

## The complex issues of shrimp

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I was surprised to read the piece run by The Telegram ("Tonnes of shrimp going overseas" Oct. 5) that included the suggestion one of the solutions to the woes that beset the Newfoundland and Labrador inshore shrimp industry is the shrimp caught by the offshore industry. The suggestion lacks some much-needed analysis your readers might appreciate.

First, the offshore shrimp vessels pack a variety of products but the only product suitable for processing at an onshore shrimp peeling plant would be industrial shrimp. This is a very small percentage of the total shrimp production from offshore shrimp vessels.

What is more, that industrial shrimp is available for processing at the inshore peeling plants, but as in any business, we would have to buy that shrimp at market prices, making it a dubious economic proposition at best. The economics of processing industrial shrimp into a twice-frozen peeled shrimp often means that peeling plants in the province can not pay the market price for the shrimp (the shrimp processed onshore is processed fresh, and frozen once before going to market).

Second, the decrease in labour for the provincial peeling plants is largely due to the shutdown in the industry caused when, first, the price panel would not adjust the price of shrimp in accordance with the market and currency realities in a deepening economic crisis that occurred after the initial arbitration. Then, when the panel finally did arbitrate the price downwards in the summer negotiations, harvesters said they could not fish for the price established by the panel. To be sure, these are difficult economic realities, but the solution is not someone else's shrimp.

Third, the offshore is a different business from the inshore. The offshore pays large fees to DFO for resource access and, in some instances, further costs for charter and royalty arrangements to community-based and aboriginal organizations. Our solutions for the inshore are not to simply take their shrimp, essentially robbing Peter to pay Paul. The offshore employs many Newfoundlanders and Labradorians on their vessels in very well-paying jobs, as well as supporting shorebased activities for unloading, storage, handling and transportation. In point of fact, at one time there were protests by the inshore fleet when offshore shrimp was available to be used in inshore production, the argument being it was slowing down the turnaround times of inshore vessels.

Fourth, the offshore fishery is not Marine Stewardship Council approved, so that product would not have the same marketable attributes as the cooked and peeled products from the inshore industry. For that reason and others, it has gone to different markets, with different tariff structures and costs than the cooked and peeled product.

Fifth, the percentage processed (using the erroneous yield figure of 25 per cent), in Newfoundland and Labrador in the Telegram story is derived by taking the volume of finished product from inshore plants as a percentage of the overall landed volume (round weight, i.e. before processing). It would be more accurate to compare quotas, in which case the inshore for Newfoundland and Labrador has a quota allocation of approximately 88,000 metric tonnes, while the Canadian offshore allocation is just over 100,000 metric tonnes. Of that, the offshore has caught just 24,000 metric tonnes to date, while the inshore has caught just under 44,000 metric tonnes.

This year we are leaving millions of pounds of

product in the water. The gap in shrimp landings year over year (2008-2009) increased by some 16 million pounds from the time the fishery restarted in mid-July to the present. Producers and government both sought additional flexibility - this year of all years, whatever the complications - in order that we might have more shrimp for our plants, our communities, and the market place. The answer from the FFAW which determines what harvesters can catch was a resounding no.

It is no good pointing at someone else to fix a problem when we have the capacity to address it ourselves. The FFAW is quoted in the story as saying we could eliminate the need for government assistance if we used the offshore shrimp in our inshore plants. We could do it more readily and cost effectively with the shrimp already allocated to the inshore fishery, now swimming freely in our waters - allocated, but uncaught. All it requires is for the FFAW to allow its members the flexibility to harvest some of the remaining inshore shrimp quota.

I neglected to add another consideration. Another key point to be addressed relates to the fact that the offshore shrimp is produced shell-on and sold shell-on to consumers.

The suggestion we can use offshore shrimp in our industry assumes the shell-on business will forego its sales to provide shrimp for inshore peeling, which would then overwhelm the cooked and peeled markets. The offshore has a different product and a completely different market.

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