

NEWS RELEASE

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ASP reacts to MOU report release: Deny ‘ask’ of hundreds of millions of dollars

(St. John's, NL) – The Association of Seafood Producers says the MOU report released last week is a comprehensive analysis of the predicament facing the industry, and lays the groundwork for a planned landing – versus a crash – in an industry that all players recognize is in turmoil.

Derek Butler, Executive Director of ASP and member of the MOU steering committee, says Dr. Tom Clift from Memorial's Business Faculty wrote a comprehensive report that not only detailed the industry's woes, but also laid out a path to a rationalized fishery.

“Overcapacity is the longstanding problems in the industry, identified in numerous past reports going back 30 years. This is the first report to say here is a way to help address it,” said Butler. “Rationalization is inevitable, and ASP acknowledges that. The whole goal of the MOU was to address it systematically, and ensure a controlled landing.”

Butler says Provincial Fisheries Minister Clyde Jackman took industry by surprise Friday past when he released the report and rejected it out of hand, adding that it was not what was asked for. Butler disagrees, and says the MOU itself and the working group terms of reference were clear: the MOU was about getting a sound financial analysis, marketing proposals, and proposals for rationalization from both harvesting and processing. What's more, the MOU committed the Minister to taking the report to government.

But Butler categorically denied statements that the report was just a big ‘ask.’

“Let me be perfectly clear, producers did not ask for hundreds of millions of dollars,” said Butler. “Our rationalization model was a self—financing model with industry paying the bill, and government helping us get the loan. That was all producers asked for. That, and changes to policy so we can have a defined structure in terms of the risk of new entrants not adding to the overcapacity problems, and undermining those already in the industry.”

Government's reaction has not dissuaded him, however.

“For my part, I'm ready for whatever next conversation government is seeking to help fix the fishery, and especially if it means making it a business, as Minister Jackman said. But it has to include, just as it did in the auto sector, a right-sizing of the industry, which means rationalization. Rural Newfoundland and Labrador deserves nothing less: a sound, well-manage and sustainable fishery.”