no reply from ASP to a letter I sent them in early May.

My concern is that despite these alarming warning signs, the processors will continue on their merry way sending 30 lb. boxes of crab into the U.S. and Japan and doing absolutely nothing to lessen our over-dependence on these markets.

Lobster is another fishery in which our returns from the market have been inadequate in the context of today's rapidly increasing costs.

It is my view that the provincial government should spearhead a major initiative with the processing sector to try to find a home for our crab and lobster in Europe.

The province's offer to subsidize air freight for fresh seafood into Europe was a good start. In light of the developments in crab and lobster, much more is needed.

The reason I focus on Europe is that this is a powerful, well-off group of countries with fat wallets, a healthy liking for good seafood, and a combined population numbering in the hundreds of millions.

There are tariff issues, but there were on shrimp as well, and with a coordinated effort involving the union, the processors and both levels of government, we were successful in bringing about major improvements to the tariff rules applying to shrimp.

One thing seems virtually certain to me Ñ disaster is looming if we don't get cracking now with a plan for next year. With today's runaway costs, we simply can't afford to have our traditional crab markets flooded. And lobster harvesters can't afford to continue at current prices.

Unfortunately, the processors spend more time in Court with legal challenges than they do trying to solve problems and improve our return from the market.

Last year, one of the processor organizations, SPONL (Seafood Producers of Newfoundland and Labrador) challenged the cod agreement implemented by the Standing Fish-Price Setting Panel.

The Labor Relations Board threw out the challenge and ruled that the cod agreement was binding on all buyers in the province.

ASP went to the Supreme Court of Newfoundland and Labrador to challenge a ruling by the Panel in 2007 adding two-and-a-half-cents a pound to the price of shrimp to reflect the benefit of improvements in the tariff rules in the European Union. The Court threw out this challenge as well.

In 2008, ASP went to the Labor Relations Board charging the Union with bargaining in bad faith in our crab negotiations, but they later withdrew the charge minimum crab price at \$1.50 for the duration of the year, ASP went back to Court once more seeking to have the decision overturned.

These last two matters remain before the courts.

All that is great business for the lawyers. But it doesn't solve problems. It's too bad the processors don't spend even half the amount of time they waste in court developing new markets and new products, and planning ahead to try to avoid the freight train that is bearing down on us. Or use their money to pay for raw material instead of fattening the bank accounts of the legal community.

In the absence of any meaningful response from the processors on the serious issues I outlined above, I had hoped Tom

Rideout would help bring some of these matters to a head.

I was disappointed to hear that he was stepping down as Fisheries Minister. At press time we were awaiting word on a date for a meeting with the new Minister.

Our main goal is to convince the provincial government that if they don't take bold action, outport Newfoundland and Labrador will be an ever sorer sight in 2009 than it is today.

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