



***Northern Food Conference Position Papers
Catalogue Number: 2-1-7***

SUBJECT:

Northern Food Conference

BACKGROUND :

In an effort to make the N.W.T. less dependent on costly foods imported from Southern Canada, the Department of Economic Development and Tourism has undertaken to sponsor a Northern Foods Conference in Yellowknife on February 18th and 19th, 1987.

The conference will bring together hunters and trappers, farmers, food processors, food retailers, consumers and government officials including resource managers and food inspection personnel to:

examine current and potential supply and demand for N.W.T. produced foods;

evaluate the capacity of existing infrastructure to cope with current and projected demand and supply, and identify additional requirements if necessary;

identify the food handling and hygiene requirements to ensure the production and marketing of wholesome products; and,

recommend the respective roles of government and the private sector in developing a viable food industry in the N.W.T.

CURRENT SITUATION:

The annual cost of agricultural products imported in the N.W.T. approximates \$130 million. Despite the severe climate, it is possible to produce some agricultural commodities by conventional methods and by applying new technology such as greenhouse; herding of wildlife species and fish farming.

Processing facilities and marketing/distribution networks are insufficient, also food hygiene standards are not always applied. The Department of Economic Development and Tourism has introduced programs to facilitate development of the food sector, however there is no comprehensive strategy for its development.

RECOMMENDATIONS:

Several significant resolutions are expected to be passed at the conference with respect to financing programs, scales of operations, quotas, production and quality regulatory regimes. The Department of Economic Development and Tourism will most likely have to take follow-up action to implement most of these resolutions or ensure that they are implemented by the appropriate responsible agency.

NORTHERN **FOOD** CONFERENCE

POSITION PAPER

SESSION ONE

OVERVIEW OF NORTHERN FOOD INDUSTRY

"WHAT IS IT?"

CHAIRPERSON

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February 18, 1987

The Northwest Territories is a large and diverse expanse of Canada and so it provides numerous different habitats for plants and animals. In the south near Fort Smith we have Bison - a prairie grazing animal. The land on which these animals graze, is suitable for commercial food production as shown by the small gardening businesses along the Hay River. Throughout the forested regions of the Northwest Territories we have moose and woodland caribou, numerous berries, and lakes that offer a variety of fish. The tundra provides more berries, caribou, and muskox, with lake trout and whitefish in the tundra lakes. Along the arctic and Hudson Bay coasts we are blessed with all the major land species plus seals, whales, walrus and char.

Most species have a seasonal pattern and local cultures have adapted their annual cycle to the char migration, caribou migration, waterfowl nesting and migration. All long time residents have experienced the superior nutritional quality and flavour of country food compared to store bought equivalents. Another feature of native species is the relative freedom of disease, parasites, and pollution. I'm sure Dr. Schaefer will address these subjects in his comments.

so if these foods are so good and so widespread, why is it difficult to build a country food industry in the North? The first factor is the North itself. Our northern environment, land, sea, and lakes, is a battle ground between summer and

winter, with winter having the upper hand. There is very little natural energy to spare after the snow and ice is melted, to grow plants and animals. As a result the food species are widely spaced and only for brief periods of the year do we see large local concentrations of fish, whales, caribou, or waterfowl.

This means that efforts to kill and process these animals must be a seasonal task requiring long periods of storage for large amounts of produce. Also, our transportation system and related costs are such that it seems uneconomical to provide fresh country foods on daily or weekly market basis, with the exception of fish from commercial fishermen in our larger centres like Yellowknife and Hay River. We are therefore looking at larger markets to absorb larger volumes of goods so that the unit cost for transportation can be brought down. As soon as we start discussing large volumes of game for commercial export the game manager and local hunter and trapper ask the question of long term production and the priority for local and domestic use as a priority over commercial production for export.

These questions are compounded by the requirements for inspection by federal legislation when food items are exported for commercial purposes. Both red meat and fish products must meet rigorous requirements if they are to be exported. Both

Will * I'm sure, be discussed later in the conference because there are delegates and speakers here who have first hand experience.

It is always instructive to learn what the people of small communities have to say on subjects treated at conferences in big cities. Several of the recent regional conferences on economic development passed resolutions on country food, and food production.

From the South Slave conference:

Whereas the climate and soil conditions of the South Slave region will support agricultural development.

And Whereas the consumption of agricultural products within communities of the region provides an opportunity for significant import substitution for local products.

And Whereas recent studies within the region have established that local demand for agricultural products justifies an expansion of current production levels.

And Whereas these studies have not fully addressed the question of the full scale of operation which might be appropriate in terms of economics.

Be It Resolved that this Conference fully supports further agricultural development within the region, and

Be It Resolved that this Conference requests that the Department of Economic Development and **Tourism** take the initiative in developing an **agriculture** policy for the region including continued support for the pilot project in market gardening currently underway in Fort Resolution, and

Be It Resolved that this Conference impress upon the Government of the Northwest Territories the need to study the feasibility within that policy of a broader range of agricultural **operations** including market gardens in the 40 to 60 acre category.

From the Kitikmeot region:

RENEWABLE RESOURCE BASED ECONOMY

WHEREAS, the Kitikmeot region has major renewable resource potential.

WHEREAS, renewable resource business development opportunities would stimulate employment and increase the economic base of the Kitikmeot region.

WHEREAS, the G.N.W.T. has recognized that renewable resource development is desirable.

THEREFORE BE IT RESOLVED that the delegates to the KREDC support the development of a renewable resource economy.

Fzom the conference in Baffin:

TRADITIONAL ECONOMY OF THE BAFFIN REGION

Be it recognized that the hunting and fishing economy of this region is the primary industry.

That this traditional economy cannot be measured by a simple cash in/cash out balance sheet, but must include a recognition of such factors as the maintenance of cultural institutions and nutrition.

That this region is committed to replacing as many imports as possible with products harvested and manufactured at the community level.

That it be recognized that this traditional economy requires assistance as does any other industry supported by the Government, and that this assistance can be provided at the community and harvester level.

Be it recognized that the hunting economy is a cornerstone of Inuit life and this industry is under attack at an international level. That this region supports the initiatives by the Inuit Circumpolar Conference and the Government of the Northwest

Territories to counteract the damages rendered by the anti-harvesting lobby.

INTERSETTLEMENT TRADE

It is recognized that the harvesting and trade of country food represents the original community economy and that it remains a major "informal" economy in the Baffin Region. It is also recognized that in order to begin a systematic trade of country food between communities or commercial sale of country food, consultation, direction and, co-operation must take place at the community level.

RECOMMENDATION

a) that through the municipal governments direction be provided to the Baffin Region Hunters and Trappers Association with respect to the level of commercial harvesting and intersettlement trade desired at the community level. In order for this economy to be developed consistent with traditional priorities, consensus and direction must be provided from communities.

b) that the development of the in-shore and off-shore fishery represents a major commercial opportunity for this region, and as such should be given initial priority by the G.N.W.T. with respect to renewable resource funding.

c) that because the off-shore fishery is threatened by encroachment from foreign and Atlantic coast fishing fleets, the Ministers of Economic Development & Tourism, and Renewable Resources undertake discussions with the Minister of Fisheries to ensure that fishing licenses adjacent to the Baffin Region are reserved for the Arctic fishery only.

d) that the G.N.W.T. provide increased funding for the promotion of the eastern Arctic char fishery.

e) that because of the unique conditions surrounding the **Arctic** fishery, the G.N.W.T. Department of Economic Development and Tourism engage in discussions with the Department of Fisheries and Oceans and Freshwater Fish Marketing Corporation to examine alternatives to marketing products from the eastern Arctic and relaxation of the regulations that are more designed for the southern Canada fishery.

RECOMMENDATIONS OF NON BAFFIN PARTICIPANTS FOR COMMERCIAL ECONOMIC DEVELOPMENT

ARCTIC FISHERIES

There was considerable discussion of the Arctic fisheries. A subsistence resource base exists, particularly in the in-shore areas and rivers, is proven, and has been used for a very long time. More recently, the off-shore and deep water fishery has been developed. This has been allocated to both foreign and

domestic fishermen by the Canadian Government. Baffin Region people, at the community level regard these fisheries as their own as expressed in the Tungavik Federation of Nunavut (TFN) wildlife agreement.

At present, federal policy considers the Arctic fishery from Labrador and Baffin Strait to Hudson Bay and northward as only an extension of the Atlantic fishery. As one participant noted, the Arctic fishery is being "confiscated by the Atlantic fishery". There is no practical recognition yet of Inuit fishing rights. As a consequence, Inuit are at a distinct disadvantage in obtaining licenses. It should be recognized that an effective Arctic fisheries policy involving a deep sea fishery in the Davis Strait and other Arctic waters, would provide facilities and services, and therefore economics of scale so that smaller businesses could become economically viable, especially the in-shore fishery. The combined results of a deep sea fishery, and ice-edge/under ice and in-shore fisheries has the potential to provide important community economic developments.

Concern was also expressed about the licensing practices of the Department of Fisheries and Oceans (DFO). Their emphasis on only very large freezer-factory ships precludes the possibility of small freezer-equipped vessels serving local and regional needs in the Baffin area. It was also noted that not all

llcenced quotes in the Davis Strait and adjacent Arctic waters have been used yet.

RECOMMENDATION

It is therefore recommended that the Government of Canada (DFO) recognize its third ocean and develop an Arctic Oceans Policy, with the involvement of northern people so they have access to the Arctic fishery.

RECOMMENDATION

It is therefore recommended that governments move quickly to implement the TFN wildlife agreement, to head off the inevitable resource use conflicts that will occur if the Arctic fishery is not recognized as distinct and legitimate before the extension of the Atlantic fishery becomes entrenched in the Arctic.

SUPPORT FOR THE TRADITIONAL HARVESTING ECONOMY

The hunting, fishing and trapping economy of the communities of the Baffin Region has sustained people and their communities down through the years. It is still the most important economy in the Baffin Region communities. Traditionally this economy has not been part of the cash economy. With the use of modern hunting techniques and the loss of the seal skin market, the hunting economy is in need of cash. In order for hunting, fishing, and trapping to continue to meet people's food needs and their social and cultural aspirations, it is important to

make cash available to hunters.

RECOMMENDATION

It is therefore recommended that federal and territorial governments and businesses, consider ways of financially supporting the traditional or informal economy of hunting, fishing and trapping,

RECOMMENDATION

It is further recommended that in some instances consideration should be given to providing seed funding for the cautious commercialization of wildlife resources. Such enterprises should be governed by the supply of animals rather than the demand for their products. This will ensure continuing, adequate supplies for local consumption and wise conservation.

RECOMMENDATION

It is also recommended that the Government of Canada redouble its efforts to overcome the ill effects on the native peoples of the North of the anti-harvest and animal rights movements.

It is further recommended that the federal and territorial government should support research and development on new products from the animal harvest.

NORTHERN FOOD CONFERENCE

POSITION PAPER

SESSION TWO

EXPO 86 EXPERIENCE & AFTERMATH

"OUR PROFILE ENHANCED"

CHAIRPERSON

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February 18, 1987

I INTRODUCTION

In May 1983 the Northwest Territories Government decided to participate in what was to become the biggest promotional event in the history of our jurisdiction. The Northwest Territories Pavilion at Expo 86 evolved into one of the most popular attractions, hosting over 1.5 million visitors to an exciting and entertaining portrayal of Canadass North. Live performances, film, exhibits, slide shows, arts and crafts and northern country food could all be found at the Northwest Territories Pavilion near the Expo 86 East Gate on the shores of False Creek.

In total, the Northwest Territories Expo project, from start to finish has taken almost four years including planning and designing the building, purchasing supplies and inventory, hiring staff, operating for six months and dismantling of the pavilion. Given the amount of time dedicated to putting on a show which lasted only six months, one would think that most of the problems associated with contracting 300 northern performers, hiring, training and accommodating over 200 staff or putting up a temporary building would have been solved prior to opening day on May 2, 1986.

Very simply, this was not the case.

The purpose of this paper is to address some of the critical issues associated with the design, construction and operation of the Northwest Territories Pavilion restaurant - Icicles. The perspective of this paper is not from one who was involved in the

day to day decision making leading up to opening day, nor the overall operation of the restaurant. Rather, the discussion will focus upon some of the project objectives respecting the restaurant and whether or not they were achieved; some of the problems, particularly with food procurement, and how they were resolved; some of the key factors which contributed to the remarkable success of Icicles, in spite of the problems; and some personal recommendations which will hopefully help contribute to the further evolution of the country food industry on our territory.

II THE PLANNING AND DEVELOPMENT PROCESS

Right from the beginning back in the spring of 1983 our feasibility studies indicated that a northern country food restaurant would be a popular attraction at the pavilion. From a northern perspective the idea was attractive as it would achieve a number of objectives, including:

- * providing exposure for northern food products;
- * stimulating the development of new food product lines;
- injecting significant cash income into the hands of hunters;
- * providing a product to be processed in northern facilities;
- employing northern staff and providing experience in the restaurant industry; and
- involving the private sector in the operation of the facility.

By my calculations, we managed to achieve most of our objectives although in some we were notably less than successful.

With respect to providing exposure for northern country food, a review of media reports leading up to opening day invariably mentioned arctic char, musk-ox, caribou and other northern delicacies such as muktuk and seal meat. After an outcry from the public and doing product testing in some of Vancouver's Chinese and Japanese restaurants, the idea of serving muktuk and seal meat was completely dropped. Even before opening day, we took advantage of media opportunities with the likes of talkshow host Jack Webster and EXPO 86 President Jimmy Pattison, making sure that they were shown on television eating musk-ox and arctic char, or sampling a unique northern drink made from Polar Vodka.

While statistics from a visitor survey indicated that only 6% of visitors to the North's pavilion chose to eat at Icicles, day to day experience during the operation of the fair demonstrates the opposite. Early consumption of our famous musk-ox burger prompted a second order from Ulu Foods. Media from around the world did specials on our restaurant and its menu - some of you may have seen a Labatt's Blue commercial aired on CTV during the World Series - it was filmed in the Icicles Restaurant Plaza.

Overall, I believe we were more than successful in marketing our northern food products - especially fish. One senior member of our Legislature commented that trying to promote northern fish in Vancouver was like trying to sell coal in Newcastle - a coal producing area of Great Britain. But it worked - west coast

residents loved our char and whitefish.

On the matter of our second objective, we had hoped that the exposure afforded by our presence in Vancouver would stimulate the development of new product lines, If only for the purpose of testing their reception at Expo. Regrettably, and for a variety of reasons, this objective was not achieved, except insofar as our chefs developed some interesting and tasty menu Items through their own initiative in Vancouver. I will be addressing this matter later on in this paper.

A third objective of the project was to stimulate the arts and crafts industry and renewable resource harvesting economy through the purchase of new inventory for our pavilion's retail outlets. With respect to Icicles, an estimated \$450,000 was injected into the renewable resource harvesting sector, primarily in the Beaufort/Delta area, Cambridge Bay and Rankin Inlet.

However, we were not as successful as we had hoped to be on the matter of processing the country food products in northern facilities. Arctic char from a test processing and packaging facility in Rankin Inlet was, with a few exceptions, a success. Unfortunately though, the smoked char served in Icicles was prepared at facilities in Vancouver. Most unfortunate was the requirement to have our musk-ox and some of our reindeer processed in the south as well. This is another subject which will be addressed later in this

discussion paper.

The employment of northern staff in the restaurant was a major challenge and I will not, with this discussion, go into details of the difficult times and adjustments which had to be made. From my perspective though, despite the above, our northern staff were key to the success of Icicles as they were to the whole project. Their appearance, their work habits, their knowledge of the north and the menu, provided for a comfortable northern environment on the shores of False Creek. Many of our staff have returned North to continue working in the restaurant/hospitality sector.

On the matter of the last objective, it was the original intention of the project to have the 'private sector' construct, staff and operate all of the pavilion's retail outlets. A northern consortium was contracted, however very early on it became evident that their investments of time and money were simply not justified given the potential rate of return. Very simply, alternate arrangements had to be made whereby the project assumed the up-front costs associated with construction, purchasing of inventory, hiring and accommodating staff and so forth. A management agreement with Mr. Don Anderson, the coordinator of this conference, was the answer to our dilemma, and given the returns we received, it worked out quite well.

In conclusion, we perhaps overstated the abilities of the northern private sector in terms of some of our objectives. This should not

be seen as a criticism of the private sector, but ignorance on the part of myself and others associated with the early planning of the project. Yet the overall performance of Icicles can in my view be judged as successful.

III ICICLES RESTAURANT THE FINAL PRODUCT

The purpose of this section is to provide a general profile of Icicles restaurant, touching upon some of the key features which were not mentioned in the objectives section examined above.

First, I will not go into the details of how we 'lucked out' on the location of our pavilion and the beautiful water front site which served us so well. However, given what we had to work with, the location offered us the opportunity to come up with some exciting approaches to the physical structure and layout of the restaurant. For example, the outdoor barbeque, the Pacific Western outdoor plaza, and the interior portion of Icicles with its 'cool' and 'soothing' colours made the facility an attractive refuge from the chaos of the fair site. Further, we cannot forget that Icicles was not a separate entity unto itself. It was an integral part of the whole pavilion experience.

Complementing the physical structure of the facility were a number of other features. Staff uniforms, the design of our menu, neon icicles lighting up during the day and at night, northern art work on the walls, even the frost-like design of our glasses provided the

visitor with a variety of visual sensations. The quality of our menu and service aside, there is no question in my mind that these features, along with some soothing music, provided a relaxing and interesting environment.

With respect to the menu, I have already noted the unique attraction of serving arctic char and musk-ox burgers. However, on a hot day, in fact almost any day, visitors wanted a glass of fruit punch or something a little stronger with 10,000 year old ice. Icicles also served a unique salad which included a variety of greens, leaves and other "things" that were known to grow in people's backyards in Vancouver. Desserts made use of cranberries, and rhubarb, nothing special or exotic to the average Canadian, except insofar as you seldom see them on restaurant menus. In my view, our departure from the "norm" of salads, desserts, vegetables, and bread provided further incentive to experience Icicles' unique menu and environment.

At the risk of overstating the marketing/promotion factor, I feel that one of the other reasons for the success of Icicles was the desire to capitalize on small, yet significant events. For example, on California's special day at Expo, restaurant staff wore "California Cooler" head visors, and we featured - obviously - California Cooler. Media briefings at the Expo media center took place early in the morning every Tuesday. Whenever we were promoting a major event, such as N.W.T. Day, the press were served

the likes of 'Egg McMusk-ox" on an English muffin and something to perk up their morning coffee. I even recall a kid from Burnaby, who carried around a jar all day and before leaving the site with his parents, dropped into the pavilion restaurant to ask for a piece of 10,000 year old ice which he promised to take home in his jar and put into the family freezer - until it was time to take it to school for 'show and tell".

In concluding this section *on* the general profile of Icicles, It is important to recognize that the restaurant was an integral part of the overall message of the pavilion. Our 1.5 million visitors were exposed through film, exhibits, slide shows and arts/crafts to the significance of our renewable resources. What better way to complete a visit than to enjoy a meal of northern country food. Second, the design of Icicles and other features such as the menu, staff uniforms and so forth were all developed to be part of the total pavilion experience. And while Don Anderson may have had many disagreements with our architects and designers, I am sure he will agree that the final product was worth all the agony.

IV ISSUES AND SOLUTIONS

The reader will recall that in the introduction to this paper, I indicated that I had little to do with the day to day decision making during the development, construction and operation of Icicles restaurant. However, on occasion I was asked to intervene on a particular issue. In the late winter/early spring of 1985/86 I was

asked to assist in resolving some problems related to the procurement of caribou and as a result, learned more than I wanted to at the time about some of the problems and challenges facing our country food industry. With this section, I want to briefly outline some of the issues, as I understand them, and to propose some solutions for consideration by this and other groups. Finally, please recognize that I am not an expert, so if some of the terms used are not correct or if some of my ideas are totally unworkable, you will know why.

a* Inspection

I was always aware that any northern meat and fish to be sold at the pavilion must be harvested and processed according to federally approved standards. Fish posed no difficulties from this perspective; however, for musk-ox and caribou we faced some major regulatory problems. For example, and with respect to musk-ox, our suppliers had in place the necessary field abattoir facilities which Agriculture Canada officials used to inspect the animals after they had been slaughtered. However, their processing facility in Inuvik did not, to my understanding, have the necessary stamp of approval to process the musk-ox carcasses for sale outside the Northwest Territories. Consequently, we had to have the carcasses shipped to a federally approved facility in Vancouver for processing. Jobs and income were lost as a result.

With **caribou**, we faced an even greater problem. Our suppliers simply were not equipped, nor could they afford, the necessary field inspection facility to inspect the caribou after they had been shot. As a result, caribou had to be dropped from our menu and replaced with reindeer harvested from the herd located near . . . **toyaktuk**. Again, more jobs and income were lost because the required inspection facilities were not in place in the field. Recognize as well that even if they were, the carcasses could not have been processed at the Inuvik based facility because it was not federally approved.

With respect to solutions to the above, some Northerners may disagree with my suggestions. After all for years most of us have been eating musk-ox, caribou, moose and other wildlife which has not been through the inspection process. However, I would argue that if we are to break into southern markets, and offer quality products in our northern restaurants, we should begin now to put into place the required facilities and harvesting practices.

Very simply, the financial means have to be found to provide the necessary field inspection facilities. My suggestion is that portable abattoirs be developed and located in all regional centers for use by suppliers of game meat. Further, instead of relying upon inspectors from Agriculture Canada, I would recommend that our government hire or contract the service of

professionals who are licensed to conduct the necessary inspection of musk-ox and caribou when they are harvested in the field. Third, I would advise that, in association with Agriculture Canada, our government seek to establish new standards which would reduce the problems associated with harvesting caribou. Unlike musk-ox and reindeer, caribou tend to wander and a five mile drive, with a warm carcass back to a field abattoir eats up profits. There just may be something which the hunter can do to allow for testing of a frozen carcass which is not now the case.

With respect to processing and packaging we again must find the financial means to upgrade existing facilities and construct new ones which are consistent with federal regulations. Very simply, it would be counterproductive to proceed with upgrading field inspection services, and not take advantage of processing and packaging the product in the north.

In concluding this section, I simply reiterate that without the proper inspection of our wild meat and fish, we stand little chance of breaking into southern markets and providing a quality product for our northern restaurants and **grocery stores**.

b. New Product Development and Production

As noted in section II above, we had initially hoped that northern producers/suppliers would develop new product lines

using fish and meat. However, with a few exceptions, this was not the case. Char was smoked in the south, pate and sausages were produced in the south, reindeer and musk-ox burgers were prepared in bulk in the south.

At present, I am aware of a few northern producers which have developed and produced new product lines using northern game meat and fish. I am not sufficiently knowledgeable on their success, or the products, however I want to relate a short story about an FFMC product marketing initiative which took place at EXPO. Very briefly, the FFMC booked the Governor's Lounge at the pavilion to promote Northern fish and fish products. On the first day, Expo 86 officials and representatives from other pavilions were invited for a glass of wine and to sample specially prepared fish from the north. On the second day, Vancouver based fish buyers were invited. After sampling a pate, one buyer went to an official present and asked what it was. The answer, a pate made from Inconnu. The buyer said it was delicious and that he wanted 50,000 pounds of the fish. When could it be delivered? I am not quite sure if he ever received his fish, but I use this as an example of the need to provide more than basic cuts of meat and fish to markets in both the north and the south. If northern products are to break into the southern market in particular they will, no doubt, be classified as specialty items. While we in the north can think of nothing more satisfying than a good caribou stew or a white

fish chowder, the yuppies in Vancouver and Toronto want something unique to go with their white wine, seedless grapes and pasta. I look forward to the panel and others for specific direction on how to proceed with new product development and production.

c. **Marketing**

This paper has already addressed how the pavilion project took advantage of media opportunities to promote icicles and northern country food. In the near future some thought must be given to the most effective means of marketing our products in both the north and the south. My modest proposal, which is outlined below, is based on the assumption that we are dealing with products which come from carefully managed resources. Very simply, we cannot go out and promote wild meat and fish if a commercial harvest cannot be maintained or if subsistence use will be effected. Obviously, we have to be sensitive to the volume of products we are capable of delivering from the north. The proposal is also based on a second assumption - quality of product - which has been addressed in other parts of this paper.

With these points in mind, my suggestion is that some thought be given to marketing our food products through quality restaurants in both the north and the south. For example, a restaurant chain such as "Hy's" which is located in both Canada and the United States could be approached to determine their interest in

carrying some of our products. Another potentially lucrative and high exposure area is the airline industry. Just think of the number of meals of caribou, char or musk-ox which could be served to travelers flying in and out of, or around, the North.

There are of course numerous other areas where our products could be marketed - these are only two examples. We must however bear in mind, for the welfare of our resources, and to protect our reputation, that we should not attempt to market more than we are capable of delivering.

In conclusion, there are no doubt many other equally and more significant issues which must be addressed in the marketing of our country food industry. Last spring, when I was lobbying the Federal Minister of Agriculture and his Calgary based inspectors on my caribou problem, I thought that this was just one more major headache we did not need at the time. However, over the last year, and with the Expo experience behind me, I can now see that with a little more effort we can develop in the north a unique industry based upon our renewable resources.

V CONCLUSIONS

While many of us who were in Vancouver last summer miss the excitement and challenge of our unique World's Fair experience, Expo 86 is over and we must now address those challenges which may have resulted from Expo, but more than likely have been with us for

years. In my opinion, such is the case with the northern country food industry.

The benefits to be derived from further developing this sector of our economy are many and varied. First, we are dealing with a renewable resource, which if carefully managed, will long outlive our oil, gas and minerals. Second, it is a resource which the north's aboriginal population has harvested for thousands of years and while hunting will always be a significant cultural activity associated with life on the land, it is also of major economic significance.

Third, and related to the above, a well planned and developed northern food industry will never provide the hundreds of jobs and numerous business opportunities required now and in the future. But no one has ever said that should be the objective of developing this sector. However, it will hopefully provide many Northerners the prospect of secure seasonal employment on the harvesting side, and more permanent employment and business opportunities in processing and production.

Fourth, while it may be a long time before non-native northerners in particular give up their roast beef and pork chops, it is nonetheless worthwhile to take any steps we can to reduce the economic leakage of northern dollars for products from the south. Given that a greater commercial harvest is viable, we will hopefully

see one day a variety of meat and fish, at reasonable prices available in all our northern grocery stores.

And finally, I cannot think of a better way to attract the southern mind to the exciting land we live in. I am a Board Member on the Arctic Institute of North America which is based at the University of Calgary. Late last year, the Students' Chapter of the Institute launched a campaign to increase its membership which I believe at the time was about six members. One of the programs of the campaign involved a musk-ox burger and beer bash to sign up new members. I am told that over 1000 musk-ox burgers were sold in two days and that the current membership in the Student's Chapter of the Institute is almost 100 members.

NORTHERN FOOD CONFERENCE
Position Paper

Session Three

Resources and Production Potential
‘Supply Parameters Examined’

Chairperson
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February 18, 1987

NORTHERN FOOD CONFERENCE

RESOURCE AND PRODUCTION POTENTIAL

The purpose of **this** paper **is** to highlight **some** basic understandings of the use of fish, marine mammal and **wildlife** resources of the N.W.T. as a domestic food supply.

The concept of country food making a contribution to the economy of the N.W.T. comes as no surprise to our department. The need to manage these resources in order to capitalize on their stabilizing influence on both the culture and economy of the N.W.T. has for many years been the very reason for the existence of the Department of Renewable Resources.

Country food resources continue to play an important role in the traditions and cultural heritage of the north.

The greatest opportunities: **for an** expanded country food industry are related to wild populations of indigenous species. The animals that are currently being used (Caribou, **muskox**, seals, whitefish, char and other species) still represent the greatest potential for both improving the efficiency of our country food industry and increasing our domestic food self sufficiency. **In the** N.W.T. there are a number of biological and cultural reasons for this position.

Current estimates for caribou and muskox populations across the N.W.T. are quite reliable and indicate that there may be commercially harvestable surpluses in certain areas. The total populations of muskox has been estimated at between 55 and 60 **thousand** animals. Total commercial quotas for muskox are 2489 animals. At the present **time** approximately 540 animals are harvested.

Barrenground caribou populations are estimated at between 1.3 and 1.8 million animals with a total commercial **quota** of 3600 animals. Within this total there are herd specific quotas which are not being fully utilized. In other areas commercial quotas combined with domestic harvests may in fact be approaching sustainable levels. It is extremely important to acknowledge the gaps in information concerning the use of these animals and to define the current level of harvest and whether or not it is sustainable.

Existing commercial quotas provide opportunities for **some increased** use of these resources. This cautious approach will allow the **impacts** of commercial use to be assessed. Efforts can be directed to fully meet the needs inside the N.W.T. allowing time to develop the infrastructure, resource information and business skills necessary for a "country foods" industry to become viable beyond our borders.

There have been a number of proposals for the introduction of exotic species to the territories **recently**. **While** there may be potential

for **such uses** these proposals must take into account the biological requirements of the animals already using certain habitats, the capability of those habitats to support introduced species and the cultural implications of major changes to existing wildlife populations. These same concerns could be applied to changes in the way wildlife are used. For example, there is little experience to indicate that the herding of caribou would be successful. **In** a traditional hunting culture it is also doubtful whether that approach to animal use would be acceptable. Areas in the territories where the herding of animals has resulted in restricted access to resources or exclusive use of that area have experienced much conflict. These biological and cultural factors taken in this context represent serious constraints to development.

Aside from the obvious **constraints** to development such as high transportation costs and lack of infrastructure there are serious management **constraints** to the intensive use of wildlife in the North. This entire discussion presumes some sort of change in the overall manner in which country foods are used in the N.W.T. The notion that the country food industry can or should get bigger or more efficient is not necessarily shared by northerners, particularly native northerners. It is important that consultation be carried out well in advance of any resource use decisions. It is also important that those consultation efforts reflect the wishes and needs of the residents of the N.W.T. This will be a complex and costly task but without it culturally disruptive initiatives

such as herding **will** suffer from lack of understanding and support and have 1 **ittle** chance of success.

Animal rights activists in the south have had a devastating **effect** on the sealing industry in the north. Our efforts to combat those who would impose values on the people of the north are beginning to show some results. The proposed export of wildlife food products from the north may provide another area of vulnerability for these groups to wipe out any gains we may have made and should be entered into cautiously. Success will only be possible when a true appreciation of **our** economy and the importance of wildlife in the north is understood fully in the south. Developing that understanding will add even more costs to government programs.

A major constraint within government itself **is** the lack of a systematic, long term **approach** to the development and management of a country food industry in **the north**.

It is important that all government and other agencies as well as the private sector adopt a coordinated **system** of resource development decision making. This in itself will focus efforts on developing the infrastructure required to support development.

Very little is required in the way of new technology to develop the country food industry **in** the **N.W.T.** What is required is a conscious effort on the part of the government to ensure that the required infra-

structure is put in place as soon as possible and that it is designed to meet multiple objectives.

Take for example, a recent interdepartmental **initiative** to develop a **community** freezer program. At the outset the recognition of the value of country foods in the domestic economy was emphasized. The intent of the freezer program was to improve community infrastructure to support and enhance that value. The improvements were directed to improving the storage capabilities and **efficiency** in communities, improving animal utilization, reducing waste and thereby facilitating an increase in **inter-settlement** trade. This program could effectively meet a number of objectives, but would cost some **\$13 million** to fully implement. Again the important constraint of high costs is apparent.

Demand for the domestic/subsistence use of the fish, wildlife and marine mammal resources of the N.W.T. is **high**. Within the territories there are opportunities for improving the **ways** in which that demand is being met. The **greatest** opportunities lie in improving the distribution and availability of country foods in the **north**. Meeting domestic demands must continue as the first priority within the N.W.T. We must also take care that in altering the existing distribution and availability of country foods we don't jeopardize traditional resource sharing practices that are such an important part of the cultural heritage of the Northwest Territories.

One role of government **is** to improve knowledge of the **fish**, wildlife and marine mammal resources of the North and to ensure their continuous supply to permit more intensive management into the future. **In** developing an expanded country food industry the territorial government' has the primary responsibility to ensure that the needs of northerners are met first and foremost. Work to define those needs will continue as an ongoing process requiring extensive community consultation. Work must continue to refine knowledge of wildlife resources through efforts such as the territory-wide harvest studies currently underway. It is important that this work involve local people to ensure their interests are met. The information from studies such as this will assist in allocating resources among the priority users in the territories. Community Hunters and Trappers Associations, the Caribou Management Boards and Regional Wildlife Management boards provide effective mechanisms for harvesters and direct resource users to identify their needs and concerns and will continue to be key elements in the consultation process.

The long term management of wildlife resources in the north would continue to be primarily a government responsibility. Governments must ensure that a comprehensive, long term management perspective is maintained. Individual projects and programs must fit as integral parts of a long term strategy to ensure the sustainable use of wildlife resources for the future.

The priority of use will continue to be directed at local users first for domestic subsistence purposes and secondly for both consumptive and non-consumptive outdoor recreational use. These priorities focus strongly on enhancing the contribution of wildlife, fisheries and marine mammals to our domestic food self-sufficiency. The provision of domestic food supplies **is** a real strength in our northern economy and our efforts will continue to be directed towards enhancing that strength.

NORTHERN FOOD CONFERENCE

POSITION PAPER

SESSION FOUR

MEETING DEMAND

"OPPORTUNITIES, CONSTRAINTS AND R & D REQUIREMENTS"

CHAIRPERSON

Ted Weicker
Senior Consultant
Don Ference & Associates
Vancouver, British Columbia

February 18, 1987

The purpose of this paper is to provide a brief overview of the market potential for northern foods. It is divided into five sections. The first section establishes the premise that commercial production must be limited to surplus supplies. The second section identifies the species available for commercial production, and the third details the characteristics of the potential domestic and export markets and the factors that serve to constrain development. The fourth section suggests an appropriate development focus, while the final section outlines the role that government can play in overcoming market constraints.

A. COMMERCIAL PRODUCTION AND THE NATIVE ECONOMY

The economies of most Native communities, aside from government transfer payments based upon the production of subsistence goods for food, clothing, and shelter. In some areas this subsistence mode of production is complemented by the production of goods, such as arts and crafts, for exchange or by tourism activities which are themselves based upon the consumptive or non-consumptive use of renewable resources.

The imputed value of the N.W.T. subsistence economy is \$40 to \$50 million annually, the arts and crafts industry generates approximately \$6 million in export revenues annually, and tourism activities add an additional \$40 million to the N.W.T. economy. The objective of developing commercial food production is to expand this economic base and hence improve the standard

Of living. To achieve this purpose, it must be ensured that whatever commercial development takes place does not come at the expense of the base economic activities.

Consequently, commercial production of northern foods should be limited to surplus supplies, that is to the proportion of sustainable harvest levels which remain after local consumption has been subtracted.

Surplus supplies are difficult to measure and are subject to annual changes in inventory levels, consumption patterns, hunting efforts, markets for by-products, and migration patterns.

B. SPECIES AVAILABLE FOR COMMERCIAL PRODUCTION

The northern foods under consideration can be categorized into four groups: (a) red meats; (b) fish and seafood products; (c) marine mammals; and (d) game birds and other products.

The primary red meat products are caribou, muskox, and reindeer. On an annual basis, approximately 40,000 caribou (5 million pounds of meat) and 200 muskox (70,000 pounds) are being harvested for domestic purposes. Caribou has traditionally been the preferred product in the north; however, the success of muskox burgers at the N.W.T. Expo '86 Pavilion suggests a strong southern market might exist. A study on inter-settlement trade

conducted by the Inuit Development Corporation estimated that a surplus of 165,000 pounds of caribou meat and 33,000 pounds of muskox meat could be made available for commercial purposes. Reindeer is being raised for commercial use by Canadian Reind'eer Ltd. Assuming that 2,500 reindeer were harvested per year, potential reindeer meat production would approximate 300,000 pounds.

The leading fish products in the N.W.T. are trout, whitefish and Arctic char. Substantial surplus volumes of each of these three species exist. Commercial production of trout and whitefish is 2 - 3 million pounds annually. Opportunities to increase sales appear limited; trout and whitefish are already abundant in southern markets and there is a distinct market preference for other products, including Arctic char. Arctic char is limited by economics of production; the species is found primarily in remote areas resulting in high costs of production. If it were justified economically, commercial production could increase to at least three or four times the current level of 250,000 pounds.

Although seafood products are not a mainstay of the northern economy, potential has been identified for products such as shrimp, mussels, and sea cucumbers. However, it has yet to be proven that these fisheries are economically viable.

Of the **marine** mammals, ringed seal, harp seal, narwhal whale, and walrus are harvested primarily for non-meat reasons. At first, this would appear to offer an opportunity to increase utilization without increasing the harvest. However, the toughness of the meat severely limits market potential. The potential may exist to market specialty products such as seal liver.

The leading game birds in the N.W.T. are geese and ducks. Approximately 23,000 of each are harvested annually, which at approximately 3 pounds per bird represents over 70,000 pounds of meat. Other products which could be marketed include wild berries and vegetables, and Arctic water and ice. The latter has commanded considerable attention as a novelty item.

C. POTENTIAL MARKETS

The potential markets for northern products can be categorized into three groups: (1) the Native market; (2) the northern non-native market; and (3) the southern and international markets. The characteristics of each are briefly outlined below.

1. Native Market

Commercial production targeted at the Native market can serve two purposes: (a) to provide a source of food to Natives who may have joined the wage economy and do not have the time to go

hunting and fishing; and (b) to affect a more equitable distribution of country foods between areas of surplus and those of shortage. The vehicles to accomplish these purposes are inter-settlement trade and country food outlets.

The unique problems associated with the Native market include difficulties in determining the value of products and consumer resistance to paying for goods traditionally available without charge. Nevertheless, the concept does appear viable on a limited scale.

2. Northern Non-native Market

The ability to sell northern foods in any market, be it northern, southern, or international, is a function of four factors: (a) consumer awareness and knowledge of the products; (b) consistent product quality; (c) consistent supply; and (d) the economics of distribution.

In the northern primarily non-native communities, such as Yellowknife or the mining centers, consumer awareness and knowledge of northern products is often limited. The residents may be transplanted southerners who have a distinct preference for southern foods and only a rudimentary understanding of how to prepare northern foods. A promotional program similar to that undertaken by the fish industry over the past ten years could highlight nutritional and economical benefits and educate

the populace in the methods of preparation. Convenient product forms could be offered.

For a food product to be successful, consumers must be reasonably assured that product quality be consistent over time. However, this requires standardized handling, butchering, and packaging procedures which are hard to enforce in a highly decentralized, loosely regulated industry. Although trade within the Territories does not require government inspection, many retailers and consumers look to government approval as an assurance of product quality.

Consistency of supply is required before retailers and restaurants will go to the effort and expense of developing a market for a northern product. This consistency is hard to achieve in an environment where commercial production is given a low priority, where harvest levels fluctuate with the vagaries of nature, and where potential demand far exceeds potential supply. As an illustration of the latter, the volumes of caribou and muskox identified as available for commercial production by the IDC represent only 11% and 2% respectively, of estimated red meat consumption in Yellowknife alone.

A distribution channel can not exist unless all members (producers, middlemen, and retailers) are satisfactorily rewarded for their efforts. There is, of course, a limit to

what a consumer is willing to pay for a northern product; if the channel cannot distribute the product to the consumer at or below this level, the market will not exist. Impacting negatively on channel economics are the high costs associated with remote locations, the highly dispersed nature of the industry which prohibits many economics of scale in purchasing, processing or distribution, the high costs of transportation, and the lack of a trading infrastructure in terms of processing and storage facilities.

Although non-native markets for northern foods can be developed, potential is constrained by inconsistent quality and supply, and by the high costs of production and distribution.

3. Southern and International Markets

Assuming sufficient funds are available for promotion, caribou, muskox, reindeer and char can each be positioned as unique, exotic, and healthy (high in protein, low in fat, no preservatives) alternatives to southern foods. The constraints in these markets are the ability of northern channels to provide consistent quality (federal government inspected) and consistent supply at a reasonable price. With reindeer, these constraints were relatively easy to overcome: (a) most of the meat is sold in Europe where people are quite familiar with the product; and (b) the product is farmed and processed through a central facility making it much easier to forecast supply, to enforce

standardized handling procedures, and to take advantage of potential economics of scale.

D. PROPOSED STRATEGY

Based on a preliminary analysis, It appears that the most appropriate strategies are to focus on expanding the northern markets (in both the Native and non-native sectors) for caribou, muskox, and char; expanding the market for char in the south; and maintaining the export market for reindeer. While market potential for caribou and muskox exists in the south, the necessary investment in marketing channels and infrastructure is justified only if substantial product volumes can be assured.

E. ROLE OF GOVERNMENT

Before commercial development of northern food can occur, the G.N.W.T. Departments of Renewable Resources and Economic Development and Tourism must determine a development strategy for wildlife. In order to do this, it will be necessary to further assess Sustainable yields, the size of the potential domestic and export markets, and the economics of intersettlement and export trade. Based on the policy developed, the role that government can play is to assist the northern foods industry in overcoming some of the constraints identified in the previous section.

1. **Developing Markets**

The Government **could assist in** market development by encouraging northern food retailers and restaurants to carry northern foods, by serving as an intermediary between groups with surplus production and potential buyers, **and by funding general promotions communicating a "Buy Northern" message, food preparation methods, or nutritional benefits.** The small size of the market does not justify establishing a central marketing agency at this time.

2. **Developing Consistent Product Quality**

Given the number of different groups involved, developing consistent product quality is a difficult task. The government could assist by providing standardized training in product handling, butchering, inspection, and packaging; by developing a standard grading system; and by providing capital assistance to enhance handling and storage facilities.

3. **Improving Consistency of Supply**

Production assistance and guidance can be provided by the government in the form of determining sustainable yields, monitoring inventory levels, stimulating and facilitating surplus hunting, and improving access to key fishing and hunting areas.

4. Improving Economics of Operation

The government could reduce channel costs by assisting in some of the channel functions itself including communication of market information, product inspection, product marketing and distribution.

NORTHERN FOOD CONFERENCE

POSITION PAPER

SESSION FIVE

TRADITIONAL AGRICULTURE

"A REAL POTENTIAL"

CHAIRPERSON

Joe Kronstal
President
Agriborealis
Yellowknife, Northwest Territories

February 19, 1987

When I was asked to present a brief **paper** on the **possibilities** for the **pursuit** of traditional agriculture **in** the Northwest Territories to stimulate some discussion on the **topic** for **this** conference on Northern Food, I was pleased to learn that some of my fellow panelists are living proof that not only could this industry have a **place in** the Northern **economy, but that** indeed it is taking its place in this **economy**.

So, we are not going to begin to discuss whether or not it is possible; it is already being done! What I hope we can discuss are the possibilities for the **future**, and to discuss what kinds of agricultural developments make most sense.

When **someone mentions the** word "**agriculture**", it is easy to see a series of images that we may associate with television programs **such as** Country Canada on CBC, or in the lyrics of Murray McLaughlin's "**Farmer's** Song". Dusty old farmers out working their fields. Wheatfields and grain elevators. Orchards and feedlots. **Tractors and combines.** When we add the word "**traditional**" to this, the imagery could become even more nostalgic.

I would like us, however, to consider this topic in a slightly different manner. Rather than looking at how the agricultural industry operates in the rest of Canada, and how it has traditionally **been structured in the South**, I would like **us** to

consider what agriculture **really** means, and **what it is that the agricultural industry produces for us.** Once we've done that, I would like us to think about the possibilities that we have in this realm in the North. And we need not be limited in our view to considering what is happening elsewhere in Canada. I say this because, although we are consumers of agricultural products in the same way that most Canadians are, many of us may not agree that the nature of an agricultural industry has to copy what has been established elsewhere.

Our history reveals that the agricultural industry has been alive in the **Northwest Territories** in one form or another for many decades. Certainly, there have **been ebbs and flows in levels of activity in this industry as settlements were established, mission farms created, and new transportation links established.** But one consistent pattern to the industry appears to emerge: the scale of undertakings were geared to local **self-sufficiency.** It is my view that this notion cannot be lost as agricultural development continues in 1987. The strategy of self-sufficiency that has predominated in the past is **still** the most sensible strategy for today.

The development of an industry must always take place in a context where the long term advantages of the development accrue to the people in the region being developed. I believe this should be no different for agriculture.

As I mentioned earlier, our history records many agricultural undertakings that have been carried out in many parts of the North with considerable success. Accounts recall record-sized cabbages, and impressive harvests of other vegetables. The amounts of food that were produced at mission stations, the records state, is nothing short of impressive. My favorite clip from the archives is from the nineteen thirties. It is of a remarkable man by the name of Dr. Livingstone of Aklavik. He successfully raised a small herd of dairy cattle in this community well above the Arctic Circle, thereby ensuring that the hospital and the school had fresh milk.

The promises for the future look bright now too. There is a renewed interest in examining economic diversification because of the uncertainty that resource extractive industries have faced in recent times. Where better to begin in a drive to diversification than to examine ways to meet some of our own basic needs. We now import most of the food we eat in surprisingly large quantities. Some of the greatest possibilities in developing northern agriculture come from the pursuit of import substitution in foodstuffs. Just being where the end users of the products are can be considered a significant advantage to northern producers because of the often perishable nature of the commodities, especially because of the importance of freshness, quality and availability to food consumers.

We will be limited to some extent in our ability to produce most of the food that we consume because of the dependency that we have developed for processed products. If we were to look at the agricultural industry in much of Canada, we would find that in many product areas, it serves mainly to provide grist for the food processing industry mill. The food processing industry is practically non-existent in the North. The obvious implication is therefore that we will be restricted in our food production activities to those products that require little or no processing, or to ones which can incorporate small scale processing as part of the same enterprise.

In addition to producing food for ourselves, the agricultural industry can be developed in the North with a view to exporting products to the South. Although I generally view the former as the primary direction that agricultural development ought to take in the North, there is room for certain kinds of production that take particular advantage of special circumstances that we live with. Some possibilities in this area might be elk farming, honey production, dehydrated alfalfa production and perhaps intensified wild rice production.

We may not all appreciate the advantages that are ours in the North. How many of us fully appreciate the abundance of some of the best fresh water in the world? Do we realize that our long summer days are perfect for intensive peak-season growth? Our

people are an asset too. They understand full well and appreciate the advantages of building an economy which is based on renewable resource management.

If you will allow me, I would like now to briefly relate some of our experience in setting up **Agriborealis**.

Since 1980, when the Yellowknife city Plan was being established, a small group of us pressed for the establishment of an area which could be used for agricultural development. We wanted to begin to break down that sense of total dependency on outsiders for our food. It was not easy to obtain such an area.

What has been established is a 70-cow dairy production and processing enterprise, which is capable of producing enough milk for about one third of the local market.

The first question that is raised when developments of this nature are discussed is that of viability. In my view, the question of viability begins with a consideration of the possible. If something can physically be done, then the only remaining question is "can it be done in a manner that results in the benefits exceeding the costs?" The issue of benefits and costs, though, is broader than just the dollars and cents; these are nevertheless truly important.

There is a social importance to self-reliance. Community residents feel a greater stability if there is a capability to locally meet at least some of their own needs. That greater stability has economic significance.

Our company recognized the need for providing for a certain amount of public awareness of the issues related to food production. Some provisions were made in the design of our facilities to make them accessible to the public. We want children and others to know where their food comes from, and what is involved in getting it from the source to their tables.

I hope that many of you agree with me that there are many possibilities when it comes to providing for ourselves. This conference is all about those possibilities. I am pleased to be at this table with fellow citizens who have demonstrated various dimensions of the "possible" as it relates to northern agriculture.

Resolutions

1. That **every** community with a waste heat source should be encouraged to establish greenhouse vegetable production.

2. That we seek to become self sufficient in the following product areas by 1992:
 - fluid milk
 - fresh beef and pork
 - potatoes, turnips, carrots and cabbage
 - oatmeal
 - wild rice
 - honey
 - eggs

3. That we seek to establish new ventures **which are** compatible with the North, **such as** elk farming and forage (alfalfa) production.

4. That governments be encouraged to ^{to develop} begin support infrastructure to the food processing industry.

5. That good communication exchanges be developed with other northern peoples who have made significant **progress in** providing food for themselves, so that we might learn from their experiences.

6. That collaborative partnerships be encouraged between northerners who are interested in agricultural production and experts from elsewhere to enable ventures in food production to become established.
7. That the strategic focus for agricultural development at this point be local self-sufficiency wherever economically feasible.
- * 8. That research assistance be provided to enable industry to resolve special problems related to operating in the North.
9. That local governments consider allowing agricultural developments to be established within municipal boundaries without ^{un}reasonably high property taxes, and without excessive charges for land.

NORTHERN FOOD CONFERENCE

POSITION PAPER

SESSION SIX

MARKETING & DISTRIBUTION

"CREATING STRONG COMMERCIAL LINKS"

CHAIRPERSON

Peter von Lipinsky
Food Buyer, Northern Stores
Hudson's Bay Company
Edmonton, Alberta

February 19, 1987

Before we proceed into a full discussion of the marketing and distribution of northern country food products, I believe it is appropriate to briefly talk about the Hudson's Bay Company and its 316 year involvement with the North, considering recent news announcements.

As you may already know, the Hudson's Bay Company will be selling its 178 northern stores, of which 40 are located in the Northwest Territories, to Mutual Trust Company, our northern stores' existing management, the Hudson's Bay Company itself and several financial institutions as of March 31 this year. In my opinion, this decision will be beneficial, but it is also melancholy. The Hudson's Bay Company, since inception, has had a great sensitivity and symbolic attachment to the North, but with this proposed divestiture, a new responsiveness will likely occur in relation to northern aspirations and benefits.

As a twenty-four year veteran of the Hudson's Bay Company, of which eighteen spent in the Western Division, Northern Stores, based in Edmonton, I have been primarily responsible for the company's Western Arctic food purchasing function. Northern Stores has two other divisions: Central, based in Winnipeg and responsible for Manitoba and the Keewatin Region and Eastern, located in Montreal and responsible for the Eastern Arctic, particularly Baffin and Labrador. Within this context and through discussions with my co-buyers in the other two

divisions, I present our views on the northern food industry.

The words marketing and distribution are closely related, and can be defined as the activity of getting a commodity from the producer to the consumer.

In most cases, this is being done by using the distribution network system of a wholesaler, who in turn will resell the goods to its affiliated stores, as well as to independent stores, hotels, restaurants, and other food service related retailers.

THE PRODUCT

First, let us take a look at the primary products for which marketing and distribution are required.

1. Fish (Commercial Fishing):

Whitefish

Pickeral

Northern Pike

Trout

Inconnu

Arctic Char

2. Red Meat (Game):

Caribou

Reindeer

Husk-Ox

Buffalo

Having identified the products, you will note that some of these products are unique to the Canadian North, such as arctic **char**, reindeer, caribou, and musk-ox.

These items, as common as they are to northern Canada, are specialty items for most customers south of the 60th parallel, and even **more unique to potential buyers south of the Canadian border, and indeed, to people overseas.**

PRODUCTION AREA - NORTHERN FOOD PRODUCTS

Let US **have a** look at the immediate production area, the Northwest Territories.

The total area of the Northwest Territories is approximately 1.3 million square miles of land and water combined; fresh water accounts for approximately 51,000 square miles. The NWT is **about one** third of the total area of Canada.

From the latest statistics available, the total population stood at 51,000 people living in the 'arctic' region of Canada.

Before marketing and distribution of northern foods can begin, the main production areas must be pinpointed. For example, the prime production areas for caribou and reindeer are found at Baker Lake and Tuktoyaktuk. Similarly, Coppermine, Cambridge Bay, Gjoa Haven, Spence Bay and Baffin are home to the Arctic Char, while Hay River is renowned for its commercial fishing. It has been estimated that over 6 million pounds of whitefish and trout a year are processed at the fish plant in Hay River.

Most production areas are very sparsely populated. For that reason, retail sales would be minimal resulting in production being higher than consumption. Therefore, the majority of fish and game harvested in these areas would have to be shipped to centres where the demand is greater to sell the surplus product.

TRANSPORTATION

Moving the harvested fish and game from remote production areas to "collection points" can be very costly. From several locations, these shipments could only be made by air freight, while elsewhere, land transport could be utilized to move the product to larger centres for processing.

Freight charges have to be considered in marketing northern food products since, if they are too high, a high retail selling price will apply which could possibly cause customer resistance.

Depending on volume, special freight rates might be negotiated with some carriers, as most flights south carry little cargo.

A study would determine the most economical mode of transport for the product to the larger centres.

COLLECTION CENTRE⁹ FOR NORTHERN FOOD PRODUCTS - DISTRIBUTION CENTRE

Having solved the question of freight, the next consideration would be to establish three 'collection centres' for northern foods to be distributed to the larger centres.

One collection centre should be north of the Mackenzie River while the other would be south of this same river. For servicing the northside, the town of Inuvik comes to mind with Yellowknife or Hay River as the counterpart for the south (fish processing plant already in Hay River). Likewise, Iqaluit acting as the collection centre for the Baffin region.

Each distribution centre should have facilities for processing both red meat (game) and fish.

MARKETING AND DISTRIBUTION

The focus of marketing and distribution of northern food products must be directed towards the south if any quantity is

to be sold, and thereby making it economically viable.

This can be achieved by:

1. Establishing liaison with a meat/fish wholesaler/distributor in major centres llke Vancouver, Edmonton, Winnipeg, Toronto and Montreal.
2. Produce colourful posters promoting northern food products.
 - A. For promotional activities in stores.
 - B. Develop recipes for northern foods which can be used in stores for promotional use.
 - c. Advertising and promoting northern food products In newspapers and magazines, directed to the more affluent customer - (The "Yuppie" Market).
3. Promotional activities with major hotel chains as well as with convention centres across Canada.
4. Restaurants in major Canadian department stores could also be approached to promote northern foods.
5. Exploring and increasing the export market.
 - A. United States of America
 - B. pacific rim countries (mainly Japan)
 - C. Continental Europe, including the British Isles

Export at one time was for most producers *only* a dream. With

today's fast and efficient air cargo service, Europe, Asia and the United States are only hours away. If we can bring jet-fresh pineapple from Hawaii to Edmonton within hours for distribution as far north as Inuvik and Spence Bay, it's conceivable that northern food products could also be exported overseas in the same efficient manner.

HUDSON'S BAY NORTHERN STORES DEPARTMENT

(FOOD RETAIL STORES IN THE NORTHWEST TERRITORIES)

The Hudson's Bay Northern Stores Department operates about forty stores with food departments in the Northwest Territories, scattered from the Western Arctic to the Eastern Arctic.

In most locations where the Hudson's Bay Company has a store, a prime production area for northern foods can be found. This means that caribou, fish, etc. is readily available, at a lesser cost, to the local consumer resulting in his doing his own hunting and fishing.

Even if some of these northern foods were transported from small settlements to larger centres, it would have to be done, almost exclusively, by air. Factors determining this would, of course, be location and the season of the year (whether it is freeze-up or break-up). Transportation cost would often be high, which in turn, would adversely affect the selling price and consequently, consumers' reluctance to purchase the product.

Even if all forty Hudsons Bay Northern Stores carried and sold northern food products, the total tonnage would be very small.

Let us look again at the total population of 51,000 people for the whole of the Northwest Territories. Total consumption of northern food products through Hudsons Bay Company and all other retail outlets in the NWT would be minimal and unlikely to support a viable commercial enterprise.

RATIONAL PRICING OF NORTHERN FOOD (WHOLESALE RETAIL)

FOOD COST PRICING STRUCTURE FOR THE PRODUCER

Example: Caribou and Reindeer

The cost of producing caribou and reindeer would include such factors as rounding up the herd, slaughter, storage and processing, as well as shipping/transportation rates.

Let us look at processing. Caribou and reindeer are being slaughtered, dressed out, and frozen, and then shipped by truck/trailer south for processing - approximately 400 reindeer carcasses per trailer - the 'processing' is basically to cut the frozen carcasses into 4 primal cuts.

- 1) Reindeer loin
- 2) Reindeer rack (also known as saddle)

3) Reindeer leg

4) Reindeer squaxe cut shoulder

Dressed out weight per animal is approximately 100 - 125 lbs. This method is quick, efficient, and has proven itself to be, to some degree, acceptable by the retail meat industry, more so for food service. The acceptance level could, however, be increased significantly if the product was to be sold boneless or semi-boneless and 'ready for use' in both the food service and meat retail businesses.

With the high cost of freight, why ship bones? The same concept is already in use for beef boneless and semi-boneless and is known as 'block-ready-beef?' .

A frozen product (carcass) is not suitable anymore for processing. If thawed out, the meat will lose its appearance, liquid, colour, and should not be frozen again.

To come up with a better monetary return on red meat (game), the caribou and/or reindeer carcasses should be immediately, after slaughter, cooled down to 29 degrees Fahrenheit. When body heat is out, the carcasses should be kept cool at 32 degrees Fahrenheit. At this point a trailer with rails, as used to transport beef, must be used to transport the carcasses to the nearest processing plant, which could be in the immediate area

OK as far south as **Yellowknife/Hay** River or Edmonton.

I would suggest that to start with, ten carcasses of reindeer **and/or** caribou should be shipped south to do what is known, in the meat industry, as a **"Test-Cut"**.

The ten carcasses could be cut up in different ways to find out what cuts would provide the best chance for effective marketing, such as reindeer cutlets, reindeer fondu meat, reindeer burgers, reindeer stew, etc.

How many pounds of **caribou/reindeer "Schnitzel"** cutlets are there in a carcass, **or for** that matter, any other cut such as boneless rolled breast of **reindeer or caribou** roast? The **trimmings of** both caribou and reindeer could be used to manufacture a breakfast sausage. (Reindeer trimmings mixed with pork/beef trimmings).

A properly processed carcass of reindeer or caribou can yield a lot more **better cuts** which are more marketable than a **chopped up frozen** carcass.

cost of processing will depend on how far the carcass is broken down. For example; only into **primal cuts, retail ready cuts,** bone-in or boneless cuts. Processing costs can **run anywhere** between fifty cents to \$1.50 per pound at today's cost of labour

in the meat industry.

The radioactive fallout from the accident at the Chernobyl nuclear plant has contaminated large areas of the reindeer feeding grounds in Scandinavia's central highlands. Estimates range from 30% to as high as 80% of reindeer being affected by the fallout in Sweden and Norway.

This translated into business means that the European import market is more than ready to buy Canadian chemical-free reindeer meat.

Considering all aspects and with 'on-side' Federal Department of Agriculture meat inspection, we can't help but increase our export of northern foods.

Demand and supply will of course dictate the wholesale/retail price on any commodity. As long as we can supply a good quality product, price will play a secondary role.

If we can import lamb from New Zealand and boneless beef from Argentina and Australia, then we should also be able to export reindeer meat to foreign markets.

Reindeer is a much less competitive commodity than any other meat. This alone will guarantee a good monetary return.

Let me end this paper by returning to the Hudsons Bay Company once again.

You may ask, what have we done in regards to the stocking an'd promotion of northern foods? I am sorry to say very little. About three or four years ago, we sold canned char and frozen reindeer and char filets in our Inuvik store, but with little success. Why?, small demand due to a co-op down the street and unreliability of supply. Currently, our Iqaluit store is our only northern outlet, and in fact, our only HBC store selling any northern food at all - in this case, whole arctic char.

Why is there this state of affairs? To the best of my knowledge, the Hudson's Bay Company has never been approached to sell northern food products. This doesn't mean that we are not somewhat guilty. However, we are now, more than ever, interested and willing to market northern products and hopefully through this conference, establish contacts and develop more mutually advantageous commercial relationships in northern foods.

CHAR or **CHARR**, common name of a fish of the genus *Salvelinus* of the **Salmon** family related to the trout. The **mature** char **weighs** from **2 to 8 lbs.** The char has smaller scales than the true , trout (*Salmo*), differs in the **structure of the vomer**, and has **red instead of black spots**, especially during the breeding season. The colour is **grayish or green** above, the **lower parts** red, especially in the male, the lower fins are anteriorly margined with white. Its sides are marked with round red spots, and its back is not marbled. This species has a wide distribution, occurring in cold lakes and mountain streams of central and northern Europe, of northeastern America, and probably also in Siberia. It is extremely variable, and has consequently received a host of specific names, such as "saibling", "Salbling", "ombre chevalier", and "Greenland trout". The chars are by far the most active and handsome of the trout, and live in the coldest, clearest, and most secluded waters. They weigh up to 100 lbs. The best known of the distinctively American chars is the brook trout, or speckled trout; but trout of the Rangeley Lakes, in Maine, is somewhat nearer the European type.

The topic for this session is Regulatory Environment - Protecting the Consumer's Well-Being".

The regulatory environment in food legislation in which we find ourselves is really a product of what has occurred in the **past**, what is being demanded of today, and what is being perceived as the need for the future.

Believe it or not, the genesis of the Federal Food and Drugs Act goes back to the early days of Confederation when intemperance was an important social problem. It seems there was a great demand for alcohol, with no control over its production. Much of the alcohol was then adulterated and the Government was pressured into standardizing the quality of liquor. Thus, in 1875, the "Inland Revenue Act" started the protection of the consumer in food, drink and drugs.

The Federal Food and Drugs Act is now the current Federal act and applies to all products produced and sold in Canada. In addition, the Territorial Public Health Act applies to those products produced and sold in the N.W.T.

The Public Health Act, at present, does not deal specifically with many of the native foods produced. New regulations on food marketing are in the final stages.

individual of the necessity of being educated to the point of being able to determine product quality. At this point in time, it would be now an impossible task with all of the food additives and preservative products in food. It also reassures consumers to an extent that they will not be falling prey to scrupulous people who will market anything.

Although safeguarding health has now become the primary principle of food legislation, because of the development of the food industry, social awareness and increased risks as a result of the new techniques, many people still feel that it is restrictive.

The current trend toward deregulation applies also to health care in relation to the food industry. Deregulation is not as pervasive in the food industry as it is in other regulatory areas.

Regulations are a product of our times because:

- . Increased consumer awareness of their health and the causes of illness have pushed for greater protection.
- . The consumer is unaware in most cases of how food is handled prior to purchase at a retail outlet or as a prepared meal.

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processing **and/or** butchering facilities and the need to stimulate the **economy**, all have to be put into perspective.

We are confident that, if the liquor industry can survive the regulations of the late 1800's and go on to be a thriving business, then the food stocks of the north can survive the Food and Drug regulations and go on to be a thriving business.

In **summation then, regulations are a necessary evil to the businessman, but a warm, cozy blanket to the consumer.**

I will now invite members of the panel to present **their** views in an **address and then open the floor for questions, discussions and recommendations to be put forward from this conference.**

1,2,3 **National Sanitation Training Program, Canadian Restaurant and Food Services Association.**