

# Report of the Ministerial Advisory Panel

on the Transformation of the  
Freshwater Fish Marketing  
Corporation



Fisheries and Oceans  
Canada

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## EXECUTIVE SUMMARY

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On September 21, 2018, the Honourable Jonathan Wilkinson, Minister of Fisheries, Oceans and the Canadian Coast Guard, announced the establishment of a Ministerial Advisory Panel (Panel) to examine alternative governance and ownership models for the Freshwater Fish Marketing Corporation (FFMC) which better reflect the environment and market conditions in today's industry. The Panel was directed to explore models that support collaboration and co-operation amongst fishers and involve them in decision-making. As part of its review, the Panel was also asked to assess opportunities for partnership arrangements with organizations that could play a role in the inland fishery.

The Panel completed engagement activities that focused on exploring in greater depth the key conclusions from the 2017 engagement process and hearing from stakeholders their perspectives on alternative governance and ownership models that might support opportunities for collaboration and co-operation among harvesters. The Panel was also interested in hearing from stakeholders about the role they felt they could have in the implementation of these models. The Panel acknowledges with gratitude the substantive commitment and contribution of so many individuals and groups willing to share their perspectives on the future of FFMC.

The Panel identified stakeholders within each of the active jurisdictions that FFMC currently operates within or remains a signatory to the FFMA. These stakeholders included FFMC senior staff, active commercial fisher organization representatives, regional Indigenous leadership, provincial and territorial government representatives, national fishery associations, and other stakeholders with a keen interest in the future of FFMC.

The recommendations address the mandate and objectives provided by the Minister, take into account the current economic and biophysical environment, recognize the factors driving change in the fishery, address the interests and issues identified during the Panel's interactions with stakeholders, and consider supporting documentation and discussion among panel members.

The Panel's recommendations underline the need for change. Manitoba and Saskatchewan's withdrawal from the FFMA in recent years, increasing concerns about the biomass and sustainability of the fish resource, and changes in the marketplace including consumer preferences all indicate that the current structure of the inland fishery is no longer suitable to meet the needs of those with a stake in the fishery.

The Panel's recommendations are designed to provide a highly structured process within which stakeholders can resolve their differences and reach a decision they all support. The Panel's recommendations are also designed to develop outcomes that support meaningful opportunities for collaboration and co-operation among harvesters, integrate the needs of Indigenous fishers and their communities, and support self-determination. To this end, the Panel recognizes the process will need support and identifies the requirement for sufficient independent process support from the outset and throughout the process.

The Panel's recommendations describe a three-year process that involves immediate changes to the governance of FFMC in Year 1, human and organizational capacity development in Year 2 and completion of a path forward in Year 3.

Year 1 would focus on immediate changes to the governance of FFMC to increase fisher participation, improve communication, and integrate fisher perspectives in decision-making processes. It would also implement process support resources through the appointment of an interlocutor.

Year 2 would focus on the implementation of capacity development activities that improve the capacity of stakeholders to work collaboratively and co-operatively, and provide opportunities for fishers to learn more about the open market environment and the operational implications of a co-operative model.

Year 3 would focus on the interlocutor's confirmation and implementation of a transformation objective and the completion of the implementation process.

The path forward will be defined by the participation and success of all stakeholders. The Panel has concluded that the collective interests of commercial fishers and stakeholders would be best realized through the establishment of a New Fisher Organization. This entity would take over some or all the activities of FFMC and would be structured as a business federation of regional fisher groups and/or processors. This structure would accommodate different regional perspectives and interests while achieving economies of scale in processing and marketing.

If a New Fisher Organization cannot be successfully formed, the Panel has identified that an Indigenous Economic Development Corporation may be a suitable alternative for stakeholders in capturing the greatest value for fishers. An Indigenous Economic Development Corporation would provide Indigenous ownership, be of national scope, and extend the existing model with opportunities for Indigenous development and training.

If neither a New Fisher Organization nor Indigenous Economic Development Corporation model are suitable, options for the future of FFMC are more limited, with each having considerable challenges. Alternatives could include: (a) identifying ways to support the existing FFMC system; (b) dissolving FFMC through the sale of assets and/or specific areas of operations; and (c) ceasing FFMC operations outright.

The inland fishery is an important element of Canada's character and holds particular importance with Indigenous peoples and in northern and remote communities. The Panel has identified a structure that reflects the considerable value of the fishery, provides for people most closely linked to its success to be involved in future decisions and planning, and ensures future generations have the opportunity to participate in the inland fishery.

The Panel feels that its recommended plan addresses the concerns and uncertainties identified by stakeholders and by the Panel in its review.

The plan provides for the implementation of a defined set of activities over three years. It involves all stakeholders in the planning and implementation process, which in turn provides for the greatest potential for agreement and success.

The plan is practical and effective and is respectful of the status of Indigenous communities and the role the inland fishery has for these communities. It includes provision for process support throughout, along with a comprehensive communication plan to share information and receive regular feedback on process status.

# 1 INTRODUCTION AND PURPOSE

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On September 21, 2018, the Honourable Jonathan Wilkinson, Minister of Fisheries, Oceans and the Canadian Coast Guard, announced the establishment of a Ministerial Advisory Panel (Panel) to examine alternative governance and ownership models for the Freshwater Fish Marketing Corporation (FFMC) which better reflect the environment and market conditions in today's industry. The Panel was directed to explore models that support collaboration and co-operation amongst fishers and involve them in decision-making. As part of its review, the Panel was also asked to assess opportunities for partnership arrangements with organizations that could play a role in the inland fishery.

This is the Panel's report to the Minister. It describes the process the Panel followed and the Panel's observations and recommendations for the transformation of FFMC.

Canada's commercial inland fishery is critical to the economic and social fabric of many communities in western and northern Canada. While FFMC has long played an important role in the freshwater fish market in this region, conditions in the industry have changed, and with them the need for changes to FFMC. The Panel is confident that its recommendations will help the Government of Canada determine the future of FFMC.

This report provides background information relevant to this complex issue and summarizes the activities and outcomes from the Panel's engagement process. The report provides observations on issues relevant to the current and future state of the freshwater fishery affected by FFMC. Finally, the report provides recommendations on a possible course of action for transforming FFMC, including implementation and capacity considerations.

## 1.1 THE *FRESHWATER FISH MARKETING ACT*

A major impetus for the appointment of the Panel was the decision by the Manitoba government to withdraw as a signatory to the *Freshwater Fish Marketing Act* (FFMA) in 2017. The Manitoba government's decision was preceded by decisions by Ontario (2011) and Saskatchewan (2012) to withdraw from the FFMA, and by Alberta (2014) to close its commercial in-land fishery. The Manitoba decision meant that, except for the Northwest Territories (NWT), FFMC's operating environment is now entirely an open market.

The move to an open market is a major change for FFMC, which operated since its inception in 1969 as the sole buyer of freshwater fish in Northern and Western Canada and Northern Ontario and as the single-desk seller of Canadian freshwater fish in international markets. FFMC now faces potential competition from other large fish processors and marketers and must deal with the consequences of fishers who are free to sell their fish privately or to develop local and regional fish processing operations. While FFMC's Crown corporation structure was necessary for its operation as a sole buyer and single-desk seller, it is not necessary to operate in an open market. As well, as the cases of hogs and wheat have shown, the retention of the Crown corporation status is often viewed by private sector players in the market as being detrimental to their interests. These factors, along with rapidly changing consumer demand for fish products, are behind the desire to examine the future of FFMC.



FFMC was created in 1969 as a result of the passage of the FFMA. The FFMA was the major legislative outcome of the 1966 *Report of the Commission of Inquiry into Freshwater Marketing* (Mclvor Report). The Mclvor Report concluded that fishermen received an unduly low price because of a lack of bargaining power:

“The Commission finds that overall the weakness of the fisherman in the western inland fishery and in Northern Ontario is particularly appalling. Many fishermen in Manitoba, Saskatchewan, Alberta, Northern Ontario and the Northwest Territories, mostly Indian or Métis, lack the training for and have no alternative employment. During the fishing season, they must fish or remain idle. Many are located on small lakes in remote areas and usually have only one buyer for their fish.

Because the fisherman lacks the capital and in order to assure a supply of fish, the buyer equips many fishermen with a boat, motor, nets, fuel, food, etc. At the end of the fishing season, the buyer indicates whether the value of the catch was sufficient to pay for the rental of the equipment and the cost of the supplies. Often it is not, and the fisherman remains in debt until the coming season.

We find that under these circumstances, the fisherman is essentially an indentured labourer for the fish companies. It is self-evident that fishermen in this situation do not negotiate a price.

There is no bargaining. The fisherman’s prime concern is existing.”<sup>1</sup>

The Mclvor Report also noted that fish processing was spread across several independent processing plants, reducing efficiency overall in the industry. FFMC was established and given its single-desk selling powers to deal with these issues.

The conditions described above are relevant to the Panel’s deliberations. As will be discussed below in more depth, fishers in remote areas expressed deep concern that they would be faced with few, if any, buyers if FFMC were no longer in operation. As well, the Panel heard evidence from numerous local and regional groups of their desire to develop small-scale processing operations to take advantage of opportunities that emerged with the opening of the market. While the Panel will outline ways of dealing with these challenges, it is important to stress that similar conditions to what was experienced prior to the establishment of FFMC (fewer or no buyers, processing inefficiency compared to the marketplace, and increased challenge to fisher exercise of self-determination) will emerge if appropriate steps are not taken.

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<sup>1</sup> Mclvor, George. 1966. Report of Commission of Inquiry into Freshwater Fish Marketing. Page 6.

## 2 MINISTERIAL ADVISORY PANEL

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### 2.1 PANEL MEMBERS

The Panel consists of six members, including a Chairperson, and reflects a diverse group of representatives with expertise and experience in

- fisheries and market development,
- fisheries management,
- Indigenous community and economic development, and
- co-operative and collaborative governance.

Background information of each panel member is included in Appendix B.

### 2.2 MANDATE AND TIMELINE

The Ministerial Advisory Panel was established in September 2018 to provide a report on how to transform FFMC's governance and ownership model. In this context, the Panel was to

- explore in greater depth the ideas heard through the FFMC 2017 engagement process,
- explore and analyze alternative governance and ownership models that support opportunities for broad-based collaboration and co-operation amongst harvesters, including shared decision-making,
- assess opportunities for new partnership arrangements through focused engagement with organizations which could play a role in the implementation of these models, and
- present the Minister with its findings and provide options with respect to a course of action for transforming FFMC, including implementation and capacity considerations.

In providing its options, the Panel was guided by the following priorities:

- supporting the long-term viability of the freshwater fishing industry in Manitoba, Saskatchewan and the Northwest Territories;
- supporting opportunities for all fish harvesters in these jurisdictions, including those in northern and remote communities, to bring their catch to market; and
- recognizing the needs of Indigenous fishers and their communities and supporting self-determination.



### 3 BACKGROUND ON THE INLAND FISHERY

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The following sections provide background information relevant to the Canadian inland fishery.

The Canadian inland fishery has seen major changes over the last ten years, including the withdrawal of all but one of the signatories to the FFMA, operational changes within FFMC, and changes in the marketplace and consumer preferences.

Section 3.1 provides background information about FFMC, including its mandate, operations, issues and challenges and current status. Section 3.2 reviews the state of the Canadian inland fishery, focusing on existing FFMC areas of operation. Section 3.3 provides information on the marketplaces in which FFMC operates and highlights the efforts FFMC has made to develop products for international markets as well as develop markets for FFMC fish products.

#### 3.1 THE FRESHWATER FISH MARKETING CORPORATION

FFMC was established in 1969 in response to findings published in the McIvor Report with a mandate to

- purchase all fish offered to it for sale,
- market fish in an orderly manner,
- increase returns to fish harvesters,
- promote international markets for freshwater fish, and
- increase interprovincial and export trade in fish.

At the current time, the FFMA provides FFMC the exclusive right to market and trade designated freshwater fish products supplied from NWT. FFMC is also the dominant buyer, processor and marketer of freshwater lake fish from Manitoba and Saskatchewan, although these jurisdictions are no longer signatories to the FFMA.

FFMC has provided effective market access and a reliable source of income to the commercial fishers of western and northern Canada for 50 years. In fulfilling its mandate, FFMC provides four key benefits to the inland fishery as well as domestic and global food markets:

- **Orderly market and price maintenance:** FFMC buys all fish offered for sale and carries out market- stabilizing activities such as storing frozen inventory to match supply with demand.
- **Global markets:** FFMC gives western and northern Canadian inland fishers access to global markets while reducing the business risk for fishers inherent in the export of food products, including the following:
  - foreign exchange risk - by hedging U.S. dollars;
  - market risk - by setting buying prices for a season and as much as possible for a year at a time; and
  - cash flow risk - by paying fishers within a week of delivery and managing customer receivables.
- **Food safety and security:** FFMC works closely with the Canadian Food Inspection Agency and its customers to ensure its supply chain and processing plant meet federal and customer requirements for food safety and security.
- **Economic development:** Approximately 80% of FFMC's returns to fishers and agency fees go to isolated northern and predominantly Indigenous communities.<sup>2</sup> A majority of these communities (42 of 49) are predominantly Indigenous.

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<sup>2</sup> FFMC. FY 2018-19 to 2022-23 Corporate Plan. Page 2.

### 3.1.1 Current Operations and Planning Objectives

FFMC operates an extensive supply chain of delivery points, agents, temperature controlled transport, and processing and inventory management systems to match a fish harvest of over 1,600 commercial fishers with market demand.<sup>3</sup>

Contracted agents and corporate agencies act on behalf of FFMC across Manitoba, Saskatchewan and NWT. FFMC staff post initial prices for harvesters and manage nearly 50 delivery points to collect, purchase, ice, pack and transport fish to the federally certified FFMC-owned facility in Winnipeg for processing and sale. The fish is then sold fresh or frozen, whole or processed, minced or as fillets. FFMC also sells other fish products, including caviar.<sup>4</sup>

FFMC uses a two-stage structure to provide payments to harvesters. Initial prices are based on operational forecasts prepared by management. FFMC provides fish prices to harvesters before the start of the fishing season (in March or April) and pays them upon receipt of the fish. Final payments, which are paid to harvesters after the marketing is completed, are determined in accordance with FFMC's retained earnings policy and by allocating profitability by species of fish. The Board of Directors approves both the initial prices and the final payments.<sup>5</sup>

FFMC also provides important services to these communities. Current services offered by FFMC include

- seasonal loans and / or credit advances to harvesters at the beginning of each season for new equipment,
- field operations to support the harvesting network and manage the fish packing facilities,
- employment insurance administration and tracking,
- freight coordination, and
- FFMC's barges help deliver food, diesel and other necessary supplies to isolated communities.

FFMC's Corporate plan FY 2018-19 to 2022-23 reflects input from employees, management, Board members, fishers and key stakeholders which is then consolidated into the following strategic goals:

- generate market value and leadership in the markets it chooses to serve;
- manage an effective and efficient supply chain and be the preferred choice for fishers;
- continue to improve stakeholder confidence by improving the financial position of the Corporation;
- maintain corporate viability and sustainability; and
- establish a culture of performance delivering an exceptional workplace to employees and value to fishers.<sup>6</sup>

### 3.1.2 Current Issues and Challenges

Many of the issues identified in the McIvor Report remain relevant today. For example, fishers work hard to land their catch and are concerned about the returns achieved for their effort. FFMC's extensive supply chain provides a mechanism to return the value achieved in the market to the fishers who supply the fish. In the 1960s, fishers bore the cost of fish spoiling through improper freezing and transportation. Fish were also subject to high processing costs from many small fish processing plants. Transportation and processing costs for fish are still significant factors in the profitability of harvesting and marketing, but FFMC achieves processing efficiency by centralizing fish processing in Winnipeg.

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<sup>3</sup> FFMC, FY 2018-19 to 2022-23 Corporate Plan. Page 2.

<sup>4</sup> FFMC, Annual Report, 2018.

<sup>5</sup> Interview with FFMC Management.

<sup>6</sup> FFMC, 2018 Annual Report. Page 9.

Currently, the United States is the largest market for Canadian-caught freshwater fish. However, FFMC has actively sought to expand to new markets outside the United States. FFMC is the largest supplier of Northern Pike in France and of Whitefish in Finland and Sweden, and distributes fish products to a total of 14 countries in North America, Europe and Asia.

### **Management Issues**

In 2017, the Office of the Auditor General released a special examination report on FFMC, finding significant deficiencies in its systems and practices for corporate management and management of operations. These findings echoed those of a 2011 special examination, which in turn followed suggestions in 2005 for management improvements.<sup>7</sup>

In response to recommendations provided by the Auditor General's Special Examination report recommendations, FFMC publishes progress on its ongoing initiatives to improve governance and management practices, risk monitoring and strategic direction. The Corporation has developed a risk profile, re-examines risks as new issues emerge and focuses activities accordingly. It has developed a set of key performance indicators to monitor ongoing corporate performance in a variety of areas and publishes the results of this performance in its public reports. Finally, it has developed an internal communications system to ensure that employees are aware of changes that affect the organization, and are trained and compliant with relevant regulations and policies.<sup>8</sup>

### **Loss of Provincial Mandate**

Over the past decade, all of the provincial jurisdictions in which FFMC operates have chosen either to withdraw from the FFMA, or to close their commercial fishery altogether. Ontario withdrew from the FFMA in 2011 in favour of an open market. Since then, a small amount of fish harvested in Northwestern Ontario has occasionally been sold through FFMC. Saskatchewan followed Ontario in 2012 and withdrew from the FFMA. Alberta announced its intention to close its commercial fishery in 2014, but remains a signatory to the FFMA. Manitoba withdrew from the FFMA on December 1, 2017, to create an open competitive market. NWT is the only remaining jurisdiction active in the FFMA.

### **Governance**

Currently, FFMC Directors are appointed by Order in Council. According to the FFMA, the Chair and President of the Corporation are appointed by the Governor in Council, and four directors are appointed on the recommendation of the Minister of Fisheries and Oceans. In addition, one director is appointed for each participating jurisdiction by the Governor in Council on the recommendation of the respective province or territory.<sup>9</sup>

FFMC's Board acts as the trustee on behalf of the government by holding management accountable for the Corporation's performance, its long-term viability, and the achievement of its objectives. It is responsible for ensuring that the Corporation is managing its assets and its human and financial resources in accordance with professional best business practices and standards.

### **Fisher Interests**

Fish harvesters in FFMC's jurisdictions have expressed dissatisfaction with FFMC's accountability structure. Many fishers feel disconnected from senior FFMC staff and management and are concerned that decisions are not communicated by the upper management. The perceived lack of communication has fueled a sense of distrust among fishers. Overall, fish harvesters feel there needs to be increased transparency from senior officials and more fisher representation in decision-making.<sup>10</sup>

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<sup>7</sup> Office of the Auditor General of Canada, Special Examination Report – Freshwater Fish Marketing Corporation, 2017.

<sup>8</sup> FFMC, 2018 Annual Report.

<sup>9</sup> Freshwater Fish Marketing Act: <https://laws-lois.justice.gc.ca/eng/acts/F-13/index.html>.

<sup>10</sup> Interviews with fish harvesters.

Fishers feel that FFMC could better recoup the trust of fishers by changing governance practices and incorporating local knowledge practices into decision making. Many also believe that the price they receive from FFMC for their fish has remained stagnant over the years. Fishers feel FFMC could deliver better prices to fishers through renewed marketing efforts and a leaner management structure.<sup>11</sup>

### **Increased Competition and Processing Capacity Development**

FFMC has already experienced challenges securing reliable supplies as a result of the entry of private buyers in Manitoba and Saskatchewan. New entrants to date have focused on readily accessible and desirable species such as Pickerel.

Manitoba and Saskatchewan's withdrawal from the FFMA has provided risks and opportunities to FFMC. Competitors are now free to purchase fish harvested in these provinces. Continuity and reliability of supply is a risk. FFMC has sought guaranteed multi-year supply contracts with fishers, fish agents and fish co-operatives to help secure raw material to meet market commitments and maintain the value and efficiency of its assets. Under the FFMA, FFMC continues to be obligated to purchase all fish legally offered for sale in NWT and Alberta.<sup>12</sup>

The arrival of the open market has also placed increased pressure on existing processing efficiency. All jurisdictions in which FFMC is currently active operate or have plans to develop additional fish processing facilities.<sup>13</sup> New regional processing capacity may divert fish supply away from the main Winnipeg processing facility. This may lead to reduced plant operation efficiency.

#### **3.1.3 Status of FFMC**

In light of Manitoba's withdrawal from the FFMA, FFMC's management challenges, and the new competitive market in which FFMC is now operating, the Corporation has established three- to five-year supply contracts with fishers in Manitoba and Saskatchewan, and has developed species-specific marketing strategies. FFMC's overriding objective is to provide the core activities of its legislated mandate.

## **3.2 THE CANADIAN INLAND FISHERY**

### **3.2.1 Overview**

The majority (80%) of commercial harvesters in FFMC's mandate regions are First Nations or Métis. While the inland fishery represents an important source of revenue for many harvesters and the communities in which they are located, most harvesters are not able to earn a living solely from the revenue they obtain from the sale of freshwater fish. Generally speaking, Indigenous harvesters are more dependent on fisheries and more economically disadvantaged than non-Indigenous harvesters.

Beyond formal market value, commercial fishing in FFMC's regions carries significant social and cultural importance. Subsistence harvesting of freshwater species, particularly in Indigenous communities, provides food to community members, the provision of linkages to traditional lifestyles and ancestors, and socialization.

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<sup>11</sup> Interviews with fish harvesters.

<sup>12</sup> FFMC 2018 Annual Report, page 17.

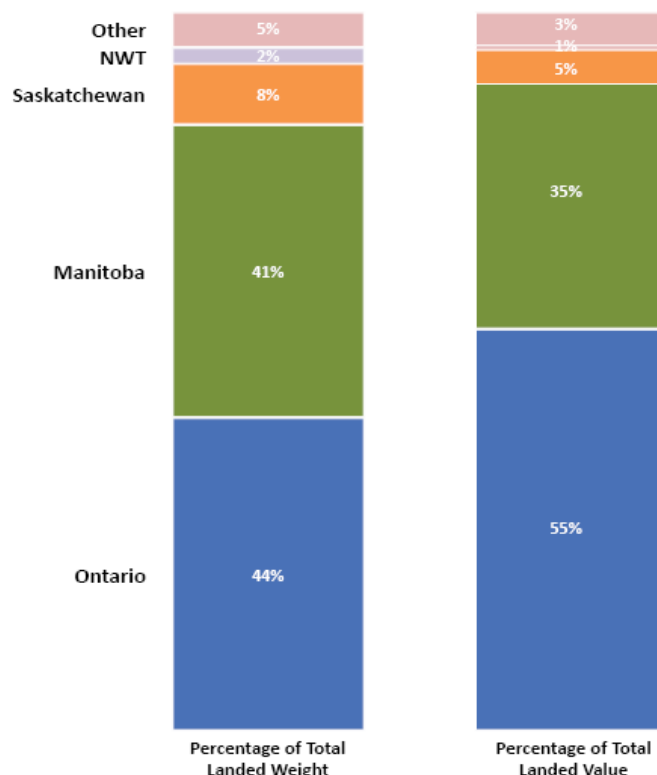
<sup>13</sup> Existing and/or planned fish processing facilities include the development of a new processing facility in Hay River NWT, the current Ile-a-la-Crosse Fish Company in Ile-a-la-Crosse Saskatchewan, plans to develop processing facilities by Saskatchewan Commercial Fisheries Limited (SCFL), and the ongoing operation of FFMC's Transcona facility and efforts by other parties to research new processing facility development in Manitoba (Saint Laurent).

Appendix A provides additional information on the inland fishery in NWT, Alberta, Saskatchewan, Manitoba, and Ontario.

### 3.2.2 Production

Canada's inland fishery produces approximately 28 million kilograms of freshwater fish each year with a landed value of \$67 million.<sup>14</sup> Ontario and Manitoba are the highest production jurisdictions, at a combined 84% by weight and 90% by total value.<sup>15</sup> Saskatchewan, NWT, Quebec and New Brunswick also maintain commercial freshwater fisheries.<sup>16</sup>

**Figure 1: Average Annual Landed Weight and Landed Volumes, 2014-16**



Source: DFO, Freshwater Landings

The most important species to the inland fishery are Yellow Pickerel (also referred to as Walleye), Lake Whitefish (Whitefish), Smelt, Perch, Sucker (Mullet), Pike, and White Bass. Together, commercial harvest of these species comprised 87% of total freshwater landed weight, and 92% of total landed value between 2014 and 2016.<sup>17</sup> Other freshwater species harvested in Canada include Arctic Char, Burbot, Catfish, Eel, Rock Bass, Salmon, Shad, Sturgeon, Sunfish, Tomcod, Sauger, Tullibee, Lake Trout and Rainbow Trout.

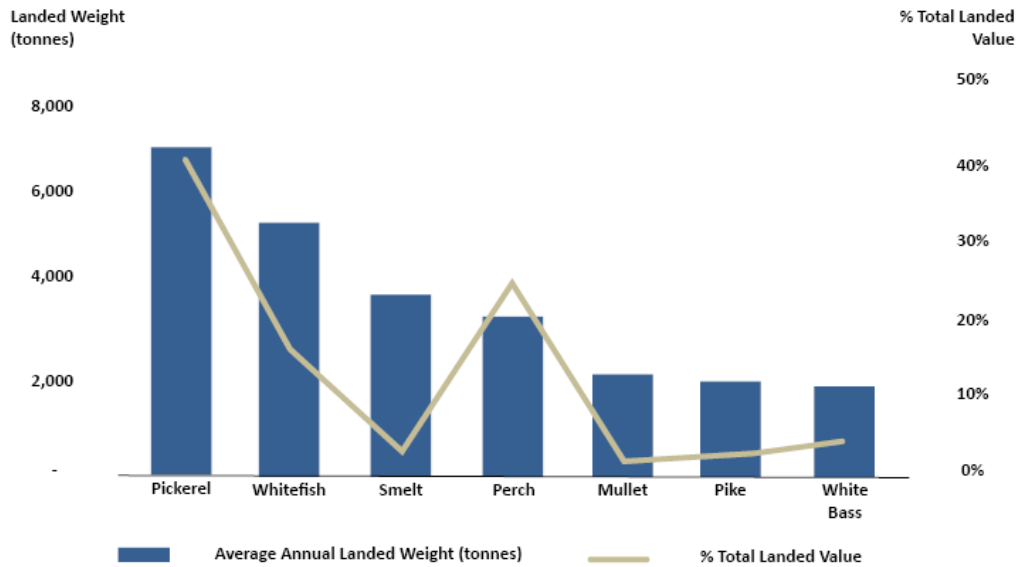
<sup>14</sup> DFO, Freshwater Landings, <http://www.dfo-mpo.gc.ca/stats/commercial/fresh-yrlist-eng.htm>; figures represent average of years 2014-16. All landing data comes from DFO's Freshwater Landings tables, available on DFO's website. Ontario information is based on reporting from the Ontario Commercial Fishing Association and available on its website, broken down by lake: <http://www.ocfa.ca/fisheries-industry/fisheries-statistics>. Data for Manitoba, Saskatchewan and NWT comes to DFO from FFMC. As such, landed weights and values only reflect FFMC operations. There is no information on landings not delivered to FFMC readily available to DFO, beyond the figures estimated in the 2011 *State of the Freshwater Fisheries in Alberta, Saskatchewan, Manitoba, and Northwest Territories – Socio-Economic Viability of the Industry*.

<sup>15</sup> DFO, Freshwater Landings; figures represent average of years 2014-16.

<sup>16</sup> Alberta closed its commercial fishery in 2014 to focus on the recreational fishing industry. DFO, Freshwater Landings; figures represent average of years 2014-16.

<sup>17</sup> DFO, Freshwater Landings; figures represent average of years 2014-16.

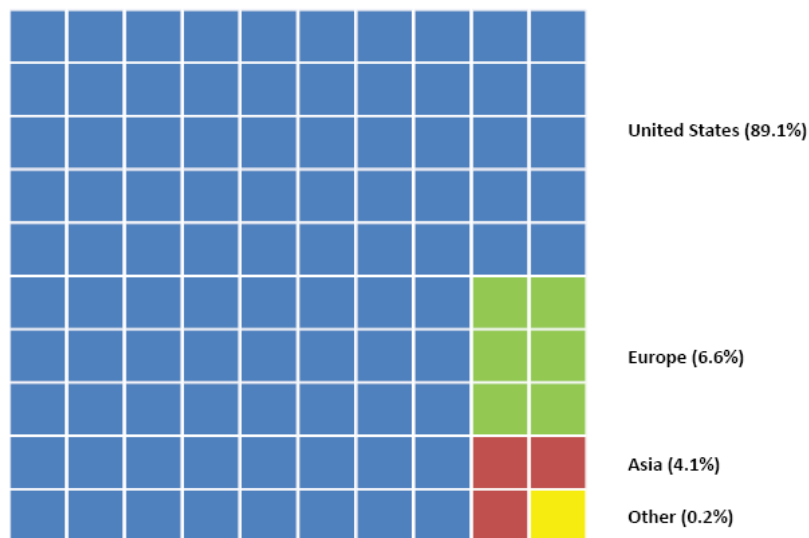
**Figure 2: Key Commercial Freshwater Species in Canada  
2014-16 average annual**



### 3.2.2.1 Trade

For the 2014-16 period, average annual sales of processed freshwater fish products were valued at approximately \$135 million.<sup>18</sup> While there is a domestic freshwater fish market, the majority of production is exported.

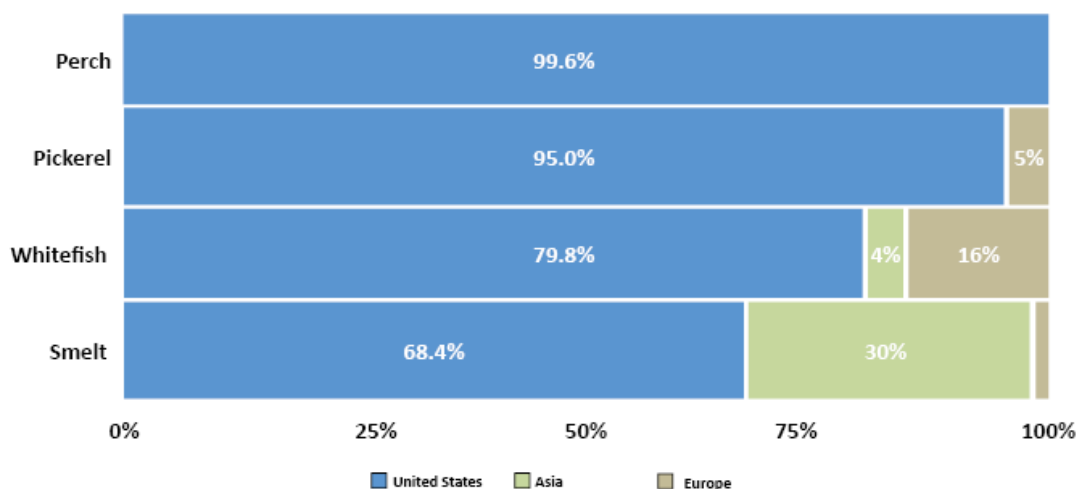
**Figure 3: Freshwater Fish Export Regions  
2014-16 average annual (% of Total Value)**



Source: DFO, (2018) EXIM, Ottawa. Countries included in each regions are provided in Table 3 (References).

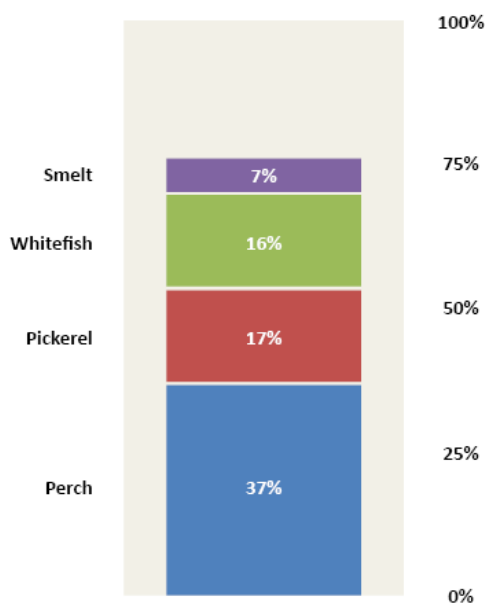
**Figure 4: Key Freshwater Species Export Regions  
2014-16 average annual (% of Total Value)**

<sup>18</sup> DFO, (2018), EXIM, Ottawa. Figures Represent Average of Years 2014 to 2016.



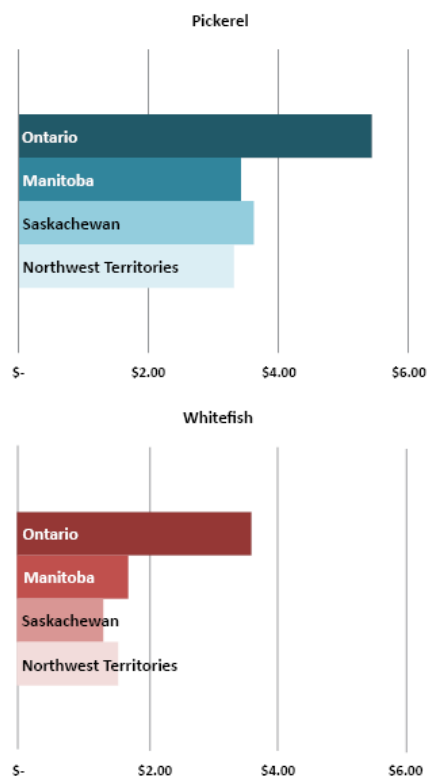
Source: DFO, (2018) EXIM, Ottawa. Countries included in each regions are provided in Table 3 (References).

**Figure 5:**  
Export Value of Key Freshwater Species  
2014-16 average annual  
(% of Total Value)



Source: DFO, (2018) EXIM, Ottawa.

**Figure 6:**  
Average Annual Landed Price by Province  
2014-16 (\$/kg)



Source: DFO, Freshwater Landings.

The majority of exports are sold into U.S. markets (90%). Approximately 6% are sold into European markets. Asian markets account for about 3% of total export based on value.<sup>19</sup>

<sup>19</sup> DFO, (2018), EXIM, Ottawa. Figures Represent Average of Years 2014-16.



Prices paid to fish harvesters vary by region and reflect factors such as the distance to processing facilities and the market. For example, the average price per kilogram for Whitefish in Saskatchewan is 75% of the Manitoba price, while Pickerel in NWT is 61% of the Ontario price.<sup>20</sup>

### 3.2.2.2 Management

Constitutional jurisdiction over fisheries in intra-provincial non-tidal waters is shared. Generally speaking, the federal government is responsible for the conservation and protection of all fisheries, including fishing seasons, quotas, size limits and gear requirements. Provincial jurisdiction over non-tidal waters is largely based on their property rights as owners of public lands, including the beds of fish-bearing lakes, rivers and streams. These rights give provinces considerable flexibility to decide on many aspects of fisheries, including conveyances and leases of fisheries, who may fish, what privileges are conferred and what fees must be paid. The federal government has largely delegated intra-provincial fisheries management to provinces. Provinces are responsible for setting quotas, establishing and enforcing regulations, and protecting the health of the fishery.<sup>21</sup>

### 3.2.2.3 Aquaculture

Aquaculture presents economic growth opportunities in remote and rural communities across Canada, including Indigenous communities.<sup>22</sup> Aquaculture's linkages with local and regional suppliers of goods and services generate significant indirect economic benefits across a range of industry sectors including manufacturing, retail and wholesale trade, construction, transportation, and business services.<sup>23</sup>

For example, First Nations in British Columbia are diversifying into fish farming and cultivation, as well as seafood processing and packaging. The Kitasoo/Xai'xais First Nation in the community of Klemtu has formed a joint venture with Marine Harvest Canada to farm and process salmon. In the partnership, the community maintains local ownership of salmon farms and runs their own environmental monitoring program to ensure long-term operational sustainability. An accredited six-month aquaculture training program was also developed and implemented through the partnership, from which local community members have graduated, many of whom still work in the business.<sup>24</sup>

## 3.3 THE FRESHWATER FISH MARKETPLACE

FFMC competes in a global seafood market. Within this global market, the freshwater fish market comprises less than one percent of total global seafood market. FFMC is currently actively pursuing opportunities in Asia, eastern and western Europe and North America. In 2018, FFMC marketed freshwater products to 14 countries worldwide.<sup>25</sup>

FFMC is well recognized and respected by both customers and competitors in the markets in which it operates. FFMC pursues a general strategy of maximizing customer service, focusing on quality, price and providing a reliable continuous supply to its customers to separate itself from competitors. By doing this, FFMC seeks to advance fisher objectives by providing the markets for harvested fish.

FFMC must work to be adaptive to changing global markets and customer preferences. Changing eating habits, such as an increased interest in consuming healthier foods, play an important role in customer choice.

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<sup>20</sup> DFO, Freshwater Landings figures represent average of years 2014-16.

<sup>21</sup> Internal DFO/Intergovernmental briefing.

<sup>22</sup> DFO, Aquaculture, <http://www.dfo-mpo.gc.ca/aquaculture/sector-secteur/commun/index-eng.htm>.

<sup>23</sup> <http://www.dfo-mpo.gc.ca/aquaculture/sector-secteur/commun/ontario-eng.htm>.

<sup>24</sup> <http://www.dfo-mpo.gc.ca/aquaculture/sector-secteur/commun/kitasoo-eng.htm>.

<sup>25</sup> FFMC, 2018 Annual Report.

To maintain a market presence, suppliers must be able to react rapidly to changing market conditions. For FFMC, this may mean having the flexibility to alter its product mix to capitalize on changes in demand. One example of this flexibility would be the ability to switch from fresh to frozen or vice versa in response to changing market demand. FFMC, with its large central processing facility, can be flexible with product form and be cost effective through economies of scale to take advantage of these opportunities in the market.

FFMC must be able to adapt to these demand shifts while being competitive to comparable protein sources. Seafood market consumers have the option of substituting other seafood products for freshwater species if the prices are considered too high. There are also pressures from alternatives other than seafood. Chicken and pork products are also considered desirable protein and, in many cases, can be obtained at lower prices than freshwater fish.

### **3.3.1 Pickerel / Walleye**

FFMC dominates the Pickerel market in the Midwestern U.S., which is the most lucrative market for Pickerel in the world. Coupled with the U.S. dollar exchange value, Pickerel is the most profitable freshwater species sold by FFMC. FFMC has leveraged its ability to supply Pickerel on a continuous basis to both food service and retail sectors of the market to maintain its dominant position. Geographic proximity to the U.S. market has also allowed FFMC to take advantage of shorter-term direct sales opportunities. FFMC has to date successfully competed against other products such as Eastern European Pike which can be as much as 50% less expensive than the FFMC branded product.

Pickerel resource availability is considered a major concern in the future. The decline in the Pickerel resource on Lake Winnipeg has occurred at the same time that the Great Lakes region has experienced growth in the Pickerel resource. One of the advantages that FFMC has is the ability to maintain inventory at levels which permit it to stabilize the market and maximize market returns while maintaining and increasing returns to fishers.

### **3.3.2 Whitefish**

FFMC markets for frozen Whitefish are primarily in Finland and the United States. In Finland, Whitefish is further processed into smoked product which is sold in both the retail and food service sectors. Whitefish in Eastern European markets is sold in whole or steaked form. FFMC is pursuing further product line diversification by processing Whitefish in fillet form to appeal to growing consumer preferences for convenience. Whitefish is also used in North America in the production of gefilte fish for kosher markets. Frozen Whitefish is also sold in retail outlets in Canada.

### **3.3.3 Northern Pike**

FFMC supplies Northern Pike in both minced and portion forms to the French market, concentrated in the Lyon region in southern France. Frozen minced product is used to produce quenelles for retail and food service sectors.

### **3.3.4 Asian Market**

The Asian market for freshwater fish is emerging. Freshwater fish is not well recognized in China, but the size of the market and the demands of the population for seafood mean that FFMC needs to pay particular attention to the development of this market. The Chinese market is currently challenging for FFMC as the market is not prepared to pay prices that are high enough to justify diverting product from other markets. FFMC continues to make efforts to develop this market, looking at options for products such as Northern Pike to provide consumer demand opportunities.

### **3.3.5 Fresh and Frozen**

FFMC sells its products in both fresh and frozen forms. Historically, FFMC sales of fresh product are made primarily into the Canadian and U.S. markets and have accounted for approximately 25% of total sales. FFMC recognizes opportunities for future growth in this market and is targeting opportunities in the fresh

market that would see the percentage of fresh sales rise to greater than 30% of total sales. The sales of product in frozen form both in whole fish and fillets currently make up the other approximately 75% of sales.

### **3.3.6 Lake Fish Roe**

A market segment that has produced considerable value to FFMC in recent years has been the supply of roe. The development of the roe business is an example of an identified economic opportunity that has been developed and nurtured by FFMC over the last decade. The growth of the roe business has had a major impact upon sales of FFMC. What was a decade ago approximately 2% of sales annually has now grown to be in excess of 6% of annual sales. FFMC is currently considered to be the market leader in this business sector, the largest and most trusted supplier of Lake Whitefish and Whitefish caviar to Finland, and the number one supplier for buyers of Tullibee roe in Scandinavia.<sup>26</sup> The continued development of the markets for Whitefish, Tullibee (herring), Pike and Carp roe, primarily sold in Eastern Europe and the Scandinavian countries, demonstrates FFMC's continuing efforts to increase returns to fishers and fulfill the mandate provided by the FFMA.

### **3.3.7 Kosher**

FFMC is certified by the Orthodox Union (OU), the world's largest kosher certification and kosher supervision agency, and considered to be the Gold Standard in its field. This in turn has facilitated access to, and market penetration of, the kosher freshwater business primarily in the United States. Kosher is a term used to denote adherence to standards dictated by Jewish dietary law. The adherence to these standards allows FFMC access to this important segment of the market primarily those markets that require Whitefish, Mullet, Pike and Carp.

The OU certification has been maintained by FFMC for over forty years and is an integral part of accessing and growing markets both among those who adhere to kosher and those who see kosher products as superior in quality because of their strict adherence to processing standards.

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<sup>26</sup> FFMC, 2018 Annual Report, Page 9.

## 4 CO-OPERATIVES

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The Panel, as part of its overall mandate, has been asked to explore and analyze alternative governance and ownership models that support opportunities for broad-based collaboration and co-operation amongst harvesters, including shared decision-making. The Panel considered the opportunities and suitability of various co-operative business models involving stakeholders in the industry. The following summarizes the review of core options, including potential benefits and challenges, and issues that should be considered to support successful implementation and future operational sustainability.

### 4.1 OVERVIEW

Co-operatives (co-ops) are a form of business enterprise with a unique ownership structure; the owners of the enterprise also use the services that the enterprise provides. As an example, the members of fisher co-ops both own the co-op and use the co-op to provide direct services to the fishers such as handling, processing and marketing their fish. In contrast, the owners of the standard business corporation are only investors; they do not use the business' services. While co-ops may issue investment shares to non-members, such a practice is not common among Canadian co-ops.<sup>27</sup>

Co-ops differ from business corporations in other ways. As the International Co-operative Alliance indicates, a co-op is an "autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise." This perspective stresses the associative nature of co-ops and the idea that people voluntarily agree to work together to address a variety of goals and objectives in a democratic fashion.

### 4.2 CO-OPERATIVE MODELS

Co-ops are differentiated by how their members use the co-op's services; members of consumer co-ops purchase the services provided by the co-op, while members of producer co-ops sell the product they produce to the co-op for marketing or further processing. Fisher co-ops, found throughout Western and Northern Canada, are examples of producer co-ops.

Larger co-ops, i.e., ones in which scale economies are important in terms of offering high-quality and low-cost service to hundreds and even thousands of members, are typically organized in one of two ways, though there are also some hybrid examples where both are used. In the centralized model, each person using the service is a member of a single co-op. If the members are geographically dispersed, they will typically obtain their services through local facilities that are administered centrally. In the federated model, each member using the service is a member of one of a number of co-ops that are organized and operated locally; the local co-ops, in turn, form a co-operative to give them access to scale economies.

Both structures have advantages and disadvantages. When operated efficiently, centralized co-ops are good at providing standardized services and a common branding and marketing message, while federated co-ops are good at using local information and allowing experimentation. Centralized co-operative structures appeal to members who have a preference for standardization, while federated co-operative structures appeal to members who have a preference for local autonomy.

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<sup>27</sup> Investment shares do not entitle the shareholders to vote at meetings of the co-operative. The one exception is that shareholders can vote for up to 20 percent of the directors.

Finally, the different ownership structure of co-ops means that co-operative governance differs from that of the standard business corporation. As a result of the fact that members are both owners and users, co-ops have often been able to provide additional services or more competitive pricing than would otherwise have been the case. While the provision of additional services or more competitive pricing might lead to decreased profits for a business corporation (and thus not be pursued), co-ops might find such activities worthwhile to undertake since their members will benefit as users.

## 4.3 CONSIDERATIONS

The following planning and development considerations are noted by the Panel.

### **Operation**

The ability to identify and successfully implement changes to services or pricing depends on good decision making, which in turn requires competent leadership in both the co-op's management and the board members that oversee operations. The members of the board of directors are typically elected by members, although some co-ops, mostly those that are larger and well established, have appointed independent directors to provide specific expertise (e.g., marketing, finance).

The skills and expertise of the board are important, since the board sets the tone for the co-op and hires and evaluates the manager, or the Chief Executive Officer. In addition to specific business knowledge (e.g., financing, marketing, human resources), board members must be able to operate effectively in groups to sort out good arguments from bad ones, listen to others and incorporate their ideas, build cohesion, and challenge ideas in ways that are productive and not confrontational.

Although many of these skills can be learned, some are specific to particular people. The success of co-ops thus depends both on making board education a key element of governance and on encouraging members with the appropriate skills to participate in the co-op. While creating the organizational culture and dynamic that encourages these two elements is difficult, it can be done; the evidence is the large number of co-ops that have operated very successfully for many years. At the same time, the failures that have occurred – a good example is the Saskatchewan Wheat Pool – indicate that success is not guaranteed and establishing the foundation for good governance is something that must be constantly addressed.

### **Formation**

While co-ops can and do operate successfully once they have been created, starting co-ops is difficult – much more difficult in fact than starting a standard business corporation. The reason for start-up difficulties is that co-ops are associations; they require people to voluntarily agree to work together to address a variety of goals and objectives democratically.

Getting a group of people to voluntarily agree to work together and to accept an ownership and governance structure to which they can agree is difficult. While people may often agree on very high-level goals (e.g., better service), they may disagree on the specifics (e.g., more frequent versus more personalized service). They may also disagree on the particulars of the structure; some members may wish to see the direct election of board members, while others may believe board members should be elected/selected from a set of elected delegates. There are also free rider problems to address, i.e., the inclination that people have to let someone else put in the time, make the monetary investment or patronize the new business while personally doing only the minimum that is required.

Co-operative formation requires the same activities as business corporation formation; business plans must be developed and financing must be secured. Even here, co-ops face unique challenges. For instance, some members may simply not have the capital to invest in the co-op, even though they would be good members were the co-op to be formed. As a result, co-op developers must often find innovative ways to finance the co-op or tailor the business plan to the reduced level of available capital.

### Co-operative Development

The success of co-ops in both the short and long term depends on co-operative development (co-op development). Co-op development is the process by which co-ops form, grow and thrive. Following the Plunkett Foundation in the United Kingdom (see also Co-operatives First in Western Canada), it is possible to identify four phases to co-operative development:

- **Inspire:** Communities realize they have the potential to address the challenges they face.
- **Explore:** Communities explore different ways of addressing their specific challenges.
- **Create:** Co-op developers work with the community to help them create a co-operative that they truly own.
- **Thrive:** Support is provided to co-ops to allow them to continue to grow and develop.

Co-op development takes place within four related but distinct cultures. To be successful, co-op development must ensure that the co-op being developed fits within the general understanding of what being a co-op entails (co-operative culture) and that it fulfills a community need supported by social capacity (community culture). Co-op development must tackle the politics around co-operative business formation (political culture) and it must also ensure the co-op is a credible and viable solution within the larger business environment (business culture). Figure 7 shows the four phases to co-op development and the cultures in which it occurs.

Co-op development is often facilitated by a co-op developer – a person or group of people that help groups work their way through the development phases and navigate the various cultures. Co-op developers act as catalysts in that they assist with the process but do not make the decisions; these must be made by the co-operative members.

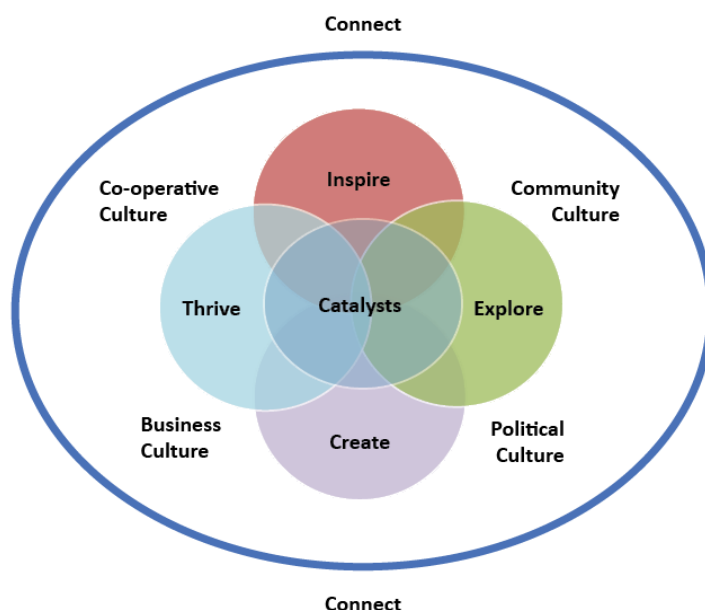
## 4.4 CONCLUSIONS

The consequence of the challenges highlighted above is that co-ops are difficult to create. However, once they have been created, they tend to last longer and be more robust than the standard business corporation. The reason for the differential performance is that the co-ops that do form have, on average, been more fully and rigorously analyzed than their business corporation counterparts.

Based on the material that was provided and the community engagement that was undertaken, successful co-op

development in the freshwater fishery in western and northern Canada would require attention to all four phases of co-op development and all four cultures. While some communities have created successful local co-ops and must now concentrate on allowing them to thrive, other communities are at the create, inspire and explore stages. All four cultures must also be navigated. In some cases, the political culture – the presence of gatekeepers that oppose this new business form – requires attention before co-op development can occur. In other cases, the community culture (i.e., social capital) requires development.

Figure 7: Co-op Development Phases and Cultures



Successful formation may also require a high level of participation from partners connected to the harvester community, including investors and collaborators.

Co-ops are at their core groups of individuals or organizations who voluntarily come together under an ownership and governance structure that meets their needs and better manages their risks. Immediately implementing a co-operative model for commercial fishers would not likely be successful or be sustainable in the longer term.



## 5 ENGAGEMENT

### 5.1 INTRODUCTION AND APPROACH

The Panel was mandated to explore in greater depth the ideas heard through the recently completed 2017 engagement process on FFMC. The Panel was able to engage with and hear perspectives from a large number of stakeholders during the course of its work.

### 5.2 2017 ENGAGEMENT PROCESS

The Fisheries and Oceans Canada (DFO) conducted an engagement process in 2017 with stakeholders to better understand the challenges faced by freshwater fishers, the importance of the freshwater industry to stakeholders, and the services offered by FFMC that are most helpful and valued by fishers. Stakeholders included employees of FFMC, commercial freshwater fishers in Manitoba, Saskatchewan and NWT, regional and national Indigenous organizations, representatives of affected fishers' associations and co-operatives, leaders from remote and northern communities active in the freshwater industry, and provincial and territorial governments.<sup>28</sup>

Over 300 people participated at in-person sessions held in 19 communities across Manitoba, Saskatchewan and NWT. Approximately 40 online surveys were also submitted.<sup>29</sup>

#### 5.2.1 2017 Engagement Key Findings

The engagement process highlighted the views and concerns of fishers and underscored their concerns about the potential to be adversely affected by these changes, especially in northern and remote communities and NWT. DFO stated that it would support the continuation of services provided by FFMC to all fishers in the near-term while a long-term way forward is determined, and that it was committed to working with fishers and other key stakeholders on the future of FFMC.

Concerns from across northern, remote and Indigenous communities were markedly consistent, particularly in Saskatchewan and Manitoba. Participants from the sessions in NWT diverged in their views on marketing and the future of FFMC. Another contrast in findings was evident when examining the results from northern and southern communities; those in northern communities were generally more supportive of FFMC, while those in southern communities were more receptive to the prospects of an open market model.<sup>30</sup>

The following findings were drawn from these interactions:

- FFMC is recognized as producing high quality products and fishers are reluctant to see the disappearance of the organization.
- Fishers spoke of unique challenges facing the industry, including unsustainable freight costs, distant processing capabilities, inadequate subsidies and difficulties in attracting and retaining younger workers.
- Fishers claim the price they receive for their fish has remained stagnant and not kept pace with rising costs and inflation pressures.
- Fishers noted the need for fishers to be included in the governance structure at FFMC, including increased transparency and a more “bottom up” approach to decision making, allowing FFMC to better represent fishers' interests.
- Calls for expansion of FFMC service offerings, including benefits (medical and pension benefits) as a way to entice younger fishers to the industry and enhance economic benefits to their communities.

<sup>28</sup> [Engagement on the future of the Freshwater Fish Marketing Corporation](#). DFO. Retrieved December 15, 2018.

<sup>29</sup> *Ibid.*

<sup>30</sup> Hill + Knowlton Strategies Canada. The Freshwater Fish Marketing Corporation Engagement 2017. November 2017.

- Northern and remote communities rely on investments from FFMC or other levels of government, including the improvement of fishing infrastructure or transportation subsidies. These services are important to the sustainability and competitiveness of these communities.
- Manitoba fishers in northern and remote communities expressed a need for additional support to help them successfully participate in an open market.
- Indigenous and northern communities are apprehensive about the adverse economic consequences that an open market may have on their communities and way of life.
- Fishers in Saskatchewan and Manitoba have concerns about environmental degradation and its effect on their fishing grounds.
- Fishers who participated in the engagement showed little support for the dissolution or privatization of FFMC:
  - Fishers felt that privatization would not necessarily yield better prices for fishers as private entities are more interested in their bottom line than providing fishers with a larger share of profits.
  - Fishers noted support for the continuation of FFMC in some capacity, perhaps under an alternative business model that could address many of their primary concerns including: profit sharing, ownership over company assets, and greater control over strategic direction and governance.
  - An alternative business model would also help to alleviate some of the mistrust fishers currently feel towards FFMC.

### 5.3 PANEL ENGAGEMENT ACTIVITIES

Consistent with its mandate, the Panel completed engagement activities that focused on exploring in greater depth the key conclusions from the 2017 engagement process and hearing from stakeholders their perspectives on alternative governance and ownership models that might support opportunities for collaboration and co-operation among harvesters. The Panel was also interested in hearing from stakeholders where and what role they felt they could have in the implementation of these models.

The Panel identified stakeholders within each of the active jurisdictions that FFMC currently operates within or remains a signatory to the FFMA. These stakeholders included FFMC senior staff, active commercial fisher organization representatives, regional Indigenous leadership, provincial and territorial government representatives, national fishery associations, and other stakeholders with a keen interest in the future of FFMC.

Stakeholders were contacted directly to introduce the Panel, describe the Panel's mandate and objectives, and inquire if there was an interest in meeting with the Panel. The focused in-person meeting process provided the Panel with an opportunity to engage and ask questions of each stakeholder to ensure clarity, accuracy and to focus the discussion on elements of interest to the Panel.

Invitations were sent to stakeholder groups prior to the meetings in each location. These letters of invitation provided additional information that described the Panel and the Panel's areas of focus and interest; they also included a series of questions intended to help guide the discussion with specific stakeholders. Specifically, the Panel sought feedback from stakeholders on

- what governance and ownership structures should be considered to support the long-term viability of the freshwater fishing industry and provide opportunities for all fish harvesters,
- what were the strengths and weaknesses of these structures in meeting these objectives, and
- what role do they feel they could contribute in the transformation process.

A dedicated e-mail address was set up to receive input, questions, and submissions to the Panel. Stakeholders were encouraged to provide written submissions to the Panel, particularly if they were unable to meet or had additional information and perspectives they wanted to share. A copy of the engagement letter is included in Appendix C.

The Panel had the opportunity to meet and discuss with many stakeholders throughout this process. The Panel's engagement activities are summarized in Table 1.

## 5.4 WHAT WE HEARD

Many of the comments that the Panel received reinforced messages reflected in the engagement process in 2017. The opportunity to meet with some of the earlier participants and explore how a transition process could be accomplished was an area pursued during the 2018-19 engagement process. Outcomes from these discussions are reflected in the observations section of this report.

**Table 1: Panel Engagement Activities**

<b>Date and Location</b>	<b>Stakeholder Group</b>
September 12-13, 2018 Ottawa	DFO staff Co-operatives and Mutuels Canada
September 23, 2018 Winnipeg	Freshwater Fish Marketing Corporation
October 29-30, 2018 Hay River, Yellowknife	NWT Fishermen's Federation NWT Métis Nation Kát'odeeche First Nation Dene Nation Government of Northwest Territories Morin Fisheries
November 8-9, 2018 Winnipeg	National Indigenous Fisheries Institute Assembly of Manitoba Chiefs Ni'Akinde (National Indigenous Economic Consortium) Manitoba Metis Federation
November 22, 2018 Saskatoon	Prince Albert Grand Council Métis Nation–Saskatchewan Federation of Sovereign Indigenous Nations Saskatchewan Co-operative Fisheries Limited Ile-a-la-Crosse Fish Company Meadow Lake Tribal Council
January 4, 2019 Teleconference	Government of Alberta
January 11, 2019 Teleconference	Government of Saskatchewan
January 15-16, 2019 Winnipeg, Thompson	Government of Manitoba Manitoba Keewatinowi Okimakanak Fisher River Cree Nation Norway House Fishermen's Co-op Commercial Fishermen's Association of South Indian Lake Northern Association of Community Councils Leaf Rapids Nelson House Fishermen's Association Moose Lake Fishermen's Association Easterville Wabowden Split Lake Pukatawagan Fishermen's Association Granville Lake Fishermen's Association
March 21, 2019 Winnipeg	Assembly of First Nations, National Fisheries Committee

## 6 OBSERVATIONS

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The Panel received exceptionally valuable information during engagement activities with stakeholders. This information, along with the review of supporting documentation about the inland fishery including materials provided by FFMC and DFO, and discussion among panel members contributed to the Panel's understanding of the diverse stakeholder perspectives and the drivers of change in the current environment.

The Panel concluded there are many diverse stakeholder interests in the inland fishery served by FFMC. These interests can be summarized as follows:

- Fisher interests include
  - desire for better financial returns, including expanded markets and the addition of more value in current markets,
  - sustainable fisheries and preservation of fish stocks,
  - improved understanding of the operations of FFMC,
  - direct participation in FFMC decisions that directly affect them,
  - an ongoing role for FFMC into the future, and
  - opportunities for youth and the next generation.
- Government interests include
  - maintaining administrative roles within their respective jurisdictions of responsibility,
  - supporting the sustainability of the resource and long-term viability of the inland fishery,
  - balancing the needs and interests of the recreational/sport fishery with those of the inland fishery,
  - recognizing the positive role FFMC has today and can have in the future, particularly in northern and remote communities, and
  - supporting the long-term economic viability of FFMC, including wanting to ensure management and directors have skills that complement the needs of the organization.

The Panel noted that each jurisdiction (federal, provincial, territorial) operates largely independently and that the level of coordination among the government groups is not currently at a level required to move forward successfully.

- Northern and remote community interests include
  - recognizing that these communities will be most adversely affected by an open market system, and
  - ensuring the considerable non-monetary value commercial fisheries have to communities is sustained.
- FFMC interests include
  - maintaining the ability and capacity to buy, process and market high quality freshwater fish on behalf of over 1,600 fishers in Manitoba, Saskatchewan and NWT, and
  - addressing the issues associated with management, increased competition, and fisher concerns.

- Non-Government organizations have interests including
  - concerns that the current structure of FFMC no longer provides the greatest value to fishers and that the model needs to change to be sustainable,
  - promoting consistency and standards across fisheries management and Indigenous peoples,
  - working directly with communities, regional organizations and government agencies to maximize the potential of fisheries to benefit Indigenous peoples and communities across Canada, and
  - acquiring a portion or all of the existing FFMC operations and transforming the new entity to align with different organizational objectives.
- Private processor interests include
  - focusing on individual business plan models but recognizing that they are linked to the economic viability of FFMC, and
  - maintaining supply for their customer base (for private processors operating outside FFMC's geographic area).
- Regional value adding groups, such as regional processing co-operatives, are interested in
  - supporting sustainable economic opportunities for local populations, regional value-adding, and contributing to the long-term viability of regional commercial fisheries, and
  - their contribution to preservation of cultural lifestyle and heritage as notable non-monetary benefits.

The diversity of interests underscores that within the current environment there is no obvious consensus or alignment of perspectives and interests among these groups.

The Panel also noted various influencing drivers affecting the inland fishery within the areas served by FFMC:

- **Biomass:** Fishers throughout the study area shared concerns about unique resource management practices in each jurisdiction and concerns about the overall sustainability of resource:
  - A sustainable resource is the foundation of any future organizational or ownership structure. Sustainable resources provide the assurance that resources will be there to support future generations of fishers.
  - Fishers raised concerns about how pollution, climate change and other human-made disturbances will affect the fishery. The uncertainty with the scale and scope of this impact, as well as the fishers' ability to adapt to these changes, was raised in each region.
  - Fishers recognize the role regulatory agencies play in the management of the resource. Fishers, however, feel they are not kept adequately informed, particularly of decisions that are made on quotas or resource management, perceiving that decisions do not involve them or are made without consideration of their perspectives.
  - Fishers expressed concern in some jurisdictions about the lack of resources made available to carry out the research work needed to determine biomass levels. This has contributed to a lack of confidence in the information that is shared and a level of distrust with regulatory agency reports and guidance.
  - Engagement feedback has identified the value of more research and scientific work in improving the understanding of the species populations. Having fishers directly involved in this process would be beneficial.
  - Better coordination is required between federal and provincial regulatory agencies to ensure resources are present for future generations.

- **Marketplace:** FFMC does not have a monopoly in the market place, although it does have some pricing influence in some markets.
  - Although it has some ability to adapt to market changes, FFMC does not have any ability to define either buyer or consumer preferences.
  - The effort, time and cost required to develop and maintain effective markets is considerable.
- **Competitive environment:** The implications of open market competition in western and northern Canada is not fully known at this time. Competition is expected to benefit fishers harvesting desirable species in favourable locations, and to negatively affect fishers harvesting less desirable species in less favourable locations.
- **Fisher sustainability:** The long-term sustainability of the inland fishery is closely linked to the sustainability of the individual fish harvester. Various factors are challenging this:
  - The average age of fishers is increasing.
  - Pricing and revenues are stagnant compared to increasing operating costs.
  - Youth are being presented with more diverse employment options.
  - Opportunities to improve food security through locally sourced food and the increased recognition of the social importance of fishing to remote and northern communities are both viewed as positive steps in supporting fisher sustainability.
- **Human Capital:** The ability to adapt to change. The Panel noted at numerous times during the engagement process of the challenges commercial fishers have had providing appropriate leadership, management, and accountability within their own organizations. In the competitive and open market environment, these skills are essential for fishers and fisher organizations to be successful.

The Panel notes that these drivers contribute to increased uncertainty within the inland fishery. FFMC has noted that this uncertainty has already affected supply availability and the marketing of fish products. This uncertainty is likely to persist and will continue to disrupt fishers, processors, and marketers for the foreseeable future unless change is forthcoming. The single market desk model under which FFMC historically operated is not viable in today's open market environment.

Along with the acknowledgement of the need for change in a timely manner is the recognition that change will affect over 1,600 fishers and the communities to which they are connected. Stakeholders participating in the engagement process, including but not limited to fishers, spoke of a need to be sensitive to this point. They also spoke of the need for gradualism and time to allow change to occur, as well as the need for support throughout the change processes to ensure people most affected by the change are supported. The Panel noted through engagement the existence of key potential partners interested in supporting the development of positive change, and in participating in a future transformed FFMC organization.

## 7 RECOMMENDATIONS

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### 7.1 INTRODUCTION

The Panel is pleased to bring forward a set of recommendations on the future of FFMC and the inland fishery in western Canada. The recommendations address the mandate objectives provided by the Minister, take into account the current economic and biophysical environment, recognize the factors driving change in the fishery, address the interests and issues identified during the Panel's interactions with stakeholders, and consider supporting documentation and discussion among panel members.

The Panel's recommendations underline the need for change. Manitoba and Saskatchewan's withdrawal from the FFMA in recent years, increasing concerns about the biomass and sustainability of the fish resource, and changes in the marketplace, including consumer preferences, all indicate that the current structure of the inland fishery is no longer suitable to meet the needs of those with a stake in the fishery.

In developing recommendations, the Panel operated with two core considerations. First, the Panel does not consider the maintenance of the existing system and business model to be sustainable. The Panel anticipates that new firms and economic organizations will continue to enter the marketplace in which FFMC currently operates to pursue opportunities in the open market environment. This perspective is supported by the Panel's interactions with FFMC representatives and most stakeholders. Second, the Panel did not consider the dissolution of FFMC. Although stakeholders provided many examples of issues and concerns they would like to see resolved, they overwhelmingly support the concept of a fish processing and marketing function to support the efforts of fishers.

The Panel's recommendations recognize the diversity of interests among the current stakeholders and that there is no obvious consensus or alignment of perspectives among groups (see Section 6).

The Panel thus concluded that any attempt to impose a Panel-constructed structure on the fishery would be unsuccessful.

However, the Panel does believe that it is possible for the current stakeholders to reach agreement on a structure. The Panel also believes that the structure that is most likely to result in agreement involves the creation of a formal association of fish producers (for example, a federated co-operative) that can accommodate different regional perspectives and interests while achieving the required economies of scale with processing and marketing to external markets. More details on this business federation are provided below.

The Panel's recommendations are designed to provide a highly structured process within which the stakeholders can resolve their differences and reach a decision they all support. The Panel's recommendations are also designed to develop outcomes that support meaningful opportunities for collaboration and co-operation among harvesters, integrate the needs of Indigenous fishers and their communities, and support self-determination. To this end, the Panel recognizes the process will require independent and neutral support from the outset.

The Panel's recommendations and actions are guided by the following principles:

- Immediately implement practical actions to reduce uncertainty.
  - Provide a timeline and schedule for the implementation of the transformative process.
  - Provide resources dedicated to supporting the expected transformation process.



- Provide time in the transformation process so that adversely affected parties have reasonable time to adjust.
  - Stakeholders who face the greatest impact of an open market system are also the groups that have the least ability to adjust.
    - Groups located in northern and remote communities have greater socio-economic challenges because of their geographical location, have higher input costs and higher freight costs, and harvest generally less valuable species in lower volumes.
- Recognize the need for capacity building.
  - Fishers and communities, particularly those potentially most adversely affected by these changes, need to be adequately prepared to operate in the open market system. While many of the issues they face cannot be changed, time and resources can enhance the resilience of local populations and fishers and their ability to adapt to these changes.
  - Increased capacity and support that develops skills and awareness of the business will help in whatever transformation outcome occurs.
  - Improve information sharing and communication between fishers and FFMC and among fishers.
  - Required if stakeholders are to understand and appreciate the changes and progress being made during the transformation process.
  - Will reduce uncertainty and speculation among harvesters and other stakeholders.
- Provide time for effective steps to be taken to address biomass concerns.
  - Sustainable biomass management and participation of stakeholders is an important step in the development of a sustainable inland fishery.
  - Governments involved in resource management should actively listen to stakeholders directly involved in the harvesting of the resource.
  - Participation in the monitoring of aquatic resources by harvesters supports the ability of regional communities to promote self-determination and the stewardship of the natural resources they rely on.
- Provide time for commercial fishers and other regional stakeholders to meaningfully explore and determine what role they collectively want to have in the future process.
  - For most fishers, the future of the inland fishery in the area served by FFMC will be defined by the extent to which fishers are able to collaboratively share risks and opportunities on a larger scale than has been the experience to date.
- Provide time for federal, provincial and territorial governments and agencies to determine what specific roles they will have in supporting this transition within their jurisdictional regions.
- Provide time to appropriately define an effective role for FFMC in the changing environment.
  - FFMC and participating fishers need to assess the implications of any proposed changes to the viability of FFMC. It has only been one year since Manitoba has moved to an open market system. The implications of the increased competitive environment are only now beginning to be experienced by FFMC and commercial fishers.
  - Several regional processing plants are being established. Their viability, both individually and collectively, depends on their relationship with each other and with FFMC.
  - The Strategy for Revitalizing the Great Slave Lake Commercial Fishery has identified an ongoing role for FFMC as a buyer of last resort when fish products cannot be successfully marketed by NWT.
  - Other fishers or fisher organizations may similarly consider FFMC as a willing buyer of last resort. The viability of such a business model and its impact on various stakeholders has not been established.

It is important to stress that the Panel's recommendations identify a process that involves all stakeholders, including governments. Encouraging collaboration and co-operation among stakeholders will be required to move forward under any alternative. Approximately 1,600 fishers participate in the inland fishery served by FFMC. These individuals and the communities to which they are connected need to be considered in developing plans for this important industry.

The following recommendations describes a three-year process that involves immediate changes to FFMC in Year 1, human and organizational capacity development in Year 2 and completion of a path forward in Year 3.

## **7.2 YEAR 1: CHANGES TO FFMC**

### **7.2.1 Change Governance of FFMC**

1. Increase fisher participation in FFMC by drawing board members from fishers and fisher organizations. Fisher board members should be chosen to reflect the regional geographic diversity of FFMC operations and the demographic pattern of Indigenous participation in the fishery. The fisher board members must demonstrate competency in board decision-making and an ability to consider the interests of the inland fishery in areas served by FFMC. To provide appropriate oversight, FFMC's Board composition should also include appropriate skills in areas such as legal, accounting and human resources.
2. Establish an active delegate committee of fishers to reinforce efforts to implement real, continuous communication between fishers and FFMC board and management, so that when the board and management make decisions, they are seen to take account of fishers' needs. A delegate committee would help provide input to the board and could function as a mechanism to share information and perspectives between FFMC, fisher organizations and their communities. Representation to the delegate committee may be from specific geographical areas and could include representation from non-geographical interests such as regional value-added processing activities.<sup>31</sup>

Changes to FFMC governance should be formalized to communicate commitment to the transformation process and to provide greater certainty for stakeholders. To this end, the Panel recommends that the uncertainty around FFMC leadership be removed, including confirmation of the President's function and title (it is currently "interim").

### **7.2.2 Strengthen FFMC Operations**

FFMC, and particularly FFMC field operations, has made considerable strides to develop and maintain positive relationships with fishers and fisher organizations. FFMC has also made substantive efforts to develop more resiliency to the risks and uncertainties presented in an open market system. These efforts need to be maintained and monitored for success.

The operational viability of FFMC and the success of the transformation process are closely connected. A strong and resilient organization is needed to support existing operations and the transformation process. Strong operational viability and management within FFMC will provide assurance to stakeholders during this process.

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<sup>31</sup> The delegates' primary role is to facilitate the flow of information from fishers to the board and from the board to fishers. This communication is done formally through education and informally through discussions and consultations. The role of delegates is often challenging, since they must not only act as advocates of FFMC but must ensure that the concerns of fishers are communicated to the board and management. This structure provides fishers with a voice in the operations of FFMC, while time ensuring FFMC operates in a reasonably efficient manner. It also provides, through education and participation, a means to increase the number of potential future board members and community leaders.

The Panel recommends that FFMC undertake activities that provide meaningful communication and information sharing with fishers. It is important that there is a mutual understanding of the changing environment, risks, volatility, and uncertainties inherent in the open market system, and the steps that need to be taken to address these changes and challenges. FFMC and fishers have been strongly connected for 50 years and this relationship needs to be made stronger to address the challenges and opportunities of the future.

Demonstrated integration of Indigenous and fisher perspectives into the decision-making process of FFMC will improve trust and communication between the two groups and reduce uncertainty.

### 7.2.3 Process Support

The Panel recognizes that achieving transformation within the identified timeline will require considerable support, oversight, and direction. The Panel thus recommends that dedicated resources – specifically an interlocutor and support staff – be provided to facilitate this transformational process.<sup>32</sup> These resources need to be available from the beginning to help bring the various stakeholder groups to a decision point. The focus of this support would include:

- **Neutral connections:** The interlocutor cannot be perceived by stakeholders as having any interest other than ensuring a successful process. An interlocutor assembles the different stakeholder perspectives and moves parties to a decision point.
- **Mobilization and facilitation:** The task to initiate the transformation is considerable and resources are required to undertake the process, including
  - co-ordination of federal government departments and agencies,
  - co-ordination of provincial governments,
  - facilitation and engagement with stakeholders, and
  - process coordination.
- **Monitoring and evaluation:** There is a need to continuously monitor and evaluate the efforts of stakeholders and supporting agencies to determine the progress that is being made and the changes that may be required.

Federal support will be required to maintain process support for the duration of the process. The Panel has not explored what the appropriate mechanism might be for the interlocutor role other than that the individual (plus support staff) would need to be a neutral entity with no interest other than bringing the various stakeholder groups to a decision point that is acceptable to the group and is believed to be workable. In recommending support be provided through the transformation process, the Panel is sensitive to the perception that this may be misinterpreted as the introduction of an additional layer of administrative bureaucracy to the process. The Panel has considered this and feels that defined facilitation and coordination is needed to implement the transformation process. As soon as this process is complete, the role and function of the support will cease.

### 7.2.4 Planning for Year 2

The future success of a transformed FFMC will depend to a great extent upon the development of fishers and fisher organization capacities and capabilities. The Panel explicitly observed the need to develop organizational and leadership capacity among fishers as a precursor to a viable inland fishery.

The role of the federal, provincial, and territorial governments in supporting this transition will be central to the success of this process.

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<sup>32</sup> An interlocutor is someone who arranges a deal or agreement among organizations or groups.

Within one year, it is expected that the various governments will have identified the respective roles they intend to play in supporting the transformation process. This support could include commitments to continue current or revised operational supports for the fisheries, including but not limited to infrastructure investment and organizational development supports that facilitate meaningful mechanisms for co-operation and collaboration among fishers and other stakeholders.

To achieve the required coordination between federal, provincial, and territorial government agencies and departments, the Panel recommends the creation of a charrette process involving these stakeholders within a reasonable time frame, i.e., three months.<sup>33</sup> Professionally facilitated, this process will review and confirm areas of mutual support for the inland fishery. The outcome of this process will be a Memorandum of Understanding that confirms stakeholder support for the duration of the transformational process.

In parallel, the interlocutor could also begin engaging interested non-government stakeholders to establish a baseline on how capacity building activities would take place in the next year. This could include creating a framework for consensus building.

#### **7.2.5 Communications Plan**

Changes to the competitive environment in Manitoba, Saskatchewan and NWT, along with operational changes within FFMC, have produced uncertainty and concern within the commercial fishing industry in areas served by FFMC. These concerns will become more pronounced during the transformation process as fishers are presented with additional pressures and opportunities.

The Panel recommends the development and implementation of a communications plan to ensure governments and fishers are fully aware of the transformation plan and have regular opportunities to review the progress of the transformative process and to discuss concerns or issues. The Panel feels that this communication will support an open and transparent process sought by commercial fishers and help reduce uncertainty.

### **7.3 YEAR 2: DEVELOP CAPACITY**

#### **7.3.1 Capacity Building**

The key goals for Year 2 are an assessment of the suitability of a New Fisher Organization to take over some or all the activities of FFMC and a determination of the likelihood of the success of this organization. As outlined below, the New Fisher Organization would be structured as a business federation of regional fisher groups and/or processors. To achieve the two goals, two activities are required: (1) Improve the capacity of stakeholders to work collaboratively and co-operatively, and (2) Provide opportunities for fishers to learn more about the open market environment and the operational implications of this model. Year 2 would also include activities identified as part of the Year 1 charrette process that support development of individual and organizational capacity in the inland fishery. The interlocutor will play a leadership role in ensuring that these action items are undertaken in a timely and effective fashion.

Continuous and demonstrated institutional capacity improvement for fishers, fisher organizations, and FFMC is needed to strengthen and support the transformation and to effectively address risks and uncertainties associated with the development of a New Fisher Organization.

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<sup>33</sup> Charrette - A charrette is a form of participatory planning process that assembles an interdisciplinary team to create a design and implementation plan for a specific project. Generally conducted within a compressed timeframe, charrettes ideally involve cross-functional teams working collaboratively to develop solutions.

### **7.3.2 Government Investment and Support**

During Year 2, the government supports that were identified in Year 1 will be implemented to support ongoing infrastructure needs, organizational/stakeholder co-operation and collaboration, and transformational support to FFMC. Examples of supports include infrastructure investment that has been identified in consultation with fishers and assistance for ongoing non-government organization activities that help to enhance the self-sufficiency of fishers and fisher organizations. These efforts are expected to include the active participation of and coordination with national agencies currently operating with these or similar objectives (e.g., Assembly of First Nations Fisheries, National Indigenous Fisheries Institute). The Panel notes that there are considerable resources available through existing regional development agencies and other groups such as the Aboriginal Financial Institutions in Central Canada.<sup>34</sup>

### **7.3.3 Confirm Transformation Framework**

Prior to the conclusion of Year 2, the interlocutor will assess the progress and suitability of commercial fishery stakeholders to complete the transformation of FFMC to a New Fisher Organization.

This assessment will confirm whether the stakeholders have the potential to successfully support a transformed FFMC as a New Fisher Organization. Priority objectives for a new organization included ensuring the long-term viability of the inland fishery in areas currently served by FFMC, providing meaningful opportunities for all fish harvesters in these jurisdictions to bring their catch to market, recognizing the needs of Indigenous fishers and their communities, and supporting self-determination.

## **7.4 YEAR 3: ESTABLISH AND IMPLEMENT PATH FORWARD**

In Year 3, following assessment of the progress achieved in Year 1 and Year 2, the interlocutor will confirm and implement the remainder of the transformation process.

The Panel feels a two-year timeframe is sufficient to assess the progress that stakeholders have made in developing the capacity to operate successfully in an open market system. The Panel feels that the time is also sufficient to assess the implications of increased competition in an open market on the inland fishery in those areas served by FFMC.

The Panel feels that clear and defined timelines bound the overall process and provide certainty to stakeholders that the process is both managed and will arrive at a conclusion. Stakeholders have raised concerns about the future of the inland fishery in areas served by FFMC. Setting clear timelines will reinforce the importance of a timely conclusion.

### **7.4.1 Identification of Transformation Objective**

The Panel believes it is possible for stakeholders to reach agreement on a structure for a transformed inland fishery. The Panel also believes that the structure that is most likely to result in agreement involves the creation of a New Fisher Organization organized as a business federation of regional fisher groups and processors. Organized in this way, the New Fisher Organization can accommodate different regional perspectives and interests while achieving the required economies of scale with processing and marketing to external markets. The New Fisher Organization may also form partnerships with groups to secure access to capital, business skills, and other expertise.

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<sup>34</sup> Federal departments have in place programs that may directly support the transformation process. Agencies and departments such as Agriculture and Agri-Food Canada, Canadian Northern Economic Development Agency, DFO, Employment and Social Development Canada, Indigenous and Northern Affairs Canada Innovation, Science and Economic Development Canada, and Western Economic Diversification Canada have programs that could directly or indirectly assist stakeholders with marketing and business development, training, and capacity building, Indigenous economic and community development, resource management skills, as well as general economic development. Provincial programming could also contribute to this transformation.

An assessment of the suitability of a New Fisher Organization and the likelihood of its success will be made by the interlocutor prior to the end of Year 2. The plan for Year 3 will be based on this assessment. In the event the assessment concludes that the New Fisher Organization could not be successfully developed, the federal government would look to other alternatives. These are discussed below in order of preference.

**New Fisher Organization:** The New Fisher Organization, which would take over some or all of the activities of FFMC, would be structured as a business federation of regional fisher groups and processors.<sup>35</sup> This structure would allow it to accommodate different regional perspectives and interests while time achieving economies of scale in processing and marketing.

The time spent developing capacity among regional groups in Year 2 will help to determine how robust these groups will be and their desire and ability to work together collaboratively to develop and operate a New Fisher Organization. The New Fisher Organization would build from the existing FFMC, which has already developed close working relationships with fishers who supply raw material and customers to which FFMC sells products.

The owners of the federated New Fisher Organization could be regional co-operative organizations (NWT, Saskatchewan, Northern Manitoba, Southern Manitoba) that currently exist or that may form in Year 1 and Year 2 from local fisher associations and co-operatives. Owners could also include regional processors owned by investors. The federated structure may encourage, facilitate and support more local ownership and could include modest regional value-added processing facility development. These organizations would participate in ownership of a central marketing or processing organization (FFMC) that operated for their benefit under their ownership.

If a New Fisher Organization cannot be successfully formed, the Panel has identified that an Indigenous Economic Development Corporation, which would take over some or all of the functions of FFMC, may be a suitable alternative for stakeholders in capturing the greatest value for fishers. The Panel met directly with various Indigenous economic development entities that have an interest in proceeding with a business model that replicates the economies of scale associated with centralized and coordinated processing and marketing facilities of FFMC, and distributes these benefits to certain segments of the fisher population as determined by the stakeholders. An Indigenous Economic Development Corporation would be of national scope and would provide opportunities for Indigenous development and training.

Both organizations will face the challenge of co-ordinating the complex relationship between harvesting, processing and marketing of fish given the increase in regional processing capacity throughout western and northern Canada that is taking place at this time. If effective steps are not taken to coordinate these activities, processing overcapacity will result in production inefficiencies, higher costs, and lower prices for fishers. A New Fisher Organization, as a group that has voluntarily come together under a common ownership structure, would resolve these challenges in a collaborative manner that focuses on the needs of fishers. An Indigenous Economic Development Corporation can be expected to approach this challenge from the perspective of the needs of the development organization. The Panel has identified a preference to have a New Fisher Organization be given the initial opportunity to undertake this coordination.

If neither a New Fisher Organization nor Indigenous Economic Development Corporation model are suitable, options for the future of FFMC are more limited, with each having considerable challenges. Alternatives could include: (a) identifying ways to support the existing FFMC system; (b) dissolving FFMC through the sale of assets or specific areas of operations; and (c) ceasing FFMC operations outright.

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<sup>35</sup> A business federation is made up of a number of independent enterprises that together own a centralized organization. The independent enterprises are formally and legally autonomous, and retain a considerable degree of independence in their powers, identity, and capacity to act. At the same time, the independent enterprises also voluntarily delegate activities to a central organization and respect the ability of this organization to act within its assigned roles.

The Panel, as noted earlier in this report, has not considered dissolution of FFMC in its recommendations. The Panel was mandated to identify and assess potential transformative alternatives that support opportunities for broad-based collaboration and co-operation amongst harvesters, including new partnership arrangements. The Panel has not considered alternatives that would remove the functions of FFMC. If these alternatives were pursued, considerable effort and resources would be required to successfully implement them and to adequately mitigate the adverse impacts they would likely have on some commercial fishers (and particularly those in remote areas).

#### **7.4.2 Role of the Federal / Provincial / Territorial Governments**

As soon as the intended transformational objective is confirmed, there will be a need to identify the supporting role that federal and provincial governments will have to play to ensure a successful transformation. Though the form and scope of this role may differ depending on the outcome, the objective is to provide sufficient support throughout this transformational stage to mitigate the adverse effects to fishers. This process, consistent with the activities in Year 1 and Year 2, will involve collaboration with all stakeholders including fishers.

This support could include ongoing training initiatives and capacity development to facilitate transformation, as well as ongoing investment in infrastructure and other support. Support may also include more passive stabilizing mechanisms such as the provision of a backstop beneficiary or a debt guarantee function.

The Panel notes that for this process to be successful, coordinating and managing resources within the federal system will require leadership from an appropriate executive level to be able to make decisions for as well as speak authoritatively on behalf of government.

Table 2 on the following page summarizes the timeline and activities of the Panel's recommendations.



**Table 2: Summary of Recommendations**

<b>Year</b>	<b>Action</b>	<b>Explanation</b>
<b>Year 1 Changes to FFMC</b>	Change Governance of FFMC	Increase fisher participation on FFMC Board. Establish active delegate committee of fishers.
	Strengthen FFMC Operations	Advance FFMC activities that provide meaningful communication and information sharing with fishers to integrate perspectives in decision-making.
	Process Support	Implement transformation process support with dedicated interlocutor and support staff.
	Planning for Year 2	Hold a charrette process with federal, provincial, and territorial governments to identify and commit support for the inland fishery and transformation process.
	Communications Plan	Develop and implement plan to share the progress of the transformation plan.
<b>Year 2 Develop Capacity</b>	Capacity Building	Improve the capacity of stakeholders to work collaboratively and co-operatively. Provide opportunities for fishers to learn more about the open market environment and the operational implications of this model.
	Government Investment and Support	Implementation of supports identified in Year 1 charrette process.
	Confirm Transformation Framework	Assess progress and suitability of stakeholders to complete the transformation process.
<b>Year 3 Establish and Implement Path Forward</b>	Identification of Transformation Objective	Stakeholders agree on a structure for transformed inland fishery.
	Role of Federal / Provincial / Territorial Governments	Identification of supporting roles for governments to ensure successful transformation through training, capacity development, and infrastructure investment.

## 8 CONCLUSION

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The inland fishery is an important element of Canada's character, and holds particular importance with Indigenous peoples and in northern and remote communities. The Panel has identified a structure that reflects the considerable value of the fishery, provides for people most closely linked to its success to be involved in future decisions and planning, and ensures future generations have the opportunity to participate in the inland fishery.

The Panel feels that its recommended plan addresses the concerns and uncertainties identified by stakeholders and by the Panel in its review.

The plan provides for the implementation of a defined set of activities over three years. It involves all stakeholders in the planning and implementation process, which in turn provides for the greatest potential for agreement and success.

The plan is practical and effective, and is respectful of the status of Indigenous communities and the role the inland fishery has for these communities. It includes provision for process support throughout, along with a comprehensive communication plan to share information and receive regular feedback on process status.

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**Table 3: Countries included in each region (Non-export countries not represented)**

Figures 3 and 4 describe freshwater fish exports and reference consolidated categories to present export information. Data from the following countries have been included in each region.

Europe	Asia	Other	United States
Austria	China	Algeria	United States of America
Belgium	Hong Kong	Australia	
Czech Republic	Israel	Barbados	
Denmark	Japan	Bermuda	
Estonia	Kazakhstan	Brazil	
Finland	Korea, South	Burkina Faso	
France	Malaysia	Dominican Republic	
Germany	Singapore	Guyana	
Iceland	Taiwan	Panama	
Lithuania	Thailand		
Netherlands	Viet Nam		
Poland	Turkey		
Portugal	United Arab Emirates		
Russian Federation			
Sweden			
Switzerland			
Ukraine			

## APPENDIX A – CANADIAN INLAND FISHERY

The following provides additional information on the provincial and territorial jurisdictions that represent approximately 95% of both the landed weight and landed value of Canada's freshwater fishing industry.

Information for the Northwest Territories, Saskatchewan and Manitoba has been sourced from Freshwater Fish Marketing Corporation (FFMC) data and excludes information on most local sales, including local sale volumes and prices. Information for Ontario is sourced from the Ontario Commercial Fisheries Association (OCFA) (<http://www.ocfa.ca/fisheries-industry/fisheries-statistics>) and may or may not include information on local sales. Anecdotal information from fishers suggests local sale prices may be higher than those received from FFMC or other markets and as a result actual prices may differ than those provided here. There may also be a difference in methodology for deriving this information. Comparisons between the implied prices in Ontario and the regions served by FFMC, given these different information sources, is likely not useful.

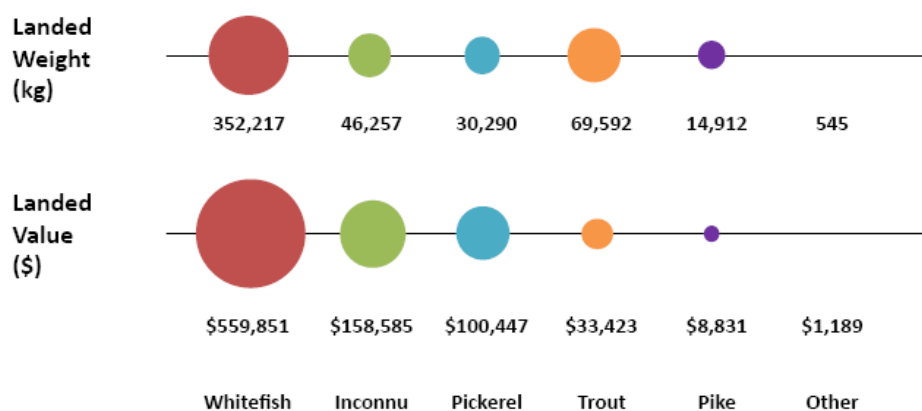
### THE NORTHWEST TERRITORIES

In March 2017, the Government of the Northwest Territories (NWT) released a *Strategy for Revitalizing the Great Slave Lake Commercial Fishery*. This serves as a road map for NWT commercial fishing industry going forward. It is aimed at increasing the economic value generated from the fishery and to expand service to markets within and outside the Territory.<sup>36</sup>

#### Production

Commercial freshwater fishing in NWT is focused around the southern portion of Great Slave Lake.

**Figure 1: Average Annual Landed Weight and Landed Value, Northwest Territories, 2014-16**



Source: DFO, Freshwater Landings

Great Slave Lake is the primary fishery in the region. The most important species to the Great Slave Lake fishery is Lake Whitefish (Whitefish) (75% of the harvest by volume and 78% of the harvest by value). Lake Trout, Inconnu and Pickerel also make significant contributions to landed volumes and Pike, Carp, Goldeye, Mullet and Tullibee are also fished.<sup>37</sup>

<sup>36</sup> Government of the Northwest Territories, *Strategy for Revitalizing the Great Slave Lake Commercial Fishery*, March 2017: [https://www.itn.gov.nt.ca/sites/iti/files/123-commercial\\_fishing\\_strategy\\_2017-web.pdf](https://www.itn.gov.nt.ca/sites/iti/files/123-commercial_fishing_strategy_2017-web.pdf).

<sup>37</sup> DFO, Freshwater Landings; figures represent average of years 2014-16.

In 2016-17, 106 individuals were registered for commercial fishing in the Territory.<sup>38</sup> Approximately 45 fishers in the Territory make deliveries to FFMC, delivering to one delivery point in Hay River based on Great Slave Lake and Kakisa Lake harvests. In 2016, 650 tonnes of fish were harvested commercially in NWT.

### Trade

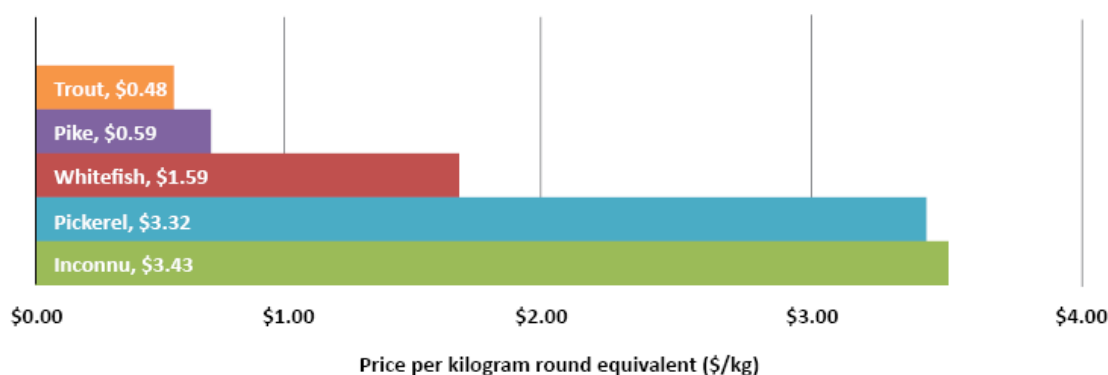
FFMC is the primary buyer of fish in NWT. FFMC collects fish through a single delivery point in Hay River, a FFMC-owned building that once functioned as a fish processing plant and is now operated by the Northwest Territories Fisherman's Federation as a fish packing station. In 2016-17, 29 fishers sold their product directly to FFMC.<sup>39</sup> Some fish is sold locally by fish harvesters directly to consumers and restaurants. In 2013-14 the amount of commercially harvested freshwater fish consumed locally made up just over 8% of total commercial landings.<sup>40</sup>

In 2016, approximately \$394,000 worth of fish was exported from NWT.

Through consultations, harvesters reported receiving a higher price for fish sold locally than sold through FFMC. This can be attributed to a number of factors including savings on transportation and processing costs normally associated with large scale export marketing, and the cost of substitutes in the Territory. Reliable information on local NWT fish prices is unavailable.

FFMC is the primary buyer of commercially caught freshwater fish in NWT. Between 2014 and 2016, an average of 514 tonnes of fish were delivered annually to the corporation, valued at \$864,000/year.<sup>41</sup>

**Figure 2: Average Annual Price for Selected Species, Northwest Territories, 2014-16 (\$/kg)**



Source: DFO, Freshwater Landings

The most lucrative species harvested on Great Slave Lake were Inconnu and Walleye, for which fish harvesters were paid just under \$3.50/kg, followed by Whitefish at just under half of that price. The least lucrative of the major species in NWT received around \$0.50/kg.<sup>42</sup>

In addition to fish bodies, harvesters are able to sell roe to FFMC. While Whitefish roe made up a very small proportion of returns to fishers (0.19% of total value from the fishery came from roe harvesting), fish harvesters received an average of \$6.98/kg of Whitefish roe in addition to the amount received from the fish itself. Similar opportunities are available for Pike, Trout and Tullibee roe.<sup>43</sup>

<sup>38</sup> Information provided by Fisheries and Oceans Canada.

<sup>39</sup> Data provided by FFMC.

<sup>40</sup> Government of the Northwest Territories, *Strategy for Revitalizing the Great Slave Lake Commercial Fishery*.

<sup>41</sup> DFO, Freshwater Landings; figures represent average of years 2014-16.

<sup>42</sup> DFO, Freshwater Landings; figures represent average of years 2014-16. Price per kilogram round equivalent.

<sup>43</sup> DFO, Freshwater Landings; figures represent average of years 2014-16.

## Fisheries Management

The Great Slave Lake fisheries are managed by Fisheries and Oceans Canada. Management is organized through seven Great Slave Lake Management Zones, the establishment of the Great Slave Lake Advisory Committee, commercial lake quota for Whitefish and Trout, a restricted entry program.

Total quota allocated for freshwater species in the Northwest Territories is approximately 1.7 million kilograms per year.<sup>44</sup> On Great Slave Lake, quota is only assigned for Whitefish, except for one of the lake's six management zones, where quota is also assigned Trout.

## ALBERTA

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In 2014, Alberta closed all lakes to commercial fishing and commercial fishing ceased. The decision was made after a provincial assessment and third-party review concluded that a commercial fishery was no longer viable in the province. Alberta, however, remains a signatory to the FFMA.

Alberta continues to manage and monitor the ecological sustainability of Alberta lakes and publishes an annual fish stock assessment.<sup>45</sup> Current focus is on protecting the long-term sustainability of Alberta's fishery, including increasing pressure and demands placed on the province's limited number of lakes.<sup>46</sup>

## SASKATCHEWAN

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Saskatchewan withdrew from the FFMA in 2012. There are six companies approved to be fish exporters in Saskatchewan under provincial fisheries regulations. Of these, only FFMC would be considered active.

### Production

Saskatchewan has approximately 50,000 fish bearing lakes and 1,190 are eligible to be fished. Of these, 200 lakes are fished commercially.<sup>47</sup> In 2016, approximately 380 individuals made deliveries to FFMC.<sup>48</sup>

The most important species for the Saskatchewan commercial fishery are Whitefish, Walleye, Mullet, and Pike. Lake Trout and Tullibee are also fished in significant quantities. Small numbers of Sauger, Carp, Perch, and Goldeye are also fished.<sup>49</sup>

Saskatchewan's aquaculture industry is active but small compared to other provinces. Notably, one commercial fish farm uses caged culture to produce rainbow trout.<sup>50</sup>

### Trade

In 2016, Saskatchewan fishers delivered approximately 1.7 million kilograms of fish to FFMC, reflecting 15% of FFMC volumes.

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<sup>44</sup> GNWT, *Revitalizing the Great Slave Lake Commercial Fishery*, page 19.

<sup>45</sup> See Alberta Fish Sustainability Index - <http://aep.alberta.ca/fish-wildlife/fisheries-management/fish-sustainability-index/default.aspx>.

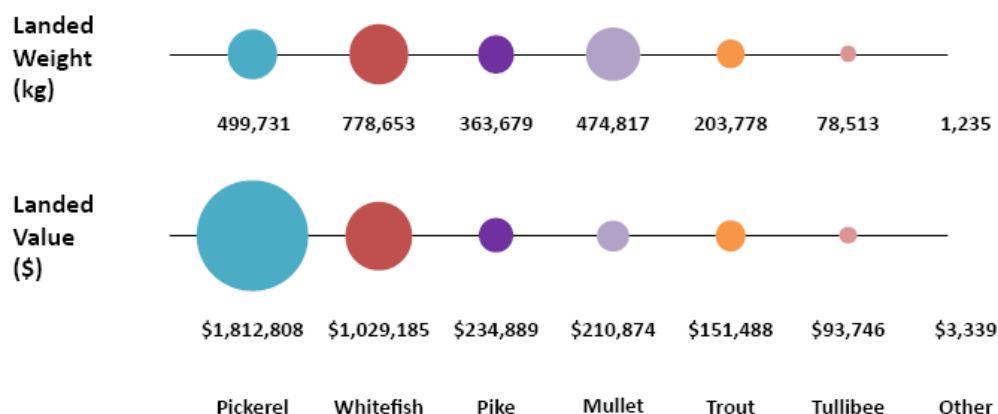
<sup>46</sup> Personal communication. Travis Ripley, Executive Director, Fish and Wildlife Policy for Alberta. January 3, 2019.

<sup>47</sup> Information provided by Fisheries and Oceans Canada.

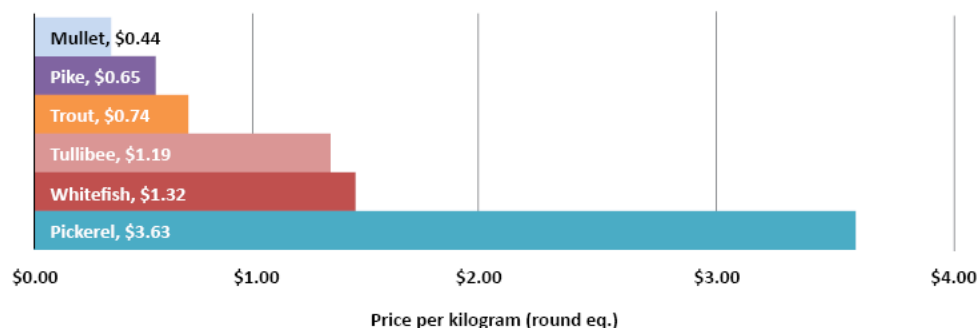
<sup>48</sup> DFO, FFMC data set 2011-16, NT, MB, and SK. 2014 data has been revised with FFMC data set 2014 CY revised.

<sup>49</sup> Though harvest information can readily be obtained for freshwater landings delivered to the Freshwater Fish Marketing Corporation, production sold privately is more difficult to determine. FFMC data is used here.

<sup>50</sup> DFO. 2019. <http://www.dfo-mpo.gc.ca/aquaculture/sector-secteur/species-especes/trout-truite-eng.htm>.

**Figure 3: Average Annual Landed Weight and Landed Value, Saskatchewan, 2014-16**


Source: DFO, Freshwater Landings; Figures represent average of years 2014-16.

**Figure 4: Average Annual Price for Selected Species, Saskatchewan, 2014-16 (\$/kg)**


Source: DFO, Freshwater Landings; figures represent average of years 2014-16.

Of the key species harvested in Saskatchewan, the most lucrative is Walleye, at \$3.63 per kilogram. This is roughly three times the price of Tullibee and Whitefish. Notably, Walleye roe from Saskatchewan achieved a price of \$4.77 at dockside in 2015.<sup>51</sup>

Since Saskatchewan's withdrawal from the FFMA, commercial fishers and fisher organizations in the province sell fish to FFMC on an open market through guaranteed multi-year supply contracts.

### Fisheries Management

Saskatchewan's Fisheries Management Plan established in 2010 focuses on four high-level outcomes: sustainable management; protecting and accommodating the Treaty and Aboriginal Right to fish; allocation to optimize social and economic benefits; and shared responsibility and public engagement.<sup>52</sup>

The province sets sustainable harvest limits and quota by lake by species and routinely assesses lakes. Harvesters must purchase a net fishery licence for each lake they fish. Licences restrict the quantity and species of fish that can be harvested, the amount and type of gear used, and the season when fishing may occur.<sup>53</sup>

<sup>51</sup> DFO, Freshwater Landings; figures represent average of years 2014-16.

<sup>52</sup> Saskatchewan Ministry of Environment, *Fisheries Management Plan*, <http://publications.gov.sk.ca/documents/66/76425-Fisheries%20Management%20Plan.pdf>.

<sup>53</sup> Internal DFO/Intergovernmental report.



## MANITOBA

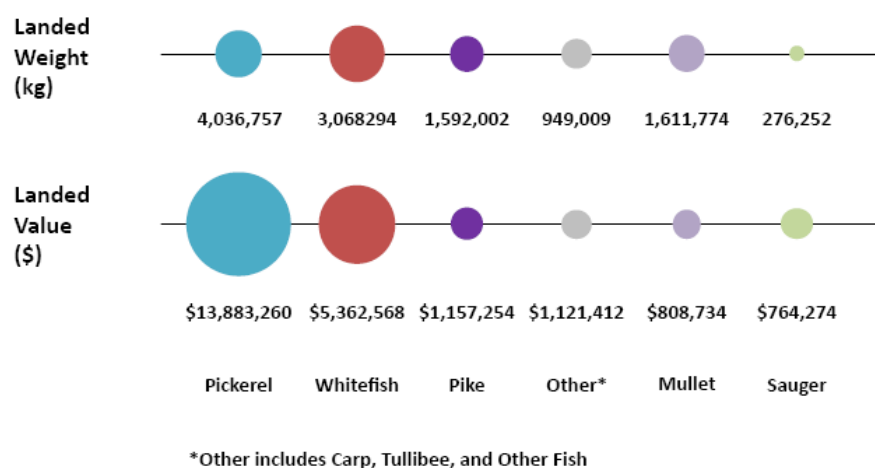
Manitoba withdrew from the Freshwater Fish Marketing Act in December 2017, in favour of an open market for commercially harvested fish. In general, harvesters continue to supply FFMC based on multi-year supply contracts. A small number of fishers have chosen not to sign these contracts and now market their fish through alternative channels.

### Production

Manitoba is the highest producing jurisdiction supplying to FFMC and produces approximately 80% of FFMC total volumes annually. Approximately 80% of all harvesters selling to FFMC are located in Manitoba, with approximately 67% located in southern Manitoba and 33% located in northern Manitoba. In 2016, a total of 1427 individuals made deliveries to FFMC in Manitoba.

The three most productive lakes are Lake Winnipeg, Lake Manitoba, and Lake Winnipegosis in the Province's Southern region.

**Figure 5: Average Annual Landed Weight and Landed Value, Manitoba, 2014-16**

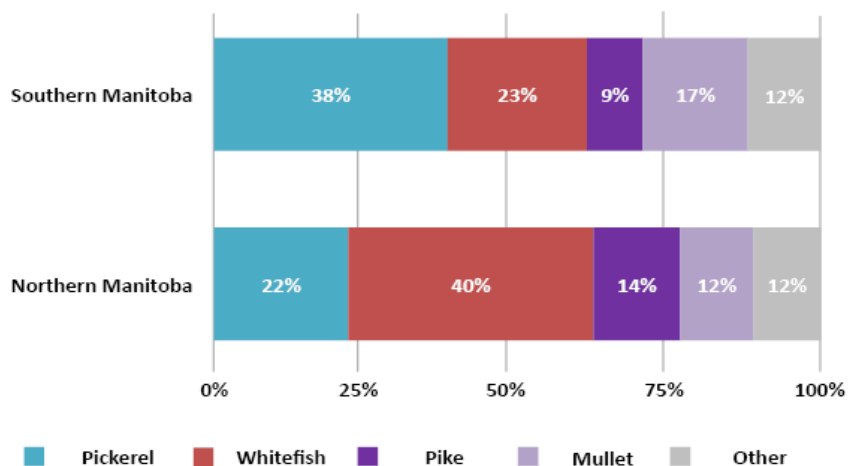


Source: DFO, Freshwater Landings; figures represent average of years 2014-16.

The aquaculture industry in Manitoba is at the early development stage. Development is focused on the Canadian Aqua-Farm model to provide farmers with extra revenue by using existing farm facilities to produce fish<sup>54</sup>.

<sup>54</sup> Additional information on aquaculture in Manitoba can be found here: <https://www.gov.mb.ca/agriculture/livestock/aquaculture/index.html>.

**Figure 6: Composition of Average Annual Deliveries, Manitoba (May 2015 to April 2018)**



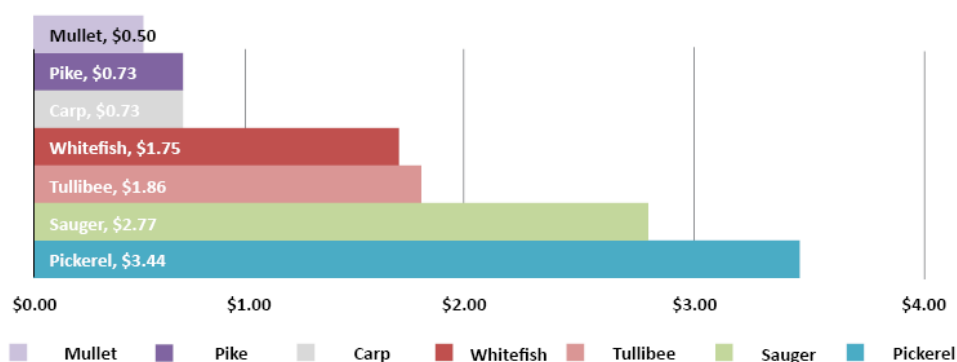
Source: FFMC Administrative Data, 2019.

While per capita delivery weights from Northern and Southern Manitoba fishers are similar, there is a significant divergence in the species harvested in each region. In particular, lucrative Pickerel made up 38% of delivered weight in Southern Manitoba, but only 23% of Northern Manitoba deliveries. Conversely, Whitefish made up 22% of Southern Manitoba deliveries, but 40% of Northern Manitoba deliveries.<sup>55</sup>

### Trade

FFMC is the primary buyer for freshwater fish in Manitoba. Fish harvesters are able to sell their fish for local consumption, but until December 2017, FFMC was the only institution able to sell out of province.<sup>56</sup> In 2016, fish exports from Manitoba were valued at \$65 million.

**Figure 7: Average Annual Prices for Selected Species, Manitoba, 2014-16 (\$/kg)**



Source: DFO, Freshwater Landings. Price reflects price per kilogram round equivalent.

### Fisheries Management

The methods most commonly used to regulate the harvest include restrictions on quota, fish size, fishing season and areas, bait and mesh size on nets, and the quantity of capture gear.

<sup>55</sup> FFMC administrative data. Percentage are based on delivered weight, which can vary from live weight or round weight, as fish is often delivered dressed or headless. Live weight, or round weight, refers to the weight of the whole fish.

<sup>56</sup> FFMC is also empowered to grant special dealers licenses, allowing non-FFMC sellers to sell out of province.

Commercial fisheries are regulated through quotas, licenses and transfers, defined by waterbodies, zones and seasons. Where there is a lake quota, a set number of harvesters are licensed to fish until the entire lake quota is harvested for the season. Licenses are issued or transferred according to a license administration agreement with the local fishers' association. In the case of quota entitlements, as on Lake Winnipeg, lake-specific administrative procedures formalize the transfer process and legally recognize the access right as property. Harvesters buying quota entitlements must meet eligibility criteria such as residency and fishing experience. Harvesters must be licensed to use the access rights they purchase.<sup>57</sup>

## ONTARIO

The Ontario fishery is most active in the great lakes, especially Lake Erie. However, some wild-caught fisheries exist in the Lake of the Woods area and further north. Ontario withdrew from the FFMA in 2011 and since then FFMC has continued to receive some production from Ontario.<sup>58</sup>

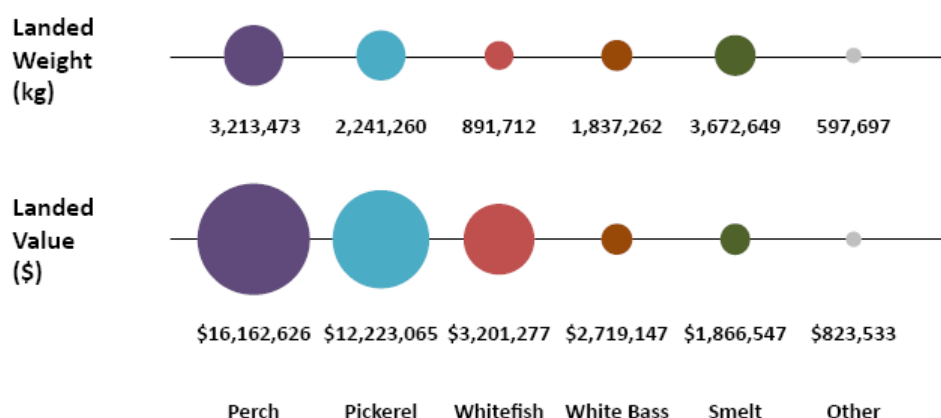
### Production

The most important species to the commercial fishery in Ontario are Smelt, Perch, Walleye and White Bass. Whitefish also contributes to total landings value.

Ontario is experiencing increased caged-aquaculture applications in the Great Lakes in response to increased demand by the live-fish food market in Toronto.

In 2014, the production value of Ontario aquaculture was \$25.7 million. Increased demand from the live-fish market in the Greater Toronto Area has supported growth in caged-aquaculture applications in the Great Lakes. The primary species for aquaculture in the province is Trout, at 94% of total aquaculture production. In 2013, Ontario produced nearly 4 million kilograms of trout through aquaculture.<sup>59</sup>

**Figure 8: Average Annual Landed Weight and Landed Value, Ontario, 2014-16**



Source: DFO, Freshwater Landings; figures represent average of years 2014-16.

<sup>57</sup> For a brief overview of the regulatory environment for commercial fishing, the Manitoba Government has published an annual Commercial Fishing Guide: [https://www.gov.mb.ca/waterstewardship/fisheries/commercial/pdf/commercial\\_fishing\\_guide.pdf](https://www.gov.mb.ca/waterstewardship/fisheries/commercial/pdf/commercial_fishing_guide.pdf); Government of Manitoba, *Aquatic Invasive Species regulation*, 2015: <http://web2.gov.mb.ca/laws/regs/current/pdf-regs.php?reg=173/2015>; Ministry of Sustainable Development, Government of Manitoba, *Manitoba Fisheries Sustainable Development*. [https://www.gov.mb.ca/sd/fish\\_and\\_wildlife/fish/fisheries\\_education\\_sustain\\_dev/sustain/econ.html](https://www.gov.mb.ca/sd/fish_and_wildlife/fish/fisheries_education_sustain_dev/sustain/econ.html).

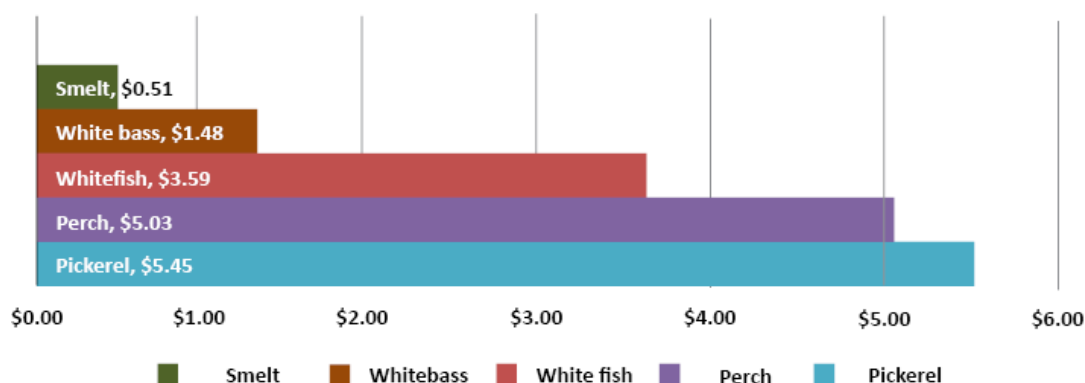
<sup>58</sup> FFMC Interview.

<sup>59</sup> DFO Internal Briefing; DFO, *Community Profile: Northern Ontario (Trout)*: <http://www.dfo-mpo.gc.ca/aquaculture/sector-secteur/commun/ontario-eng.htm>.

## Trade

In 2014, Ontario exported \$130 million of commercially harvested fish. In 2010, total expenditures on angling in the province were \$2.5 billion.<sup>60</sup> Commercial fishing is concentrated among two to three large private operators within the Great Lakes Region. Two of these companies, John O Foods and Presteve Foods, are both customers and competitors of FFMC.<sup>61</sup>

**Figure 9: Average Annual Prices for Selected Species, Ontario, 2014-16 (\$/kg)**



Source: DFO, Freshwater Landings

## Fisheries Management

Under Ontario regulation, quota-designated species are designated through Individual Transferable Quotas. Licence holders are allotted a share of access to the resource, some or all of which they may choose to lease to another licence holder. Quotas are allocated by the Ontario government, according to the following areas: resource conservation, Aboriginal food and ceremonial fishery, commercial fishery, and angling and other uses.<sup>62</sup> The Government of Ontario may issue a commercial fishing licence to a resident or Canadian citizen.<sup>63</sup>

<sup>60</sup> DFO Internal briefing.

<sup>61</sup> Gerry Malone, Great Lake Fisheries Memo. 2019.

<sup>62</sup> Ontario Commercial Fisheries' Association, *Quotas*: <http://www.ocfa.ca/fisheries-industry/quotas>.

<sup>63</sup> Government of Ontario, Ontario Regulation 664/98, *Fish Licensing*: <https://www.ontario.ca/laws/regulation/980664/v1#BK13>.

## APPENDIX B – MINISTERIAL ADVISORY PANEL

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### PANEL MEMBERS

The panel consists of six members, including a Chairperson and reflects a diverse group of representatives with expertise and experience in:

- fisheries and market development;
- fisheries management;
- Indigenous community and economic development; and
- co-operative and collaborative governance.

### Peter Vician (Chair)

Mr. Vician has a bachelor's degree in civil engineering and management from McMaster University. He's had an extensive 34-year career working in the public service in the Northwest Territories. Mr. Vician began work in the Northwest Territories in 1981. He's held several executive positions such as deputy minister for several departments over a 17-year period.

Mr. Vician began his career as a project engineer completing public works across Canada's north focusing on highway, airport and marine infrastructure. He was appointed director of the Engineering Division for the Department of Transportation, following its establishment in 1989. He served as director of Highways and Engineering before being appointed assistant deputy minister of Operations.

Mr. Vician was appointed deputy minister of the Department of Industry, Tourism and Investment in April 2005. He also served as the deputy minister of the Department of Resources, Wildlife and Economic Development (2003 to 2005) as well as the Department of Transportation (1999 to 2003).

As deputy minister of Industry, Tourism and Investment, Mr. Vician was the executive lead in the management of economic resources for the Northwest Territories, including tourism and parks, oil and gas, mining, and energy policy and regulation. The mandate also included oversight of commercial fisheries, agriculture and traditional harvesting in the Northwest Territories. Mr. Vician played a primary role in the devolution process of land, resource and water rights administration from the federal to territorial government.

He's a past president of the Yellowknife Rotary Club. Since leaving the Government of the Northwest Territories, Mr. Vician has been travelling and focusing on volunteer work, including humanitarian initiatives in Mozambique, Africa. Mr. Vician is currently an independent consultant and has been working with extractive resource companies based in the Northwest Territories and as a workshop facilitator/presenter at the University of Calgary, School of Public Policy. In November 2017, Mr. Vician was appointed Chair of the Yellowknife Airport, Economic Advisory Committee.

## Dawn Madahbee Leach

Ms. Madahbee Leach graduated from the University of Waterloo's Economic Development Program. She holds a degree in political science and law from York and Laurentian universities.

She has been the general manager for the Waubetek Business Development Corporation since 1988. Waubetek is a leading Aboriginal financial institution that provides financial services to Indigenous entrepreneurs and 27 First Nations in Northeastern Ontario. She is the first Indigenous woman in Canada to head up a regional financial lending institution.

At Waubetek, Ms. Madahbee Leach was instrumental in the establishment of major community development projects as well as an \$80 million investment in Indigenous businesses that experience a business success rate at 94%. Through Waubetek, she is involved in implementing the Aboriginal Fisheries Strategy for North-East Ontario and the delivery of the Aboriginal Aquaculture Initiative throughout central Canada. Nationally, she has helped design programs that meet the capital needs for Indigenous businesses and First Nation communities.

Ms. Madahbee Leach currently serves on the boards of:

- Peace Hills Trust;
- Niobay Metals Inc.;
- the Northern Policy Institute; and
- the National Indigenous Economic Development Board.

She has also served on her First Nation Council and was the former director for both the Ontario Development Corporation and Innovations Ontario Corporation, Chairperson of the Northern Ontario Development Corporation.

She has spoken and promoted Indigenous businesses internationally in regions such as Australia, Germany, the United States and the United Kingdom. Ms. Madahbee Leach is the owner of Indigenous Business International, a company that provides consulting services and promotes corporate partnerships with Indigenous people.

## Gerald Francis Malone

Mr. Malone has over 35 years of experience and direct involvement with Canada's commercial fisheries sector. He has extensive knowledge and experience in international and domestic markets for freshwater and ocean species, and in fish processing. He studied commerce at Memorial University of Newfoundland from 1968 to 1973.

After a brief period working for the Government of Newfoundland and Labrador, Mr. Malone was general manager of the Burgeo division at National Sea Products, now known as High Liner Foods. In that position, he was responsible for a deep-sea fleet as well as a large production facility. In 1978, he returned to the Government of Newfoundland and Labrador as a senior industrial development officer responsible for identifying and pursuing business opportunities.

Mr. Malone's extensive experience in marketing comes from his longstanding role as vice-president of the Canadian Saltfish Corporation, where he was responsible for North American, Western European and Caribbean markets. In 1995, he became vice-president of the FFMC and was responsible for domestic and international markets. In addition to this role, Mr. Malone was also entrusted to direct operations for the FFMC in China. He remained with the corporation for 14 years, until his retirement in 2009.

## Kenneth Burt Hunt

Mr. Hunt was born and raised in Saskatchewan and holds three degrees from the University of Saskatchewan. He majored in biology, geography, land use and environmental studies. He returned in 1986 to acquire a law degree, and was called to the Saskatchewan Bar in 1989.

He worked in various resource management capacities for the Government of Saskatchewan in the late 70s and early 80s. Part of his time was spent as Saskatchewan's advisor to the Freshwater Fish Marketing Corporation (FFMC). In 1980, he left the provincial government to take the FFMC's Saskatchewan zone manager position located in La Ronge, Saskatchewan. The fishery at that time extended from Lake Diefenbaker and the Qu'Appelle Lakes in the southern part of the province to Lake Athabasca in the extreme north.

Mr. Hunt took on positions ranging from storekeeper to census commissioner before his return to the College of Law. He left active practice in Swift Current, Saskatchewan, to pursue the position of director for the South-Central and Western Arctic Area for Fisheries and Oceans Canada in Yellowknife. He subsequently held area director positions in Whitehorse, Iqaluit and Calgary.

While in Whitehorse, Mr. Hunt was active in Pacific Salmon Commission deliberations, and was Canada's Chair of the Canada/U.S. Yukon River Panel. He was active while in Iqaluit with the rollout of the successful northern turbot and shrimp fisheries. While in Calgary, he was instrumental in the rollout of Canada's Habitat Protection Program.

Mr. Hunt accepted a position at a major oil company in Calgary as manager for Environment, Safety and Social Responsibility. He later moved to Fort McMurray. Corporate changes in the industry led him to accept the position of regional director of Fisheries Management in Winnipeg for Fisheries and Oceans Canada. He was responsible for fisheries management, habitat management, conservation and protection in Ontario, the Prairies and all of the Arctic until his retirement from the public service in 2012.

Mr. Hunt, though primarily retired, does some consulting work related to the North Atlantic fishing industry and serves on the Gwich'in Renewable Resource Board as well as on its Finance Committee. He is a very active volunteer, lending his time as president of a therapeutic equine-riding program for physically- and mentally-challenged children and adults as well as to Meals on Wheels and Citizens on Patrol programs.

## Mark Freedman

Mr. Freedman is a fifth-generation Métis originally from Flin Flon, Manitoba, currently residing in Winnipeg. He's a corporate relations professional with over 25 years of experience in government and private sector projects, including the development and implementation of key strategic initiatives and programs.

He also has key experience in business development, relationship building, sales and marketing, specializing in Indigenous and mainstream procurement. The bulk of his career was spent between the Winnipeg Chamber of Commerce and the Province of Manitoba. At the Chamber, he served as economic development coordinator where he founded the Indigenous Trade Across Borders initiative. The initiative was a series of bilateral trade missions between the Chamber's Indigenous members and the Minnesota American Indian Chamber of Commerce.

At the Province of Manitoba, he served as the vendor relations coordinator for the Procurement Services Branch. He was a key player in the development and implementation of Manitoba's Indigenous Procurement Initiative.

Since retiring from the Province of Manitoba in 2014, Mr. Freedman has continued to provide procurement related consulting services as vice-president for the Manitoba region for First Peoples Group. He served on the Citizens Advisory Committee with Correctional Service Canada for 3 years, and is currently a volunteer at CancerCare Manitoba.

## Murray Fulton

Murray Fulton is professor and director, Johnson Shoyama Graduate School of Public Policy and the holder of the Co-operative Retailing System Chair in Co-operative Governance with the Centre for the Study of Co-operatives, University of Saskatchewan (USask). A former faculty member in the Department of Agricultural Economics at USask, Murray has done extensive research on community economic development and on industry structure and firm behaviour. His current work focuses on governance at the level of the nation state and in co-operatives. He is the co-author of several books and reports, including: *Co-operatives and Canadian Society*; *Canadian Agricultural Policy and Prairie Agriculture* and *The Changing Role of Rural Communities in an Urbanizing World*. He has a bachelor's degree in agricultural economics from USask, a Master's degree from Texas A&M, a bachelor's degree from Oxford University and a PhD from the University of California, Berkeley. He joined the University of Saskatchewan in 1985.



## APPENDIX C – ENGAGEMENT MATERIALS

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Ministerial Advisory Panel  
on the Transformation of the  
Freshwater Fish Marketing Corporation

Comité consultatif ministériel  
sur la transformation de  
l'Office de commercialisation du poisson d'eau douce

October 22, 2018

Dear Stakeholder,

The Freshwater Fish Marketing Corporation has provided a valuable service to Canada's inland fishery for almost 50 years. Working for fishers, the Corporation has collected, transported, processed, and sold high quality products to the global marketplace. The Corporation is recognized today as a leader in the global freshwater fish marketplace. These efforts have provided substantial economic benefits to fishers, including Indigenous, northern and remote communities.

The Freshwater Fish Marketing Corporation over the past ten years has also experienced significant change. Ontario and Saskatchewan withdrew from the *Freshwater Fish Marketing Act* (the Act) in 2011 and 2012, respectively. Alberta remains a signatory to the Act, but closed its commercial in-land fishery in 2014. Manitoba withdrew from the Act on December 1, 2017, leaving the Northwest Territories as the only remaining participating jurisdiction under the Act.

As part of the process of considering potential responses to these changes in the operational environment of the Freshwater Fish Marketing Corporation, the Honourable Jonathan Wilkinson, Minister responsible for Fisheries, Oceans and the Canadian Coast Guard, has appointed a Ministerial Advisory Panel to advise on the potential alternative governance and ownership models which better reflect the environment and market conditions in today's industry.

Considerable work was completed in 2017 to document the interests and needs of fishers, understand the social, cultural, and economic value of commercial fishing, as well as study the issues surrounding potential models for transformation. The report on the engagement activities completed in 2017 can be found here (<http://www.dfo-mpo.gc.ca/fm-gp/peches-fisheries/comm/ffmc-cpea/FFMC-engagement-CPEA-eng.htm>).

Our Panel has the objective of building from this previous work and evaluating potential governance and ownership frameworks that might best support the long-term viability of the freshwater fishing industry in Manitoba, Saskatchewan and the Northwest Territories. In doing this work, we want to ensure our efforts support opportunities for all fish harvesters including Indigenous, northern and remote communities to bring their catch to market and maximize the long term returns to all fishers. About 90% of fishers are Indigenous and we recognize our work should consider the needs of these individuals and their communities and supporting self-determination.

In considering alternatives for a future course of action for transforming the FFMC, the Panel has particular interest with cooperative alternatives. The Panel wants to hear from stakeholders who have an active interest in the future of the FFMC. We are interested in receiving your perspectives on potential future governance alternatives. To help guide this, we have identified specific areas of interest including the following:

- What governance structures should be considered to support the long-term viability of the freshwater fishing industry in Manitoba, Saskatchewan and the Northwest Territories and to ensure opportunities for all fish harvesters including Indigenous, northern and remote communities?
- What are the strengths and weaknesses of these structures in meeting these objectives?
- What role do you feel you could contribute in the transformation and operation of the FFMC?

We encourage you to consider these questions and provide your perspectives on them to the Panel before November XX, 2018. Please send your responses directly to [FutureFish@intergroup.ca](mailto:FutureFish@intergroup.ca).

Kind Regards,

Peter Vician  
Chair  
Ministerial Advisory Panel on the Transformation of the Freshwater Fish Marketing Corporation