



MEDIA RELEASE

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Seafood Producers express concern for crab season ahead

(St. John's, NL) The Association of Seafood Producers says 2012 will be a balancing act in the crab fishery, and that expectations on raw material prices are likely much higher than supported by the market.

Derek Butler, Executive Director of the Association, says negotiations with the FFAW on crab prices start next week, but that expectations appear out of sync with the market realities.

“We’ve had a market analysis presented to us, we’ve had the conversations in Boston at the Seafood Show, and we’ve had individual conversations with harvesters around the province, and we’ve had the conversations in Boston at the Seafood Show. And it’s fair to say expectations of prices along the lines of last year are simply unrealistic, due to big increases in the global supply of snow crab, mostly out of Alaska.”

Crab raw material prices in 2012 were agreed between the parties at \$2.15, and will be lower this year.

But Butler says it is not all bad news.

“We are coming off the highest prices in years, so the reductions anticipated in market prices and raw material prices will still leave us in a good place, in historic terms,” says Butler.

Butler says crab prices were as low as 90 cents or so in 2005, and have averaged around \$1.50 since then, apart from last year.

“I think we have a sense that we may be north of that average, but the question becomes how much.”

The price is expected to be negotiated or arbitrated next week, with a season start in the first week of April.

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Derek Butler: 726-3730, dbutler@seafoodproducers.org