



association of
seafood producers

Release: Immediate

ASP reacts to FFAW cry of “disorganized marketing”

ST. JOHN'S, April 25, 2006 – Yesterday's FFAW news release re. problems in the fishing industry has the Association of Seafood Producers, representing the province's fish processors, feeling frustrated and disillusioned.

ASP Executive Director Derek Butler says the Association has been asking for solutions and dialogue for the past three years, with no response. “Industry saw all this coming, and we have said so in every forum, private and public.”

“While I've been at the table, and before that when FANL was in existence, we sought solutions. And the response was blockades and shutdowns when the prices aren't right, or when government attempted to address some of the things that might help us all.”

The Association says it's fine to talk about needing to address the market, but they point to the FFAW shutdown in shrimp in 2004, and the shut down in both crab and shrimp in 2005, which hurt the markets.

“Now they claim we've got to address the market. Well, industry needs security of supply, so we can be sure of how much product we have on a regular basis for our customers. And we need to address our landings: Iceland, with a smaller shrimp fishery, lands it 12 months of the year and sells it 12 months of the year. Why do we land it all on the first sunny Tuesday in June?” argues Butler.

The Association says even Richard Cashin noted what has been integral to any solution in the past 10 years: resource sharing for producers just as there is for harvesters. In his report to government last year on raw material sharing in the industry, Cashin wrote “...the success of FOS [Final Offer Selection] was helped by their informal sharing programs, which ultimately were sacrificed....”

“We are left scratching our heads,” says Butler. “Mr. McCurdy was quoted as saying “This requires action...we can't [just] say ho-hum.”

“That's precisely what's been done the past number of years, and now the Union wants a solution. And as always, it's someone else's fault, and government is being asked to step in and do our marketing for us.”

The real problems remain outstanding, and ASP believes they must be addressed.

“We’ve heard nothing about reducing the number of harvesters,’ said Butler, “nothing about too many plants, nothing about addressing boat sizes and better efficiencies there, nothing about the species where the fishery proceeds unimpeded. Instead, ““nationalize the marketing.””

The Association says solutions may exist, but it won’t work to simply tell producers who have invested hundreds of thousands in their businesses that they now must participate in some forced effort or control of their marketing, when that isn’t done of the raw material side, as was the case in 2005.

2005 was one of the most contentious years in the industry in some time, as certain harvesters lead a shut-down of the crab and shrimp fishery to protest government’s implementation of plant quotas, or raw material shares. That system, government and processors argued, brought some stability to the fishery, and laid the groundwork for additional restructuring to address other problems.

“But instead, during the RMS fight of 2005, harvesters, the Union and Mr. McCurdy said they wanted competition back on the wharves, they wanted the free market. Well, with all the structural problems in our industry, they’ve got it. But now he wants free marketing wherever it concerns harvesters, but not in the international market place, not in our marketing or sales. You can’t ask processors to fight for raw material supply on the wharf, and then tell them to go to the international market place holding hands. You can’t have competition on the one hand, and then eliminate it on the other,” argues Butler.

But the Association isn’t shutting the door to talks. They say they are prepared to talk, and to seek solutions for the benefit of all stakeholders.

“We said in 2004, in a presentation to the FFAW, that the situation then was largely related to the inherent structural problems and imbalances in the system, as before, but now worse. We said, and I quote, “In addition, we are faced with the additional problems of resource decline, currency escalation, impending time constraints imposed by both the market and the resource, and lack of an omnibus collective bargaining mechanism. There is a dire need for an approach which addresses these issues and which offers stability and viability both in 2004 and beyond.”

“And to that we had silence, shutdown and stridency. Let’s hope we’re getting past that.”

“We keep saying it, we’ve been saying it for some time now, but we’re ready to talk. We’re ready for real ideas,” says Butler, “and we’ll try to be optimistic.”

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