

NEWS RELEASE

Immediate Release – 28 March 2010

Province's crab producers say industry not feasible at price level set by government panel

(St. John's, NL) – The head of the province's Association of Seafood Producers (ASP) says a crab fishery this year is unlikely, at least for the province's processors.

"A crab fishery this year, that is not likely at this point," says Derek Butler, Executive Director of ASP. "I have spoken to a number of producers, within and without ASP, members of the other association, SPNL, and producers who are not members of either association. At \$1.35 a pound, looking at the market and where things are headed, looking at our dollar at par, they are saying "this doesn't work."

The government-appointed Standing Fish Price Setting Panel set raw material prices for crab at \$1.35 a pound for the entire season, a price Butler says is not feasible for the processing sector.

"We said this some time ago," says Butler. "We need a realistic price in relation to the market place, one that reflects currency and market fluctuations. We have none of that, and the difference is last year we had the Canadian dollar was at 1.27 relative to the US dollar, now we are at \$1.02. We had a market pricing system for 10 years or more, but now that is gone."

Butler says the price has to work for both sides. "We need each other. They catch the fish, and we process it. Without them, we are nothing, and vice versa," says Butler.

But that also appears to be changing. Last week the FFAW/CAW submitted a proposal to Fisheries Minister Clyde Jackman to let Newfoundland crab leave the province unprocessed, in violation of long-standing provincial policy designed to build up the processing sector and support plant workers. Butler says that is in effect saying the province does not need a processing sector.

"It is unfortunate, that when producers are not viable, the solution is to let the raw material go, to further undermine us," said Butler. "The larger question here is whether we going to deal with the real issues , to build viable harvesting and processing sectors, or has *status quo* been replaced by '*que sera sera*'?"

Butler says it is additionally frustrating that the Maritimes and Quebec will both have crab and shrimp fisheries without a government-imposed price panel setting unrealistic prices. "These jurisdictions also have comparatively no additional cost burdens on the producer as is the case in NL where producers are saddled with fishers' WHSCC premiums, over \$15 million per year, processing licence fees, about \$1.7 million per year, and fishers' EI premiums on top of that."