

NEWS RELEASE

Immediate Release – 1 June 2010

Shrimp plant closure is evidence of crisis in industry

(St. John's, NL) – The Association of Seafood Producers today said the decision to close the shrimp plant in Jackson's Arm is the reality of the current structure of the fishery.

“These are the difficult choices that producers face in the fishery as presently structured,” said Derek Butler, Executive Director of ASP, which represents 12 of the 13 shrimp plants in the province.

“Deciding to not operate plants is not out of want, but of necessity. What's more, this decision represents the ongoing challenge the industry faces with excessive capacity,” said Butler. “The current structure is built on sand, and when the winds blow, down it comes.”

Butler says unless there is a better balance between capacity and supply through rationalization, this cannot improve.

“This situation must be addressed if there is any chance of some remaining processing operations being sustained and in order that we have an orderly process to restructuring,” said Butler.

Butler says it is imperative that the MOU process be advanced further.

“The closure underscores the need for the industry to expedite the MOU on the fishery signed last year” said Butler. “We submitted a proposal to government at the end of January, and are awaiting feedback on that proposal so we can advance the MOU process.”

-30-

Derek Butler, Executive Director
(709) 726-3730