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***A Study Examining The Feasibility Of  
Establishing A Northern Country Food Sales  
Outlet Yellowknife, Nwt***

***Type of Study: Marketing & Trade Arctic  
Foods, Food Processing/outlets***

***Date of Report: 1986***

***Author: Lutra Associates Ltd***

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A STUDY EXAMINING THE  
FEASIBILITY OF ESTABLISHING  
A NORTHERN COUNTRY FOOD  
SALES OUTLET IN YELLOWKNIFE

—Lutra—

## **Lutra Associates Ltd.**

Socio-Economic Research .Community and Economic Development

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Dec. 12, 1986.

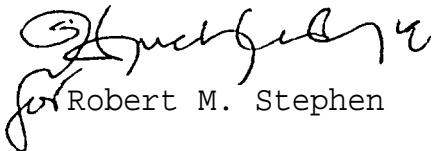
Mr. Donald Cadieux,  
644 Williams Ave. ,  
Yellowknife, N.W.T.  
XIA 2Y7

Dear Donald:

We are pleased to deliver to you our final report examining the feasibility of establishing a northern country food outlet in Yellowknife. Details of our findings and **method-**logy are enclosed in the report for your review. You will find **an executive** summary at the beginning of the report which highlights key findings of the report.

We wish you continued success with the project and look forward to being of service to you in the future.

**Sincerely,**  
LUTRA ASSOCIATES LTD.

  
for Robert M. Stephen

Box 1866 " 4724-38th St. ● Yellowknife, N.W.T. X1A2P4  
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EXECUTIVE SUMMARY OF FEASIBILITY  
ASSESSMENT FOR NORTH COUNTRY FOODS

INTRODUCTION

The purpose of the feasibility assessment was to determine the liability of the proposed Northern Country Foods outlet located in Yellowknife and serving markets in and around the south Mackenzie region. In order to achieve a satisfactory product for the proponent, Don Cadieux, Lutra Associates Ltd. undertook a review of market supply and demand conditions, operational logistics, capital acquisition and financing requirements for the new business venture.

The research program included a series of interviews with food industry personnel, suppliers and potential clients. Comparative and trend analysis of relevant data provided baseline figures from which five year forecasts were developed. Over the course of this study, Lutra produced two reports: a progress report of initial market supply and demand recommendations and conclusions and this, the final feasibility report.

The following summary provides key elements of the feasibility analysis.

(i)

— Lutra —



## MARKET

### Observations and Conclusions:

● Country Foods currently have a low level of market penetration in the South Mackenzie region. The demand condition for country foods to some degree has been determined by an inconsistent, . . . if . . . not, seasonal commercial supply of such country foods as Arctic char, caribou and muskox. Retail outlets in Yellowknife generally supply country food products in season and when available.

^Territorial and Federal Government policy and programs support the development and growth of intersettlement trade of renewable resources and are currently **analysing** the "potential for import substitution within this sector of the northern economy.

\*Country food products have the potential to penetrate three distinct market segments in the South Mackenzie. The retail market is the largest segment with a Yellowknife and environs population projected to increase to 12,000 by 1990. **Other** market segments are South Mackenzie institutions and hospitality industry businesses.

(ii)

—Lutra—

\*The analysis of market segment characteristics indicates that country food products likely to displace imported meat and fish products will be <sup>is under</sup> caribou, muskox, Arctic char and northern whitefish. The analysis further suggests that country food products must be competitively priced and of high quality in order to penetrate target markets.

\*The level of market penetration of North Country Foods products into target markets is forecasted to grow from an estimated 32,578 kg. to 55,492 kg. in the initial five year period of business operation.

\*At competitive market pricing and, current and forecasted supply costs, the business margin of gross profit over sales may be expected to range between 43% and 52% ✓

\*In order for North Country Foods to satisfy demand during the initial market development phase and the operational phase of the business, continuous delivery of country food products must be achieved. Dependable and economical supply and, adequate storage facilities for large inventories will also be required to satisfy anticipated demand levels.

\*Product marketing and new product testing will be a long range requirement of the new business venture to ensure that the anticipated market share is maintained.

(iii)

—Lutra—

## OPERATIONS

### Observations and Conclusions:

\*Strict management and operating systems must be in place if North Country Foods is to consistently produce high quality products at competitive prices.

\* In order to prepare Mr. Cadieux to assume store management responsibilities, some **small** business management and meat butchering training is required. Four training programs have been identified to offset these training costs. It is suggested that training commence one month prior to store opening.

\*Anticipated business **demand** warrant the employment of three full-time and one part-time workers. It is recommended that North Country Foods employ a butcher with extensive meat cutting **and** processing experience. In addition to meat cutting and processing responsibilities the but'cher will provide on-the-job butcher training.

### EQUIPMENT, LOCATION AND PHYSICAL SCALE

#### Observations and Conclusions:

\* In order for North Country Foods to: 1) provide continuous delivery of country food products; '2) properly age, ripen", cut and process caribou and muskox; and 3) process char, whitefish

(iv)

—Lutra—

and trout for resale, a complete package of cutting, processing and cooling equipment is required.

\*Owing to the volatile nature of Yellowknife's retail space rental market, no recommendations have been made with regard to accessing a specific retail site.

\*Given Nortn Country Foods' forecasted sales and target markets, . . . the proposed store should be approximately 1100 sq. ft. with a retail display area, a meat/fish processing area and a meat/fisning cooling area. A cold storage area is to be located 2 away from the retail site.

#### FINANCIAL AND ECONOMIC VIABILITY

##### Observations and Conclusions:

\*As indicated by the country food supply analysis, there will be a requirement to finance large inventories and purchase full range of meat cutting and freezer equipment. Given a median supply cost level, capital asset purchases at \$131,700 ana opening working capital requirements of \$77,960, business viability is forecast for operational year two with the following financing mix:

-long term debt	@ 38%
-capital and working capital grants	@ 50%
-owner equity	@ 22%

(v)

—Lutra—

\*A high level of government assistance is required to carry the proposed business through the pre-operational and first year of operations business development phase. Beyond this phase, the proposed business venture will be in a position to retire long term debt and provide a return on investment to its proponent. business asset value is calculated at 1.64 times the recommended long term debt.

## 1.0 : INTRODUCTION

### 1.1. STUDY BACKGROUND

Northern country foods are those non-domestic food products which have traditionally been consumed by the Inuit and the Dene/Metis of the north. Country foods include meat from northern ungulates (ie. caribou and muskox); fresh and salt water fish such as char, whitefish and trout; small game like rabbit and beaver; and sea mammals such as whale and seal. In recent years, country foods have gained a higher profile among all segments of the northern population. These foods have become an integral part of household menus and, of the fare offered in northern eating establishments and institutions. Despite the demand for country foods, access to these products is limited. Today, households are more involved in the wage economy, and spending less time hunting, fishing and trapping.

For decades renewable resources have been a key part of the northern economy. Historically, these values have been imputed based on domestic food stuffs and/or the cost thereof. Today's north demands that renewable resources be a full partner in the wage economy. The new economic role of renewable resources is being reflected today through the establishment of northern commercial fishing businesses, leather goods operations and country food stores. Currently, there are two stores located in the N.W.T.- Amarak Country Foods, in Frobisher Bay and Ulu Foods in Inuvik.

The proponent of this study to examine the feasibility of establishing and operating the North Country Food outlet in Yellowknife, is Donald Cadieux. As a result of his 15 years of experience harvesting and managing northern game and fur resources and, as a consequence the a growing resident and non-resident interest in country food products, Mr. Cadieux is seeking to examine the viability of a country food store. To provide an indication of whether or not this business opportunity can achieve and retain viability in growing food markets, Mr. Cadieux commissioned Lutra Associates Ltd. to undertake an assessment of this potential business opportunity. Lutra Associates Ltd. and Boreal Ecology have combined to provide an interdisciplinary approach to this feasibility assessment.

### 1.2 METHODOLOGY AND APPROACH

The feasibility assessment has been approached in two phases. Phase 1 assesses the potential market for country food and offers a critical examination of the regulatory and natural environment

which governs sources and supply of northern country foods. Based on forecasted market volumes, sales and supply considerations, Phase 2 of this study examines equipment and physical plant requirements; management, staffing, security, storage and marketing requirements; and the financial feasibility of this opportunity. An appropriate financial plan and an implementation strategy addressing pre-operational and operational requirements, is also provided in Phase 2.

The following parameters were identified to direct market and supply research:

\*The geographic area identified for the study is the South Mackenzie Region, focusing primarily on the Yellowknife area.

● Six communities make up the study area or South Mackenzie Region - Detah, Fort Simpson, Fort Smith, Hay River, Rae-Edzo and Yellowknife. Other communities in the region have not been included due to limitations imposed by local business and transportation infrastructure.

\*Three primary market segments for country food products have been identified: the Yellowknife retail market; the Southern Mackenzie Region institutional market; and the Southern Mackenzie Region hospitality industry market. A secondary market segment, Yellowknife's lunch market, was also considered as a means by which the operation could enhance market appeal.

● It has been assumed that northern country foods will to some extent: 1) be competitive with imported red meats and fish; 2) be sold as a specialty item; and 3) displace imported red meat/fish consumption.

The approach utilized to assess market segments, identify products, confirm market penetration levels and calculate market share volumes and forecasts combined the best of primary and secondary research methods and involved:

- a critical review of published secondary source information;
- \*primary source research - face to face and telephone interviews, and a structured direct-mail questionnaire, involving retailers, regional institutions, wholesalers, hospitality industry operators and consumers;
- \*an analysis of public and private sector statistical information; and
- ongoing consultation with the proponent, Donald Cadieux.

Market data gathered do have some limitations largely because market conditions are not static. The market potential for country foods must be assessed on an ongoing basis both in the development and the operation of a business. To this end, market data provided in this assessment should be viewed as baseline and/or developmental data only. Ongoing market assessment is required throughout the life of the business. Further, market data presented are 'best estimates' of the market place rather than actual figures. Other limitations associated with specific market data have been recognized and recorded within the text of this report.

With respect to the second component of Phase 1, product supply and regulatory considerations associated with northern country foods have been developed from the understanding that:

- \*Harvesting of country foods are traditionally seasonal activities;
- \*A fresh product is preferable but frozen, dried and preserved cured products can be marketed successfully;
- \***Product** supply is limited due to existing commercial quotas; and
- \*Existing regulatory conditions severely impact the market and supply of country foods.

Findings from the supply and regulatory review are integrated into Phase 1 to ensure that market forecasts developed for North Country Foods are realistic and attainable.



## 2: MARKET ASSESSMENT: DEMAND & SUPPLY

### 2.1 INTRODUCTION

The purpose of this chapter is to determine a realistic market share for North Country Foods within the Yellowknife and the South Mackenzie market place. Market potential, demand and subsequent market share projections anticipated for North Country Foods are contingent on a range of conditions such as:

- \*consumer tastes
- \*income levels and buying habits
- \*prices of competitive products
- \*promotional activities/strategies
- \*product quality
- \*product packaging and presentation
- \*product availability/distribution.

In light of these factors, it should be acknowledged that markets can and will fluctuate over the forecast period.

The market assessment for North Country Food is made up of six key components:

1. a profile of country food markets to include an analysis of characteristics attributed to each market segment;
2. an assessment of competitive products and country food outlets to include an analysis of product mix, promotion, distribution, product packaging and pricing;
3. an analysis of the market potential for northern country foods in Yellowknife and other N.W.T. markets by product type, market segment, volume and product price;
4. an assessment of both sources of and reliability of supply; "
5. Market share forecasts for a five year timeframe to include estimates of product volumes, sales, and product mix;
6. conclusions and recommendations to enable understanding of and adaptation to market demands and constraints.

### 2.2 MARKET PROFILE

The market place for red meats, imported fish and northern country foods is diverse. Study research is, however, made easier by product familiarity and overall local support for developing northern renewable resource-based businesses.

Primary country food market segments include: the Yellowknife

retail market; the South Mackenzie Region institutional market, and the South Mackenzie hospitality industry. The demand for meat and fish products by these market segments is best understood by examining the demographic, expenditure and general consumer characteristics associated with market segments.

2.2.1 Market Area Demographics, Personal Income and Food Expenditure Overview

Population projections are presented in Table 1 delineating primary and secondary retail market areas. Community population growth is seen to be modest, thus limiting over time the size of market available to North Country Foods. Population increases for the study area are calculated at an average of 1.7% per annum for the next 9 years while Yellowknife populations are anticipated to increase at an average rate of .9% per annum over the same period.

Personal income from all sources for 1984 is presented in Table 2 Appendix B. The data indicates that there are wide variations in disposable income between study communities, ranging from small per capita incomes in communities with a traditional economic activity base to a higher per capita income in the major urban centres of Yellowknife, Fort Smith and Hay River.

Expenditure patterns for food items are tabulated annually and published by Statistics Canada(1). Data on food expenditure patterns in major Canadian centres is published annually while Yellowknife data was last published in 1982. A profile of weekly fish and meat purchases is presented in Table 3 and compares national, Edmonton and Yellowknife averages for 1982 and 1984.

Table 3: PROFILE OF WEEKLY MEAT, AND FISH PURCHASES, 1982/84 .  
(\$ per week for average family)

	Yellowknife '82	Edmonton '82/'84	National '82/'84
meat & Poultry	\$18.91	12.56/14.47	14.72/15.18
beef	6.51	4.68/5.64	5.69/5.71
Fish & Marine*	2.14	1.30/1.89	1.65/2.00

Source : Statistics Canada, Family Food Expenditure in Canada, Cat. 62-554

● 62% of fish and marine products is fresh and frozen fish.

-----  
(1) Statistics Canada, Family Food Expenditure in Canada, Cat. 62-554

Table 1:

## POPULATION PROFILE 1981, 1985-1995

<u>Primary Market Area</u>	1981	1985	1986	1987	199a	1989	1990	1991	1992	1993	1994	Average % 1995 Increase 1985-1995	
<b>Detah</b>	140	143	14B	150	154	160	164	159	173	176	179	182	2.5
<b>Yellowknife</b>	9415	11077	11214	11354	114E19	11602	11703	11816	11918	12037	12156	12166	.9
Average % Increase (Yellowknife)			1.2	1.2	1.2	1	.9	1	.9	1	1	.88	
<u>Secondary Market Area</u>													
<b>Ft. Simpson</b>	975	1102	1123	1144	1165	1187	1207	1230	1253	1276	1299	1328	1.8
<b>Ft. Smith</b>	2250	2468	2508	254B	2589	2632	2675	2716	2759	2802	2843	2887	1.6
<b>Hay River</b>	2895	3142	3105	3228	3275	3318	3364	3411	3454	3500	3545	3590	1.4
<b>Rae-Edzo</b>	1300	1451	1510	1541	1574	1689	1641	1676	1713	1744	1771	1799	2.0

Sources: 1981 Census Canada

G. M. W. T. Bureau of Statistics

## 2.3 CURRENT RETAIL DEMAND - YELLOWKNIFE

A major premise of the market assessment is that the demand for red meat and domestic northern fish country foods will penetrate and displace markets for imported beef and imported fish in the Yellowknife retail market. This assumption is substantiated by results of a Yellowknife consumer survey (Appendix C) which indicated that a high percentage of respondents (70%) believe that their beef consumption would decline with the introduction of country meats. Further, the majority of respondents (above 50%) would purchase domestic whitefish, char and trout.

### 2.3.1 Beef Consumption Patterns - Yellowknife Retail Market .

The following observations were made regarding beef consumption patterns in the Yellowknife retail market.

Beef products are readily available in Yellowknife from 3 major retail outlets and a variety of smaller convenience and specialty shops. Twice a week, beef is normally shipped from southern suppliers fresh rather than frozen, to Yellowknife retailers. The sale of beef products does not appear to be limited seasonally by supply as retailers have on-site cold storage.

Based on a 1985 (1) survey conducted by Lutra Associates, an estimated 9091 kg. of beef products is sold weekly by retail grocers in Yellowknife. At 1985 population estimates, the per capita consumption is computed to be 43 Kg. In comparison to national averages, beef consumption has been relatively constant during the past five years with minor variations (6%) around 40 kg. In the past 10 years however an overall decline in beef consumption of 25% has been demonstrated. More recent data (2) \* revealed that 65 kg. per capita of beef is consumed by Yellowknife residents.

According to industry personnel, the decline in beef consumption is due to a reduction of supply; pricing; and shifts in consumer tastes. Consumer taste shifts are believed to be the result of health related concerns affiliated with the consumption of beef products, specifically the high fat content of beef and potential contribution to cholesterol. Factors affecting supply and price of red meat products in Canada include current U.S./Canada trade discussions and changes in transportation rate structures between eastern and western Canada.

-----  
(1) Ruitenbeek et al, "Slave River Lowlands Bison Ranch Feasibility Study", 1985.

(2) Lutra Associates Ltd.- Consumer Survey, 1986 (See Appendix C)

A 1984 Agricultural Canada survey showed that the five most important criteria for choosing beef were, in order of priority: tenderness, price, smell, colour and amount of fat. It is inferred that consumer buying habits are directed by lifestyle and economic issues. Studies have revealed that recent declines in beef usage were mainly in the prime cuts as both consumers and the food service industry were relatively unaware of the medium and lower-priced cuts and of ways to prepare them.

Demographic changes are currently exerting a profound influence on the purchase and consumption of various food groups. Statistics Canada estimates that "Baby Boomers" (24-44 yrs.) now represent the largest consumer group in Canada. In the north and particularly in Yellowknife, where the average family head is 35 years and the family income is in excess of \$41,000, the effect of the "Baby Boomer" population is significant. Today's generation of "Baby Boomers", with its smaller households and little available time, prefer foods that are, convenient, easily prepared and suitable for snacking. At the same time, this huge, well-educated affluent, dual-income consumer group demands a certain level of prestige or sophistication in what is eaten.

We conclude, then, that the Yellowknife retail market for beef products retains characteristics of the larger Canadian beef market. Thus, annual per capita beef consumption is more reasonably valued at 43 kg. in Yellowknife, slightly above national averages and lower than the estimates provided by respondents to our consumer survey. It is further inferred that beef consumption levels are not static and will experience changes. We believe that the availability of competitively priced quality products such as northern country meats can penetrate the Yellowknife retail beef product market.

The volume of beef products sold in the Yellowknife retail market is estimated at 488,566 kg. for 1986.

### 2.3.2 Beef Product Expenditures - Yellowknife Retail Market

Consumer preference for beef products is guided, in part, by price. 1982 & 1984 Statistics Canada data demonstrate that those in higher income groups purchase more beef than those in other income levels. The Lutra Associates 1986 retail survey, (see Appendix C) suggests that Yellowknife consumer's taste for beef products tend to be towards the more expensive steak, roast and hamburger cuts. There is, however, a discrepancy between secondary source statistical data and our observations of food prices (see food price survey Appendix C). The secondary source documentation does not support the primary findings of both our consumer survey and the food price survey.

On the basis of secondary source statistical data, it has been computed that the average Yellowknife family of four spent an estimated \$12.54 weekly for beef products in 1986 and a per

capita expenditure of \$3.14 weekly/\$163 annually. The average per capita expenditure per kilogram for beef products then is computed from the average annual per capita expenditure and the average annual per capita consumption. A range from \$2.51 to \$3.79 per kg. is calculated for beef products by Yellowknife consumers using statistical data. These figures indicate that Yellowknife consumers prefer the low end of the beef product spectrum.

From our examination of retail outlets in Yellowknife, however, the retail price for beef products ranged from a low of \$3.49/kg. to \$18.60/kg. in June 1985, while a selected product average at retail outlets in August 1986 was calculated at \$10.09/kg.

As stated, secondary source estimates are not supported by primary research. We believe that the statistical data is conservative and underestimated by more than 50% and will be corrected by results of the 1986 Statistics Canada expenditure survey to be released in 1987. Our examination of the institutional market and comparative analysis of secondary statistical and primary data sources indicates that the average price per capita for beef products will more reasonably fall in the \$8/kg. range.

Our estimates for all beef products in the Yellowknife retail market are:

Volume	-	488,566 kg.
Value	-	\$3.9 million

### 2.3.3 Fish Consumption Patterns - Yellowknife Retail Market

Imported and domestic fish products are readily available to the Yellowknife retail consumer market. Products are generally sold by Yellowknife grocers whole or processed, packaged and frozen. Fresh fish is occasionally sold by local fishermen either on the government dock or via newspaper advertisements.

Results of surveys completed in 1982(1) and again in 1986(2) indicate that the Yellowknife consumer market widely accepts domestic whitefish, Arctic char and lake trout. The 1982 survey demonstrates that over 50% of Yellowknife households consume fish every 2 weeks with consumption increases in the summer season. 4000 kg. of whitefish and 2000 kg. of lake trout are sold annually from dockside with the bulk of sales occurring in the summer season (3). There is no indicated preference ~~preference~~ for local fish over imported fish.

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- (i) Lutra Associates Ltd., "Feasibility Study: Great Slave Lake Cod Processing Plant", December 1982
- (2) Lutra Associates Ltd., "Yellowknife Consumer Survey" 1986
- (3) Personnel Communication, Dept. of Fisheries and Oceans (See Appendix F)

Telephone orders may be placed to Ulu Foods in Inuvik for a variety of country meats and fish products (see Price Survey, 1986 - Appendix C), and Great Slave Lake whitefish and trout are available directly from GSL commercial fishermen.

It is difficult to evaluate the extent and characteristics of the existing country foods market in Yellowknife because of the lack of available secondary source data and erratic supply of products penetrating the Yellowknife retail market. It can be stated from our observation of local retail food markets that there is no present market for country meats and the demand for northern domestic fish is limited by supply.

From the Lutra consumer survey 1986, respondents noted a high level of acceptance for country foods. Among the responses native northerners demonstrated more than twice the consumption rate of non-natives with levels stated respectively at 28.9 kg and 12.7 kg annually. The annual average for both groups is calculated at 13.9 kg. per capita. The data does not differentiate between store bought and locally harvested country foods.

In comparison, information on Inuit country food consumption indicates a range of 80 kg. to 350 kg. per capita in the Baffin Region (1). The bulk of this consumption would be harvested rather than purchased through retail outlets. Local sales at the Amarok Store in Frobisher Bay indicate a local propensity to fish, caribou and muktuk in that order. Product volumes per capita were not indicated in the source data. (2)

#### 2.4 THE POTENTIAL FOR COUNTRY FOOD IN THE YELLOWKNIFE RETAIL MARKET

The potential for country food in the **Yellowknife** retail market depends on a number of variables related to the availability and consistency of supply, market size, and characteristics of market demand. A premise **throughout** our analysis has been that country meats have the potential to penetrate the existing supply of beef, and that northern domestic fish can capture a share of the market which currently consumes imported fish. As stated, these assumptions have been substantiated by the Lutra consumer survey, 1986. The following data represent an estimate of the potential market demand for country food in the Yellowknife retail market. In order to displace existing product markets, it is assumed that country food products will: (1) be competitively priced to products displaced; (2) retain a similar or better quality; and, (3) be available on demand or at best, in season.

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(1) G.N.W.T. , "Baffin Region Economic Baseline Study", 1984.

(2) William M. Mercer Ltd., "Development of the Amarok Store, 1985-1989", prepared for: Amarok Hunters and Trappers Association & Economic Development and Tourism, GNWT. July, 1985.

Table 4: Five Year Forecast of Consumption/Value of Country Foods for the Yellowknife Retail Market

	1986	1987	1988	1989	1990
<b>Fish:</b>					
Volume Kg.	12498	14236	16012	17790	19580
Value	\$95485	\$113176	\$132259	\$152994	\$175045
<b>Country Meats:</b>					
Volume Kg.	14657	18166	22404	26685	30428
Value	\$117256	\$151141	\$193795	\$240165	\$284806
<b>Total</b>					
Volume Kg.	27155	32402	38416	44475	50008
Value	\$201015	\$264317	\$326054	\$393159	\$459851

Note : The increments in consumption for the five year forecast period commence with the base year 1986 and reflect equal annual increases. Increases are calculated for fish products ranging from 20-30% of the current per capita consumption while increases for country meats range from 3-6% of current per capita consumption of beef products.

#### 2.5 NORTH COUNTRY FOOD MARKET SHARE - YELLOWKNIFE RETAIL MARKET

Based on an analysis of the current level of competition for the country food demand in Yellowknife, the high level of acceptance of country foods demonstrated by the respondents to the 1986 consumer survey, and the present low level of domestic country fish and meats available for purchase to Yellowknife consumers, we suggest the following market snares may be realized by the proposed North Country Food outlet:

Country Meats - up to 100% of the market potential is presently available in **Yellowknife**,

Fish - Distribution is currently through three major outlets. With the introduction of North Country Foods, it should anticipate up to a 25% market share.

Table 5 provides estimates of over-the-counter sales and volumes for North Country Foods in the **Yellowknife** retail market. In order to achieve these market levels it is assumed that there **will** be consistent supply of quality products at competitive price levels.



Table 5: North Country Foods' Five Year Forecast of Market Share  
Yellowknife Retail Market

	1986	1987	1988	1989	1990
Fish :					
Volume Kg.	3124	3559	4003	4448	4895
Value	\$23871	\$28294	\$33065	\$38249	\$43761
Country Meats					
Volume Kg.	14657	18166	22404	26685	30428
Value	\$117256	\$151141	\$193795	\$240165	\$284806
Total					
Volume Kg.	17781	21725	26407	31133	35323
Value	\$141127	\$179435	\$226860	\$278414	\$328567

## 2.6 CURRENT DEMAND - INSTITUTIONS

A telephone survey of institutions in the South Mackenzie Region was undertaken and is summarized in Appendix C. Of the ten institutions contacted, eight currently serve country food - five serve only northern fish (whitefish, trout and char) and three serve both fish and meat (caribou). Institutions in the region currently order their caribou from Ulu Foods. The two major suppliers of fish to South Mackenzie Region institutions are the Freshwater Fish Marketing Corporation in Hay River and Ulu Foods in Inuvik.

Most institutions surveyed prepare daily meals from a set rotating menu. The existing demand for country food from institutions is a function of the population of the facility and the frequency that country food appears on the rotating menu.

Current annual consumption levels of country food in the institutions surveyed in the South Mackenzie Region are as follows: caribou 1097.2 kg; muskox 98.8 kg; whitefish 1076 kg; trout 514 kg; and char 925.6 kg.

It was noted that the existing demand for country food by one of the largest institutions surveyed is currently not being met. Discussions with the chef from the Yellowknife Correctional Centre (YCC) revealed that he has ceased ordering meat from Ulu Foods due to the poor quality of their products. YCC has received meat with entrails still attached and meat covered in fur. In addition, YCC has received char that was rotten, freezer burnt and mushy.

Another institution, Thebacha College, has recently introduced country food (caribou and bison) to their menu. Reaction from the chef was that although the meat was introduced during the summer (not the college's peak period), it has been well received by students.

As supply and sale of country food to institutions in the South Mackenzie Region is a relatively new phenomenon, there are no specified G.N.W.T. guidelines by which institutions are to select northern country food suppliers. However, with the introduction of competition for the supply of country foods, a tendering process for the supply and sale of country foods to northern institutions may be developed. Currently, contracts to supply meat to the larger institutions in the South Mackenzie Region are tendered once per year. Proposals are evaluated by price, speed of order turn around, and availability of supply in the community. An additional 10% in supply cost is allowed for northern companies.

## 2.7 THE POTENTIAL DEMAND FOR COUNTRY FOOD - NORTHERN INSTITUTIONS

All the institutions surveyed expressed an interest in either introducing country food to their facility or expanding current country food volumes. This positive acceptance of country food may be attributed to the high population base of persons of aboriginal descent in institutions.

The question of whether institutions would consider changing their present supplier was posed to each institution currently serving country food. Three institutions (two located in Hay River and one in Yellowknife serving char, whitefish and trout) would not consider changing their existing supplier. The remaining five would either change their existing supplier or would consider changing their existing supplier. Consideration of change was based on price, quality and consistency of supply of products from North Country Foods.

The potential annual demand for country food from institutions not currently serving country food and those institutions who stated that they would consider changing current suppliers is: caribou 5236.4 kg; muskox 1580.8 kg; char 1088 kg; trout 473.2 kg and whitefish 717.6 kg.

### 2.7.1 Potential Demand - Country Meat

Those institutions surveyed who presently order meat from Ulu Foods stated that country food supplied by a competitor must be competitively priced with country food from Ulu Foods f.o.b. their community. Those institutions not presently serving caribou or muskox stated that country food (meat) would have to be "reasonably priced" or competitive with beef f.o.b. their community.

The average price paid for caribou and muskox (excluding sides and quarters) is \$11.21 f.o.b. Yellowknife, \$11.51 f.o.b. Hay River and \$11.64 f.o.b. Fort Smith. Ulu offers a 10% discount on wholesale orders over \$500.00 and 15% discount on wholesale orders over \$1000.00.

Institutions purchase beef from wholesale distributors. The revolving menus of two large institutions were tested and it is estimated that the average price paid for beef (f.o.b. Yellowknife) is \$7.73 kg. Based on a food price survey conducted by the Bureau of Statistics, G.N.W.T. in 1985 (1), the cost of meat in Fort Smith and Hay River was 7% less than Yellowknife and 9% less in Fort Simpson. As such, the average wholesale price paid for beef in Fort Smith and Hay River is calculated at \$7.19 kg and \$7.04 kg in Fort Simpson.

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(1) Bureau of Statistic, G.N.W.T. Food Price Survey, Northwest Territories, 1985. May 1986.

If North Country Foods wishes to capture as much of the potential demand for country food as possible, their wholesale price for caribou/muskox should be competitive with beef and Ulu Foods prices f.o.b. each community. As such, it is recommended that the market penetration price for country food from North Country Foods be set at an average of \$8.00 per kg which is 11% higher than beef f.o.b. Yellowknife, 18% higher than beef f.o.b. Hay River and Ft. Smith and 20% higher than beef f.o.b. Ft Simpson. An average price of \$8.00 per kg is 26% less than Ulu Foods' prices f.o.b. Yellowknife and 29.5% less than Ulu Foods' prices f.o.b. Hay River and Fort Smith (Ulu Foods' average prices include a 10% discount on wholesale orders). Table 6 illustrates the relationship between potential country meat volumes and prices .

Table 6: Potential Annual Volume of Caribou and Muskox vs Competitive Price Stance

Competitive with Ulu	Volume
Fort Smith Health Centre	400.4
Stanton YK Hospital	405.6
Tnebacha College	291.2
Yellowknife Correctional Centre	1747.2
Total Volume	2844.4 kg
Competitive with Beef	Volume
Hay River Hospital	1107.6
Akaitcho Hall	1300.0
South Mackenzie Correctional Centre	946.4
Yellowknife Detox Centre	353.6
Yellowknife Receiving Home	145.6
Total Volume	3853.2 kg

Note :  
 Fort Simpson Hospital 119.6  
 (Competitive price stance unavailable)

#### 2.7.2 Potential Demand"- Northern Fish

Our survey of institutions also revealed that the price for fish sold by North Country Foods would have to be competitive with northern fish currently purchased f.o.b. the community. The Freshwater Fish Marketing Corporation (FFMC) and Ulu Foods are the main suppliers of northern fish to South Mackenzie institutions. Current FFMC wholesale prices per kilogram for whitefish, trout and char are : \$3.80, \$5.44 and \$10.45 respectively f.o.b. Hay River; \$4.24, \$5.88 and \$10.89

respectively f.o.b. Fort Smith; and, \$.427, \$5.91 and \$10.92 respectively f.o.b. Yellowknife. Ulu Foods' prices f.o.b. Yellowknife are whitefish, \$6.18 and char, \$10.58 per kilogram.

Although local fishermen sell northern fish to institutions, it is on an 'ad hoc' basis. Supply is sporadic and prices are very low to ensure quick sales. Competition from local fishermen is estimated to capture a portion of potential sales by North Country Foods. Due to local supply patterns, it is difficult to accurately estimate how much fish is supplied by local fishermen.

It is estimated that the market penetration price for northern fish in Yellowknife be \$5.30 kg for whitefish, \$7.39 kg for trout and \$10.75 kg for char. Potential annual volumes of northern fish by community are presented in Table 7.

Table 7: Potential Annual Volume of Fish - Institutions

	Yellowknife:	Hay River:	Fort Smith:	Fort Simpson:
Char	780.0	163.2	98.8	46.8
Whitefish	473.2		244.4	
Trout	473.2			

Note : Volumes presented in kg.

## 2.8 NORTH COUNTRY FOOD MARKET SHARE - INSTITUTIONS

The opportunity for North Country Foods to capture potential demand for country food has been assessed in light of the following baseline assumptions:

- That Northern Country Foods can guarantee consistent delivery of a high quality product;

- \*That North Country Foods' meat prices will be competitive with Ulu Foods' prices f.o.b. Yellowknife, Fort Smith, Hay River or Fort Simpson or, competitive with beef F.O.B. the above communities;

- \*That North Country Foods' fish prices will be competitive with Ulu Foods' prices and FFMC prices f.o.b. Yellowknife;

- \*That North Country Foods will actively market country food products to South Mackenzie institutions;

- \*That North Country Foods will offer a delivery service to institutions located in Yellowknife.

## 2.8.1 Country Meat

It cannot be assumed that North Country Foods will automatically capture 100% of the market potential for country meat in South Mackenzie Region institutions. It is recommended that North Country Foods concentrate on capturing the Yellowknife institutional market in the first year. All other factors being equal, we believe that this is possible given that ordering from North Country Foods will be more convenient than purchasing meat from Ulu Foods. If North Country Foods aggressively pursues contracts south of Great Slave Lake, we believe that they can capture potential demand for country meat from Hay River and Fort Smith institutions in year 2 and Fort Simpson in year 3. We believe that potential demand volumes quoted to us by institutions are baseline volumes only. If North Country Foods actively markets a variety of products to institutions, there is the potential for institutions to include country meat on their rotating menus more often. We have translated this potential increase in demand at a modest 1% per annum. Table 8 displays five year forecasts for country meat products which North Country Foods may capture from the south Mackenzie Region institutional market.

The new Stanton Yellowknife Hospital is expected to open in the spring of 1988. The facility will accommodate 135 beds (twice the size of the existing facility). In addition, Seniors '86, a 30 bed personal care facility with a central kitchen, will be completed during the spring of 1987.

Apart from two new facilities in Yellowknife, it is anticipated that the population of South Mackenzie Region institutions will remain stable during the next five years.

It is understood that the Fort Smith Hunters & Trappers Association is presently seeking approval to commercially market caribou from the Beverly Herd. Representatives of the HTA are lobbying the Dept. of Renewable Resources, G.N.W.T. and the Beverly Herd Caribou Management Board (composed of representatives of federal, provincial and territorial governments) to establish a commercial quota on the herd. It is unknown at this time whether the Fort Smith HTA will be successful in their efforts to establish a commercial quota for the Beverly Herd.

## 2.8.2 Northern Fish

It is unlikely that North Country Foods can actively compete with fish sold south of the lake by the Freshwater Fish Marketing Corporation as supply from FFMC would be cheaper, more convenient and the product fresher than from other sources. We have therefore forecasted that North Country Foods will capture the Yellowknife market for northern fish only.

Table 8: North Country Foods' Market Share Forecast -  
Institutions

	1986*	1987	1988	1989	1990	1991
Country Meat						
Volume (kg)	3952	7142.7	7343.7	7417.1	7491.3	7566.2
Price	8.00	8.32	8.65	9.00	9.36	9.73
Value (\$)	31616.	56825.	63523.	66754.	70118.	73619.
Whitefish						
Volume	473.2	477.9	482.7	487.5	492.4	497.3
Price	5.30	5.51	5.73	5.96	6.20	6.45
Value	2508.	2633.	2766.	2906.	3053.	3208.
Trout						
Volume	473.2	477.9	482.7	487.5	492.4	497.3
Price	7.39	7.69	8.00	8.32	8.65	9.00
Value	3497.	3675.	3862.	4056.	4259.	4476.
Char						
Volume	780	787.8	795.7	803.6	811.6	819.7
Price	10.75	11.18	11.63	12.10	12.58	13.08
Value	8385.	8808.	9254.	9724.	10210.	10722.
Total						
Volume	5678.4	8886.3	9104.8	9195.7	9287.7	9380.5
Value	46006.	71941.	79405.	83440.	87640.	92025.

\*1986 Volumes & values have **been** included to illustrate the baseline year.

Prices have been inflated at 4% per annum.  
Volumes have been inflated at 1% per annum.

## 2.9 EXISTING DEMAND FOR COUNTRY FOOD - HOSPITALITY INDUSTRY

A telephone survey of 14 restaurants in the South Mackenzie region was undertaken. Results of this survey are summarized in Appendix C. Of the restaurants surveyed, ten currently serve country food, five serve both northern meat and fish, and five serve northern fish only.

According to industry representatives, the demand for country food in the hospitality industry is by visitors. Most residents have access to country food thus, will not purchase country food products while dining out. It is interesting to note however, that most industry representatives either stated that they had no seasonal peak in the demand for country food, or, that if there was a seasonal demand, they did not know when it was.

Apart from the demand for country food by restaurant patrons, government banquets constitute a portion of the total demand for country food in the hospitality industry. In Yellowknife, the Territorial Government averages between 40 to 50 banquets per year with an average size of 35 people. The Dept. of Intergovernmental Affairs & Protocol designs the banquets in consultation with industry personnel. The current annual demand for country food in the banquet segment of the hospitality industry is, caribou 598 kg and char 884 kg.

The existing annual demand for country food in the hospitality industry (excluding banquets) is: caribou, 2270.4 kg; muskox, 2003.6 kg; char, 3229.4 kg; smoked char, 296.4 kg; and whitefish, 365 kg. Only one restaurant surveyed serves lake trout, existing demand for this species was unavailable.

Char appears to be the country food product that is most often ordered by restaurant patrons, thus most in demand by restaurant operators. The supply of char to Southern Mackenzie restaurants, however, appears to be sporadic. For example, the Office Lounge in Yellowknife, has received char from Cambridge Bay, Inuvik and Rankin Inlet. They are now ordering char from Pangnirtung. In addition, the Yellowknife Inn has received char from a number of suppliers across the N.W.T. and is now receiving char from Rankin Inlet (a seasonal operation open three months each year). Discussions with a representative from N.W.T. Air revealed a reluctance to ship char from the eastern Arctic as the company has been left with tainted fish that an operator in Yellowknife refused to receive.



Ulu Foods supplies caribou, muskox and char to Southern Mackenzie restaurants . Overall, reaction with respect to the quality of product being received from Ulu was positive. A representative from the Yellowknife Inn stated that Ulu Foods ' quality has improved steadily over the past five years. He did note, however, that Ulu appears to have a problem acquiring and maintaining qualified butchers and that the lack of qualified meat cutters is sometimes reflected in the quality of their product.

#### 2.10 POTENTIAL DEMAND FOR COUNTRY FOOD - HOSPITALITY INDUSTRY

Unlike the market for country food in Southern Mackenzie institutions where demand is based on the size of the facility and the frequency that country food is served, it is difficult to assess the potential demand for country food in the hospitality industry. Factors that will impact the potential demand include: . shifts in consumer tastes (ie shifting from beef to leaner cuts of meat); an increased knowledge and acceptance of country food by restaurant patrons; the quality of product received by the restaurant; the quality of product produced by the restaurant; the price; and, the restaurant's country food marketing efforts.

Of the restaurants surveyed, those that offer 'ethnic food' (Chinese, Italian, etc.) and franchises (Mr. Mikes, Kentucky Fried Chicken, etc.) were not interested in testing the market potential for country food.

Overall , most industry representatives interviewed, stated that they would be willing to test market a variety of country food products in their restaurants. Then, based on sales and customer reaction, would assess the longterm marketability of various products. Industry representatives were most interested in smoked char, whitefish and trout as well as muskox steak and, muskox and caribou specialty items.

One potential country food customer which should be pursued is Yk Inflight Services, N.W.T. Air and P.W.A.'s food caterer. Discussions with representatives of YK Inflight Services confirmed their interest in introducing country food in their 6 week rotating menu. Approval must first come however from the client airlines. Reaction from a representative of N.W.T. Air with respect to serving country food on their flights was positive. Potential volume per selection on the 6 week rotating menu is 136.4 kg.

The positive reception of the N.W.T.'s pavillion and its restaurant, Icicles, at Expo 86 has the potential to impact the future demand for country food in the hospitality industry. Icicles serves primarily foods indigenous to the north including smoked and fresh fish, muskox, caribou and northern berries and vegetables. Muskox is one of the more popular menu items at Icicles.

The G.N.W.T. is attempting to broaden the acceptance and knowledge of country foods by N.W.T. residents. To this end, consideration is currently being given to staging a country food fair in Yellowknife either in the fall of 1986, or the spring of 1987. The fair will bring together producers and suppliers of country food with potential consumers.

An analysis of historical data with regard to visitation to the Fort Smith Region was undertaken by Lutra Associates in 1986(1). From this analysis, forecasts on future visitation patterns were developed. It was estimated that visitation to the Fort Smith Region would increase by 3% per annum over the next ten years. In addition, it is understood that the Travel Industry Association is planning to initiate a comprehensive marketing program. We believe that this program coupled with the interest in the NWT generated by the NWT pavillion, has the potential to positively impact visitation to the Fort Smith Region.

Ten of the fourteen restaurants surveyed expressed an interest in receiving country food from a supplier located in Yellowknife. Considerations that will influence supplier choice include: competitive price, consistent supply and high quality product. Unlike institutions, the hospitality industry does not operate on tight purchasing budgets and will price country food products according to their purchase price plus margins. As industry representatives were unwilling to estimate their potential demand for country food expressed in volume, baseline potential country food demand figures are 1986 current demand levels.

#### 2.10.1 Country Meat

The total potential annual demand for country meat by the hospitality industry has been calculated at 6034.6 kg. This figure includes 1173 kg, which is the potential demand from Yk Inflight Services if one caribou/muskox selection is integrated into their 6 week rotating menu. It does not include existing demand for country meat by Netties Pyroghy House (10.4 kg) as once their existing inventory has been sold they are not planning to re-order country meat.

At present, Ulu Foods is the only supplier of country meat to the Yellowknife market. The average price of caribou and muskox from Ulu Foods (excluding sides and quarters) is \$11.21 f.o.b. Yellowknife. In addition, Ulu offers a 10% discount on wholesale orders over \$500.00 and a 15% discount on wholesale orders over \$1000.00. On average, we believe that restaurants are eligible for a 10% discount, thus the average price for caribou and muskox from Ulu f.o.b. Yellowknife is \$10.06. In the

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(1)Lutra Associates Ltd. "Economic Study of the Proposed East Arm Park, Part 1." Aug. 1986.

two other market segments investigated (retail and institutional) the market penetration price for caribou and muskox was calculated at an average of \$8.00 per kg. The market penetration price then, of caribou and muskox in the hospitality industry is assumed to be elastic, ranging from \$8.00 to \$10.06 per kg.

#### 2.10.2 Northern Fish

The total annual potential demand for northern fish in the hospitality industry has been assessed at 4113.4 kg for char and 365 kg for whitefish.

As mentioned in section 2.9: Existing Demand for Country Food - Hospitality Industry, there are a number of companies currently supplying the hospitality industry with char. However, restaurateurs encounter difficulties in accessing Arctic char once the seasonal operations close. Prices for Arctic char f.o.b. Yellowknife are: Cambridge Bay, \$8.60; Rankin Inlet, \$8.52; Pangnirtung, \$6.44; Seafood Outlet, \$10.89, Ulu Foods, \$10.58 and FFMC, \$10.92. The market penetration price for char for North Country Foods has been calculated at \$10.75 kg.

Restaurant operators surveyed receive whitefish either from FFMC or from local fishermen. The price for whitefish from FFMC f.o.b. Yellowknife is \$4.27 kg; in Hay River the price for whitefish is \$3.80 kg. While local fishermen sell whitefish to restaurants in Yellowknife and Hay River, their price for whitefish is generally very low to ensure quick sales. Using our market penetration price calculated for the institutional market, the market penetration price for whitefish in the hospitality industry market segment is \$5.30.

#### 2.11 NORTH COUNTRY FOODS MARKET SHARE - HOSPITALITY INDUSTRY

The potential for North Country Foods to capture a share of the market for country food in the hospitality industry has been assessed in light of the following baseline assumptions:

\*That North Country Foods can supply a variety of consistently high quality products;

● That North Country Foods' meat prices will be competitive with Ulu Foods' prices f.o.b. Yellowknife and Hay River;

\*That North Country Foods' fish prices will be competitive with other northern fish suppliers' prices f.o.b. Yellowknife;

\*That North Country Foods will actively market country food products to South Mackenzie Region restaurants; and,

\*That North Country Foods will offer a delivery service to restaurants located in Yellowknife.

## 2.11.1 Country Meat

If North Country Foods aggressively pursues the hospitality industry market in Yellowknife and Hay River and offers a high quality product, we believe that it is possible for North Country Foods to capture 100% of the potential demand for country meat in this market segment. A country food supplier" located in Yellowknife would eliminate these tasks/expenses currently incurred by restaurant operators: long distance phoning to place orders; driving out to the airport to pick up meat orders; and, carrying a large inventory of meat to keep air freight costs at a minimum.

## 2.11.2 Northern Fish

If North Country Foods has adequate storage space to maintain a large inventory of char, then it will be possible for the store to supply char year 'round to south Mackenzie restaurants. This consistent supply would alleviate the need for restaurateurs to locate another supplier once the seasonal operations close. If the store can offer a high quality product, delivered to the restaurant, then we believe that North Country Foods can capture 75% of the potential demand for char by the hospitality industry.

It is unlikely that North Country Foods will be able to capture a large portion of the potential market share for whitefish in the hospitality industry. Three of the restaurants surveyed currently serve whitefish: one definitely would not consider changing their current supplier (FFMC); another one is a seasonal operation (The Wildcat Cafe) - they receive whitefish from a local fisherman who they have dealt with for over five years; the third restaurant is located in Hay River - they receive a good product at a fair price. It is estimated the North Country Foods will only be utilized occasionally by these three operations and only when there is difficulty accessing whitefish from their **current** suppliers.

Table 9 displays North Country Foods' forecasted market share for country food in the hospitality industry market segment. Country food volumes have been inflated per annum by the rate of projected population percentage increases; by forecasted increases in visitation to the Fort Smith Region; and by 1.5% per annum due to increased awareness and acceptance of country food products, a variety of new specialty products, better marketing of country foods, etc. Prices have been inflated by 4% per annum.

Table 9: North Country Foods Market Snare Forecast - Hospitality Industry

	1986	1987	1988	1989	1990
Country Meat					
Volume (kg)	6034.0	6377.9	6741.4	7112.2	7496.3
Price (\$)	8.00	8.32	8.65	9.00	9.36
Value	48272.	53064.	58313.	64010.	70165.
Char					
Volume (kg)	3085.0	3260.8	3446.6	3636.2	3832.5
Price (\$)	10.75	11.18	11.63	12.10	12.58
Value	33164.	36455.	40084.	43998.	48213.
Volume	9119.0	9638.7	10188.0	10748.4	11328.8
Value	81436.	89519.	98397.	108008.	118378.

2.12 COUNTRY FOOD SOURCES

Harvesting country food in the north has traditionally been a seasonal activity for most communities. As a result the end product for human consumption has usually been in storage for a considerable period. Cold storage is available to most harvesters in the form of community and home freezers. Under proper weather conditions both red meat and fish are dried and stored for considerable periods in dry form. Although fresh product is probably preferred by the majority of the market, both frozen and dried country food products can be marketed successfully. The following discussion reviews the fish and wildlife that is available for commercial purposes in the western Northwest Territories.

2.12.1 BARREN GROUND CARIBOU

Hunting barren ground caribou is regulated by the Wildlife Act administered by the Department of Renewable Resources, Government of the Northwest Territories. It restricts hunting for commercial sale to holders of a General Hunting Licence. Quotas on the numbers of barren ground caribou taken for commercial sale are set by caribou herd and wildlife management unit and zone. Quotas presently in place are summarized in Table 10.

Table 10 - Commercial Quotas for Barren Ground Caribou in the Northwest Territories

Herd	Quota	Communities with access to tags
Victoria Island	30	Holman Island, Cambridge Bay
Bluenose	800	Inuvik, Tuktoyaktuk, Paulatuk, Coppermine, Fort Franklin, Fort - Good Hope, Fort Norman, Norman Wells, Colville Lake
Melville/Wager	550	Pelly Bay, Igloolik, Hall Beach, Repulse Bay
Bathurst*	100	Coppermine, Yellowknife, Rae, Lac la Martre, Rae Lakes, Snare Lake, Detah
Banks Island	$\frac{75}{155}$	Sachs Harbour

● The posted quota for the Bathurst Herd limits the use of caribou for special events like Caribou Carnival; it does not permit retailing of unprocessed caribou meat. Officials in the Wildlife Division have indicated verbally that a commercial quota of 650 caribou from the Bathurst herd will be established for the fall of 1986.

All holders of the General Hunting Licence are eligible to receive commercial caribou tags - one tag per carcass. Once tagged the carcass can be sold by the hunter to any person. The prospect of a commercial quota for the Bathurst herd which winters near Yellowknife provides an opportunity for a retail outlet to arrange for local General Hunting Licence holders to engage in "market hunting" for an exclusive client. On the other hand it also allows the General Hunting Licence holder to hold out for a higher price than offered by a local retailer and thereby serving the same market as the retailer. The retailer might offer a better and larger product line and better service than can be offered by the hunter in order to hold his/her market share for the caribou meat.

Caribou are normally hunted in the early fall before the rut when animals are in peak condition or in early winter when travel is easier and when handling in the field is not hampered by flies and warm temperatures.

A business establishment wishing to purchase caribou for the purposes of resale would require a "Licence to Deal in the Meat of Game", as required by the Wildlife Act. The operation of a business so licenced would be required to abide by the Wildlife Business Regulations whose general provisions are recited in Appendix D, followed by regulations specifically prepared for "Dealers in the Meat of Game". These regulations are dated 24 September, 1984 and will apply to any retailing of meat that is subject to the Wildlife Act of the Northwest Territories.

Recommendations :

- 1) Mr. Cadieux should undertake discussions with Wildlife Management officials to determine their policy on distribution of commercial caribou tags. Marketing success of caribou meat will depend largely on the quality and price of the product. Mr. Cadieux must be assured of a high quality product. The best way to achieve this is for him to hold the tags directly and arrange for the services of caribou hunters who provide him with consistently good carcasses.
- 2) As a secondary source of caribou, it is recommended that a product supply expediting system be arranged with Coppermine and Cambridge Bay.
- 3) It is recommended that the a third option for caribou supply be Ulu Foods in Inuvik.

2. 12.2 Muskox

As with caribou, muskox hunting is regulated by the Wildlife Act of the Northwest Territories. The meat of any muskox killed in the Northwest Territories in accordance with the Act and regulations "may be sold commercially under the authority of a commercial tag" (Wildlife Regulations dated 27 August, 1985).

Muskox quotas in the western Northwest Territories and the communities to which they are assigned are enumerated in Table 11.

Table 11: Muskox Quotas and their Respective Communities in the Western N.W.T. (as of 25 Sept., 1985)

Community	Quota	Males	Females
Baker Lake	6	4	2
Bathurst Inlet	10		either
Cambridge Bay	130		either
Coppermine	45		either
Gjoa Haven	40		either
Holman Island	110		either
Keewatin Wildlife Fed.	10		either
Melville Island	12		either
Paulatuk	5	0	30
Sachs Harbour	2000		either
Spence Bay	3		either
Tuktoyaktuk	10		either
	<u>2425</u>		

● This quota of 10 tags for the Keewatin Wildlife Federation is distributed to Keewatin Communities.

At the present time muskox is retailed by Ulu Foods in Inuvik. This establishment is a commercial enterprise owned by the Inuvialuit of the western Arctic. The management of Ulu Foods have indicated in a telephone conversation that they would be willing to wholesale muskox as well as other items in their product line to a country foods retail outlet in Yellowknife. They could provide it by frozen carcass or cut.

Discussions with the Cambridge Bay Hunters and Trappers Association, revealed that they would be willing to supply muskox to a retailer in Yellowknife at \$2.00 per pound. The muskox would be snipped in quarters. The Cambridge Bay H.T.A. contact person is Bill Tar at 983-2426.



Coppermine may also be able to supply a retail outlet in Yellowknife with muskox. Discussions with GNWT, Economic Development in Coppermine revealed that the Coppermine HTA plan to establish a retail country food outlet in the community in the summer of 1987. It is understood that the HTA is currently lobbying the GNWT, Dept. of Renewable Resources to get the current commercial quota on muskox increased. At this time, they have not calculated wholesale muskox prices.

Recommendations :

1) Since there is no muskox quota to which local hunters have access, Mr. Cadieux must make arrangements with communities having quotas. Communities with direct transportation links to Yellowknife with quotas are: Holman Island - 110  
Cambridge Bay - 130

2) Ulu Foods should be approached to provide muskox meat on a wholesale basis at a preferred price.

### 2.12.3 Bison

The meat of bison cannot now be sold. There is however, a permit issued to take animals from the Fort Providence herd for scientific purposes. The distribution of the resulting meat is administered by the community. In the near future, a hunting season will be implemented. It may be possible by making the appropriate representation while regulations are being developed, that meat from any legally hunted bison be made available for sale. This could require the retailer to make arrangements with each individual licenced hunter.

Recommendation :

1) Mr. Cadieux should request government to treat bison the same as muskox and so legalize the sale of bison meat by commercial establishment.

### 2.12.4 Reindeer

Reindeer are produced commercially in the Northwest Territories by Canadian Reindeer Ltd. near Tuktoyaktuk. Animals are slaughtered in February of every year. Carcasses are shipped whole to a distribute in central Alberta. At slaughter time carcasses are available from Canadian Reindeer Ltd. f.o.b. the slaughter site. For the remainder of the year reindeer meat is available from Lambco in Innisfail, Alberta (Jim Conglin telephone 1-403-227-3386). Deliveries are made to Edmonton twice weekly. Minimum orders are 50 kg and are in "block ready" cryovac packages. Current prices for trimmed reindeer cuts are: sides \$7.83/kg; and, hinds \$9.37/kg f.o.b. Edmonton.

## 2.12.5 Freshwater Fish

Commercial fishing in the Northwest Territories comes under the aegis of the Fisheries Act of Canada. The Department of Fisheries and Oceans sets quotas, seasons and other regulatory limitations. Marketing locally caught freshwater fish in the Northwest Territories is subject to permits authorized by the Freshwater Fish Marketing Corporation, a federal crown corporation with a production and marketing monopoly for western Canada.

Schedule V of the Fisheries Act provides locations, species and volumes of fish that may be taken for commercial purposes.

Literally hundreds of lakes in the western Northwest Territories have had quotas established for them. In the area of Yellowknife, the lakes for which quotas have been set include:

Table 12 - Commercial Quotas for Freshwater Fish from Selected Lakes in the area of Yellowknife, Northwest Territories

Lake	Species	Volumes (kg round)
<b>Beniah</b> Lake	Whitefish and Trout	5700
<b>Blaisdelle</b> Lake	Whitefish and Trout	800
<b>Blatchford</b> Lake	Whitefish and Trout	1500
<b>Buckham</b> Lake	Whitefish and Trout	1900
Desperation Lake	Whitefish and Trout	1500
<b>Germaine</b> Lake	Whitefish and Trout	1000
Gordon Lake	Whitefish and Trout	6300
Lac la Martre	Whitefish and Trout	7600
Mackay Lake	Whitefish and Trout	67400
Mosher Lake	Walleye	1100
Ross Lake	Whitefish and Trout	1800
<b>Thistlewaite</b> Lake	Whitefish and Trout	1900

Few if any of these lakes have been fished commercially in recent years. Any person who has resided in the Northwest Territories for six months prior to applying can hold a commercial fishing licence which costs \$5.00. On application any Schedule V lake other than Great Slave Lake could be opened to commercial fishing.

In the case of Great Slave Lake, commercial fishing licences are administered by the Great Slave Advisory Committee. Great Slave supports a year round fishery. Table 13 summarizes commercial landings for the 1984/85 fishing year in area IV (North Arm) and area V (Simpson Islands and East Arm). Walleye landings for nearby Tathlina and Kakisa Lakes are included.

Table 13: Landings for the 1984/85 Fishing Year in Areas IV and V of Great Slave Lake

Month	Species				
	Whitefish	Trout	Inconnu	Pike	Walleye
<b>Area IV</b>					
July	20,405	1,787	39	1,628	2
August	34,275	929	285	4,416	240
September	75,453	945	2,409	10,937	2,356
October	31,101	89	35	858	181
<b>Area V</b>					
January	1,188		36	106	
February	7,327	6	1,181	697	1
March	18,426	17	7,253	1,324	9
April	3,634		5,360	432	7
June	136	453			
July	2,112	5,374	65	183	
August	66,125	45,296	3,470	8,172	921
September	89,995	40,241	2,575	15,954	5,501
October	27,449	906	10,252	27,191	3,007
<b>Tathlina Lake</b>					
November					1,683
December					1,046
January					110
April					1,701
May					2,075
<b>Kakisa Lake</b>					
June					20,443

It would appear that a year 'round supply of fresh fish is available from local sources for the retail trade in Yellowknife.

**Licencing:**

A Dealer's Licence is required for the retailing of freshwater fish in the Northwest Territories. This licence is issued by the Freshwater Fish Marketing Corporation at the request of the Department of Renewable Resources, Government of the Northwest Territories. There is no charge for this licence. General conditions and instructions for the special Dealer's Licence are provided in Appendix E.

Recommendation:

1) That Mr. Cadieux develop purchase agreements with local commercial fishermen to ensure a constant supply freshwater fish.

2.12.6 Arctic Char

Commercial quotas for Arctic char have been set for sites near numerous coastal communities with direct transportation links to Yellowknife. Unfortunately transportation is not reliable enough to offer fresh char to the Yellowknife market on a regular basis. Fresh fish may be marketed however as a heavily advertised item "in season" if appropriate arrangements are made with suppliers in Holman Island, Coppermine, Cambridge Bay and/or Rankin Inlet and the appropriate airline.

The following volumes of char can be taken by communities with direct air links to Yellowknife:

Holman Island	4,500 kg round
Coppermine	2,950
Cambridge Bay	62,100
Rankin Inlet & Ferguson River	20,400

The above fisheries are seasonal in that they net anadromous char returning from the sea in August/September. A guaranteed supply may require a local retailer to provide cold storage for North Country Foods' inventory. Almost all of the char from Cambridge Bay is exported to the Freshwater Fish Marketing Corporation.

Recommendations :

1) That Mr. Cadieux access sufficient cold storage to enable North Country Foods to market char year 'round.

2) That Mr. Cadieux purchase sufficient char "in season" to meet anticipated demand for the product.

2.12.7 Marine Mammals

Seals and whales fall under the authority of the Fisheries Act and as such are managed by the Department of Fisheries and Oceans. Both seal and whale products are marketed in the Northwest Territories even though there are no provisions in the Fisheries Act for their commercial use.

A) Whale

The principal part of the whale used for human consumption is the skin or muktuk. In the western arctic, muktuk from the beluga is taken annually by the Inuvialuit. The annual kill by Delta whalers ranges between 100 - 150 beluga. Ulu Foods markets the muktuk that exceeds the Inuvialuit domestic demand. Quantities are available in 10 and 20 kg sealed plastic buckets.

There does not appear to be a business in the eastern Arctic that offers a similar product from the narwhal whose muktuk is considered by some to be tastier than that of beluga.

## B) Seal

The ringed seal is the most common seal in northern waters and also the seal most commonly eaten by northern Canadians. Ulu Foods can supply seal meat on demand but does not normally carry it because of low demand. Should a market for seal meat develop in Yellowknife, arrangements could be made for dressed carcasses to be supplied from Holman Island where many seals are taken annually for the local handicraft industry. When handling and storing seal, care must be taken to rotate the inventory due to the rapid deterioration of the highly volatile fats and oils present in seal tissue.

### 2.12.8 Fruit and Vegetables

Commercial agriculture in the Northwest Territories has not developed to be a major economic activity. There are however several active market gardens near Hay River. Two farmers that produce fruits and vegetables for retail sales are Ben Greenfield, who produces greenhouse and field vegetables as well as fruit, and Greg Haist, who produces field crops only. The Greenfield gardens produce:

rhubarb	lettuce
onion greens	cnard
cucumbers	tomatoes
beets	peas
beans	potatoes
carrots	turnips
pumpkins	squash
zuccnini	Saskatoon berries
	crab apples

Mr. Greenfield indicated that without enlarging his land base, he would be unable to serve a larger market. But, without a sustained market he could not justify enlarging his land base for increased production.

Greg Haist has been producing potatoes (red and white) and carrots for several years. He markets his produce in bulk (50 kg units) and indicates that this aspect makes retailing directly to the consumer difficult since most consumers are accustomed to a washed and bagged product in 5 - 10 kg units. If cool storage (1-4C) is available it may be possible for a retailer to buy potatoes and carrots in bulk and offer the product in loose form so that consumers can pick and choose the size and number desired.

At the present time it may be possible to secure a reliable **sú**pply of northern potatoes. In the future it may be possible to increase the line of seasonal produce as northern gardeners' production expands in response to consistent and reliable market demand.

## 2.13 NORTH COUNTRY FOODS - LUNCH SERVICE OPTIONS

Although beyond the mandate of this feasibility assessment, Mr Cadieux requested that Lutra Associates undertake a cursory assessment of the viability of establishing a food service operation specializing in northern country foods. Three operating scenarios were discussed: a full service, licenced restaurant serving lunch and dinner; a fast food, cafeteria style restaurant serving lunch; and, an in store deli counter offering take out lunches/snacks. It was concluded by the Lutra study team that even a cursory examination of both the full service and the cafeteria style operations would be complex and time intensive. In consideration of the potential capital investment and organizational planning required to set up either of these operations it is our opinion at minimum a pre-feasibility investigation would be required to draw conclusions with respect to viability. Thus, these operational scenarios were not investigated.

### 2.13.1 Lunch Counter

Over the past five years the characteristics of Yellowknife's lunch market have changed. Not only have the number of lunch service operations increased, but the variety in lunch products offered has also expanded. Consumers can choose from an expensive, multi-course lunch to a quick take out sandwich. One relatively recent introduction to Yellowknife's lunch market is the take-out lunch counter. Apart from Kentucky Fried Chicken, there are four such operations in Yellowknife, three of which are located in retail food stores. Although information with regard to current lunch sales from these four operations is unavailable, onsite customer traffic observations were undertaken, and it was noted that during peak lunch hours (12-1) that these operations do a brisk lunch trade.

### 2.13.2 Operational Design

A North Country Foods take out lunch counter would sell cold sandwiches, salads, hot sandwiches, beverages and dessert selections. Sandwiches would be prepared to highlight various country food specialty items (ie. smoked char and cream cheese, caribou salami, muskox salami, etc.). The lunch counter would utilize disposable paper products. In addition to in-store equipment (refrigerated meat display case and meat slicer) the following equipment would be required to set up a lunch counter: a pop cooler (supplied by the distribute); a coffee maker; a food preparation area (cutting board and sink); and, a microwave oven.

The lunch counter would not require additional staff as mornings are traditionally a slow time for retail operations, therefore existing staff could handle additional demands.

### 2.13.3 Conclusions/Recommendations

Apart from lunch sales, a take-out lunch counter situated in North Country Foods' retail store would also function as a marketing tool. The counter would draw people into the store, lunch selections would highlight North Country Foods products.

In order for the in-store take-out lunch counter to have any impact on store revenues, North Country Foods would have to be located in the downtown core to capture the concentration of office workers.

It is recommended that North Country Foods integrate a small scale lunch counter into the retail operation if the store is located in a downtown location.



2.14 NORTH COUNTRY FOOD MARKET PENETRATION AND SUPPLY:  
A FIVE YEAR FORECAST

The study terms of reference suggest and the analysis indicates that there is a requirement to develop a specific demand and supply scenario indicating optimum business conditions. The scenario represents a set of conditions which will be available to North Country Foods regarding the delivery of country food products to the study area markets.

Three different sets of conditions were tested to establish the optimum supply and demand scenario. Low, medium and high supply cost scenarios are presented in Tables 14, 15 and 16. In each scenario demand levels are maintained, while supply costs are varied according to the proposed supply centre for caribou products. Sales estimates are considered to be conservative given the relatively large retail, hospitality and institutional market segments in close proximity to Yellowknife.

The critical factor in the development of North Country Foods will be its ability to acquire supply at reasonable costs. A key issue in supply development will be the availability of Bathurst caribou. Our analysis indicates that the cost of supply will be greatly reduced as the availability of Bathurst caribou increases. The three scenarios examine different levels of Bathurst caribou supplied to North Country Foods.

These are:

1) Median Supply Cost Scenario - Table 14,

**Bathurst Caribou** - 65% of annual requirements,  
Caribou from other sources (**Inuvik**, **Norman Wells**,  
**Coppermine**) - 35% of annual requirements

In the first year, North Country Foods will require 291 caribou, while in year 5, 538. At the 65% Bathurst level, North Country Foods will require an estimated 29% to 53% of the current Bathurst caribou herd commercial quota. Factors affecting this supply level are: a) competition for resource; b) distribution of commercial quota to user communities; and c) drastic declines in caribou population. Based on the example of commercial quota distribution for the **Bluenose** caribou herd (1), it is probable that the ratio will be maintained during the initial 5 year forecast period for the proposed business venture.

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(1) The **Bluenose** caribou herd had commercial quota of 800 - 850 animals. The quota has never been fully utilized.

2) High Supply Cost Scenario - Table 15 (see Appendix G)

Bathurst Caribou - 29% of existing commercial quota annually, and

Caribou from other sources - increasing annually to meet the increasing supply requirements of North Country Foods

3) Low Supply Cost Scenario - Table 16 (see Appendix G)

Bathurst Caribou - Total supply from the Eathurst Herd.

In the low supply cost scenario, it is estimated that North Country Food's requirements will range from 45% of the existing commercial quota in year 1 to 83% in year 5.

The following are assumptions and conclusions regarding the supply scenarios.

\*The indicated demand for country food products in the study area is continuous throughout the year.

\*The existing demand for competitive products (ie. beef, imported fish and to a degree, currently available country food products) is competitive and has a continuous supply cycle in the study area.

● Country food product supplies are currently distant from designated North Country Food markets and their supply is seasonal as opposed to continuous. The analysis indicates that North Country Foods will be capable of developing a supply network for products and, through proper inventory storage will be able to deliver a continuous supply to consumers.

\*North Country Food target market segments require a high quality and competitively priced, fresh product.

● A host of country food products are available to consumer markets, however muskox, caribou, Arctic char, and whitefish constitute the principal product mix for study area markets. Demand characteristics imply the following product mix ratios and are assumed to apply for the market segments examined:

Country Meats:	%	Fish:	%
Caribou	70	Arctic Char	65
Muskox	26	Whitefish	23
Other	4	Other	12

Other meat products consist of locally harvested small game, while other fish products are lake trout, and muktuk, etc. These are considered secondary products. It is also assumed that these other products have market potential. These secondary products however, require product testing/market exposure to determine demand levels. Based on the average selling price for competitive beef products, reindeer and bison supply costs f.o.b Alberta exceed the beef price average. It may be found that bison and reindeer can be developed as specialty products with a high selling price.

● Existing supply options for North Country Foods product mix procurement include: a) the purchase of products from existing supply lines for northern country foods (ie. Ulu Foods, Amarook Country Foods, FFMC, etc.); b) the purchase of locally available country food products (ie. caribou, whitefish and lake trout) from contracted local harvesters; and c) a mix of the above conditions. The actual annual mix will depend on cost, availability, reliability and quality of supply.

Table 14 outlines the median supply cost scenario describing a five year market share forecast for North Country Foods. The analysis indicates that the median supply cost scenario is most probable for North Country Foods given existing supply and demand conditions.

TABLE 14: NORTH COUNTRY FOODS' FIVE YEAR FORECAST OF MARKET SHARE  
 MEDIAN SUPPLY COST LEVEL SCENARIO

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	Volume kg. (Sales \$)	Volume kg. (Sales \$)	Volume kg. (Sales \$)	Volume kg. (Sales \$)	Volume kg. (Sales \$)	Volume kg. (Sales \$)	Volume kg. (Sales \$)	Volume kg. (Sales \$)	Volume kg. (Sales \$)	Volume kg. (Sales \$)
<b>SALES</b>										
<b>FISH:</b>										
Arctic char	5158	55449	5566	62228	5987	69629	6411	77572	6550	82400
Whitefish	1825	9673	1770	10855	2119	12139	2268	13520	2318	14370
Other	952	63133	1027	6762	1105	7263	1184	7840	1209	12727
<b>Sub-total:</b>	<b>7935</b>	<b>71424</b>	<b>8563</b>	<b>79845</b>	<b>9211</b>	<b>89031</b>	<b>9863</b>	<b>98933</b>	<b>10077</b>	<b>109496</b>
<b>COUNTRY HEATS</b>										
Caribou	17250	138001	22181	184545	25542	p@q41	28850	259648	31791	277557,
Muskox	6407	51257	8239	68545	9487	82064	18716	%441	11008	110522
other	986	7886	1267	10545	1460	12625	1649	14837	1817	17083
<b>Sub-total:</b>	<b>24643</b>	<b>197144</b>	<b>31687</b>	<b>263636</b>	<b>36489</b>	<b>315630</b>	<b>41214</b>	<b>370926</b>	<b>45415</b>	<b>425084</b>
<b>TOTAL</b>	<b>32578</b>	<b>260568</b>	<b>40250</b>	<b>343481</b>	<b>45700</b>	<b>404661</b>	<b>51077</b>	<b>469859</b>	<b>55492</b>	<b>534580</b>
<b>COST OF GOODS SOLD</b>										
Caribou		48300		65212		78849		93512		10918
Muskox		28192		38062		46022		54581		63151
Arctic char		20632		23377		X403		29686		31847
Whitefish: Dressed		2515		2822		3156		3515*		373b
Other Meats		2997		4007		4798		5638		6461
Other Fish and Marine										
Mammals		4160		4463		4794		5175		8400
<b>TOTAL</b>		<b>106795</b>		<b>137944</b>		<b>164021</b>		<b>192107</b>		<b>221791</b>
Cost of Freight		30164		39158		46694		54808		62540
Cost of Storage/O & M		7600		7560		7938		8335		8752
<b>GROSS PROFIT</b>		<b>124009</b>		<b>158819</b>		<b>186007</b>		<b>214609</b>		<b>241498</b>
<b>GROSS MARGIN %</b>		<b>46%</b>		<b>46%</b>		<b>46%</b>		<b>46%</b>		<b>45%</b>

● A median supply cost level is derived from the cost of delivering a supply of caribou to meet five Year demand and forecasts at a ratio of 65% Bathurst Caribou Herd, 35% from other supply centres SUCH as Ulu Foods, or Cambridge Bay.

ANALYSIS OF SALES AND EXPENSES TABLE 14

Sales :

\*Base year estimates of volume and sales are presented for 1986. The five year forecast of sales is increased at 4% annually.

\*Aggregate demand volumes and sales are detailed in Table 14 for each of the retail, institutional and hospitality market segments described. Disaggregated product mix information is presented for each of the hospitality and institution markets in Tables 8 and 9. It is assumed that the product mix will further apply to the retail sector. Product mix ratios are presented above (see section 2.14).

Cost of Goods Sold:

\*cost of goods percentages are calculated for each product on the basis of transportation and storage requirements, and product cost. From discussions with existing product suppliers, as well as government personnel vis-a-vis commercial resource harvesting, it is assumed that product supply will meet North Country Food's initial demand requirements as follows:

Caribou:

Bathurst Herd - 191 animals combined fall and winter slaughters. It should be cautioned that the method of distribution of commercial tags may create supply problems from the Bathurst Herd. Given that 650 tags are designated for commercial harvest and North Country Foods will be an active competitor for supply, it is reasonable to assume the above supply level. For quality control purposes, it has been assumed that North Country Foods will contract the slaughter of animals to trained, tag holders.

The average carcass price for Bathurst caribou is computed as follows: 1 animal = 59 kg.(1), average price per kg. \$2.00 (freight excluded): carcass price = \$118.

Transportation to be paid by North Country Foods'. Discussions with Raecom Air Ltd. of Yellowknife indicated that during the past 5-10 years, fall animals were taken an estimated 140 air miles distant from Yellowknife, while winter animals were an average 85 air miles

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(1) Discussions with Dept. of Renewable Resources, Ulu Foods and Raecom Air Ltd.

distant. Assuming an equivalent number of animals slaughtered during each of the winter and fall periods to compute distances combined with aircraft capacity and price per mile, the freight costs for supply are computed at \$.71 per kg.

Ulu Foods - To ensure a consistent supply, 100 animals from other available sources have been incorporated into totals. Presently Ulu Foods in Inuvik has caribou carcasses for sale. The carcass price is \$4.40/kg. It should be noted that this price is subject to change depending on the supply that Ulu Foods has available from its own suppliers. Transportation costs are calculated at \$1.00 per kg. from Inuvik.

A further variable included in the supply cost of sales is the cost of storage. If intake is twice annually and approximately 4 months apart, then storage will be required for an estimated 67% of the total supply. Storage cost estimates are based on utility estimates for the freezer unit.

MusKox :

It is assumed that a product supply will be available as outlined from Cambridge Bay and/or Coppermine. Base year requirements given an average yield of 68 kg.(1) per animal are 95 animals. Muskox is sold by the H.T.A. in Cambridge Bay for \$4.40 per kg.

A preferred rate may be negotiated with N.W.T. Air, however rates will be based on volume and most likely will carry the standard freight insurance policy rate (\$1.10/kg) only. Current freight rates from Cambridge Bay and Coppermine to Yellowknife are \$1.40/kg. for volumes in excess of 200-500 kg.

Storage will be required for an estimated 67% of the animals as slaughter occurs in the fall and winter periods.

Arctic char:

It is assumed that the supply will be available from Cambridge Bay, Holman Island or Coppermine. supply costs are estimated at \$4.00/kg., while freight costs are \$1.40 per kg. Storage will be required initially for the entire Arctic char supply as it is available in the August/September period.

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(1) Source: Ulu Foods"

Whitefish:

It is assumed that the supply will be regularly available locally. The supply cost is calculated from existing FFMC prices plus GNWT subsidy and average FFMC rebate for the past two seasons. The supply should not require prolonged storage. The price paid to local fishermen is computed at \$1.35 per kg.

Other Meats:

Other meats include locally available small game. The calculation of cost of goods is based on the same scenario as caribou with product costs at \$2.00 per kg. It is estimated that storage and transportation costs will increase the product cost to \$3.00 per kg. and yield a cost of goods percentage at 38%.

Other Fish and Marine Mammals:

Other fish include lake trout and muktuk. The supply of lake trout is available locally while muktuk is imported from either Ulu Foods or Frobisher Bay. A mix of other products favouring lake trout should produce a cost of goods not exceeding 66%. Lake trout is currently \$2.75 kg. while muktuk is \$4.13 kg from Inuvik in 5 gallon pails. A higher cost of goods is included in order to allow for specialty items arriving from the Eastern Arctic on a demand basis only.

\*Gross Margin: The gross margin is the percentage of gross profit over gross sales.

### 3.0 OPERATIONAL CONSIDERATIONS

Given both the nature and volume of business anticipated, the purpose of this section is to report on and recommend an appropriate management and operational system. As noted in the market assessment, the success of this proposed business venture is contingent on consistent delivery of high quality products at competitive prices and, fast, efficient service. The extent to which North Country Foods can achieve these standards is linked to effective management and competent, well - trained staff.

Operational considerations addressed in this section include management, administration, staffing, training, corporate structure, security and regulations affecting operations.

#### 3.1 STORE MANAGEMENT

In a small business, an effective store manager must assume and be capable of addressing a wide range of tasks and responsibilities. Those responsibility areas most pertinent to the management of a well-run, viable, retail operation have been highlighted here.

##### A) Inventory Control

Tasks :

The inventory of North Country Foods will be the store's largest current asset. The control and management of this inventory will be an important function of the store manager. Specific considerations which will guide this task area are:

- \* Preparation of consumption forecasts to address seasonal intake requirements by species per month and per annum (first year forecasts are provided in this feasibility study);
- Measurement of actual monthly consumption rates and the adjustment of inventory intake (where possible) to reflect discrepancies in forecasted and actual consumption rates;
- \* Development of an inventory control system to track and record merchandise - in, merchandise - out and merchandise -in stock;
- Monitoring of merchandise with limited shelf life to ensure the highest quality product is marketed.
- Conducting a physical count of inventory at the end of the fiscal year.

Proponent Experience/Expertise:

Mr. Cadieux has experience procuring inventory required to a stock a G.N.W.T. Renewable Resources warehouse. Each trapping season Mr. Cadieux has assessed inventory requirements and acquired sufficient supplies for the upcoming season.



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Comments:

- \* once an inventory control system is set up, it will not be difficult to maintain.
- \* Inventory intake must be adjusted to continuous intake products and seasonal intake products.

B) Personnel Management

Tasks :

It is the opinion of the consultant that personnel related tasks and responsibilities will not occupy a large portion of the North Country Foods ' manager's time . Major tasks will include:

- Interviewing and evaluating prospective employees; and
- \* Monitoring and evaluating staff performances and productivity.

Proponent Experience/Expertise:

Mr. Cadieux has supervised up to fifteen (15) men in his work in mineral exploration.

Comments:

- \* In order to monitor and evaluate staff performances and productivity, the manager should have a working knowledge of the meat cutting/processing industry.
- \* Employing fully trained, competent staff members may reduce many personnel management related tasks.

C) Financial Administration

Proper financial administration and control is critical to the success of any business. Administrative tasks will include, but are not limited to:

- \* Maintenance of a daily disbursement journal;
- \* Reconciliation of daily cash sales to cash register tape;
- \* Bank deposit of daily cash sales;
- \* Calculation and preparation of hi-weekly payroll;
- \* Posting ledger entries;
- Payment of accounts payable and collection of accounts receivable;
- Month-end bank reconciliation;
- Preparation of month-end financial statements; and
- Preparation of year-end financial statements.

Proponent Experience/Expertise:

Mr. Cadieux has no previous experience or training in small business financial administration.

Comments :

A number of options are available with regard to addressing financial administrative tasks:

- 1) The owner/operator manually undertakes all financial administrative tasks;
- 2) The owner/operator assumes some of the tasks, other administrative tasks are contracted out;
- 3) The owner/operator employs an in-house bookkeeper to undertake all financial administrative tasks.

MacKay Computing Ltd. offers a wide range of accounting and processing services to small business. Programs are tailored to suit the individual needs of each business. A price quote from **this** firm is attached as Appendix I. A number of other local businesses also provide small business financial services (ie. A-1 Bookkeeping, Office Complements)

#### D) New Product/Market Research and Development

Tasks:

This task area is especially important for the ongoing success of North Country Foods. New business and market research and development task areas will include:

- Development and marketing of new country food species/products to diffuse the store's dependency on caribou from the Bathurst herd;
- Monitoring of national/local consumption patterns, food trends and new product development in the-meat industry;  
\* Where possible, adjusting product mix to reflect national trends;
- Expansion of existing markets and the development of new markets for country foods.

Comments:

**Initial** product mix and country food markets have been identified in this feasibility study.

#### E) Production and Quality Control Monitoring

Production and quality control monitoring tasks will be imperative to the success of the store. As noted above, maintaining a competitive 'edge' is necessary if North Country Foods is to be viable. As such, the manager will be required to address the following task areas:

- \* Development of quality control standards for receiving meat, meat cuts and processed products;
- \* Education of staff and contract hunters vis-a-vis quality control standards;
- \* Development of productivity standards for each staff position;
- \* Monitoring and adjusting staff productivity levels.

Proponent Experience/Expertise:

Mr. Cadieux has many years of experience harvesting and marketing northern country food and is acutely aware of industry standards.

Comments:

- \* Once standards are set and understood by staff members and harvesters, the manager must adhere to standards, monitor outputs and correct deviations immediately.

F) Product Pricing

Tasks :

An important function of every retail store manager is the calculation of retail prices:

- Product prices should be developed in consideration of raw material costs, competition and operating costs.

Comments:

- \* Prices must be sufficient to cover operating costs and provide a profit, yet be competitive in the marketplace.

G) Product Marketing

Tasks :

As the sale of country foods in Yellowknife is a relatively new phenomenon, it is crucial that the North Country Foods' manager aggressively market country food products.

- \* Preparation and implementation of annual marketing plans.

Comments:

- Marketing tasks are ongoing.
- The impact of marketing plans should be evaluated annually.
- \* A suggested 1st year marketing plan is included in Chapter 6.

H) Planning, Evaluation and General Management

Tasks :

- \* Preparation of operating and sales budgets per month and per year.
- \* Matching of actual sales and operating costs and investigating discrepancies .
- \* Overall management of the proposed business venture.

Comments:

- \* In the short term this feasibility study will provide a reference document from which the store manager will be able to assess **business performance**.
- \* In the long term, the manager will be required to develop operating and sales budgets for the upcoming year.
- The manager should be available 'as required' to address issues pertaining to the business.

3.2 STAFF REQUIREMENTS

North Country Foods staff requirements are a function of anticipated sales, product mix and product processing. to most efficiently meet business demands, North Country Foods **should** employ a staff of three and one half - a store manager. a butcher/meat cutter, a cashier/meat cutter assistant and a part-time delivery person. Job descriptions have been developed and are presented in Appendix H.

As Don Cadieux does not have commercial meat cutting experience, it is imperative that only an staff experienced in meat cutting, meat processing and smoking and fish smoking be considered for the butcher/meat cutter position. The City of Yellowknife does not require butchers working in the city to have **journeymen** papers.(1)

There is a surplus of individuals with cashier experience in **Yellowknife's labour** force. It is recommended that hiring preference be given to cashiers with previous meat store experience. As on Dec. 10 (2) **there** were no butchers *in* Yellowknife actively seeking employment. A butcher can be recruited through C.E.I.C.'s national job bank. C.E.I.C. will cover tne cost of relocating a butcher to Yellowknife under its Job Mobility Program.

- 
- (1) Personal Communication - City of **Yellowknife**
  - (2) Beth Nitah, Canada Employment. & Immigration

### 3.2.1 STAFF SALARIES

Staff salaries have been set from discussions with Canada Employment and Immigration and industry personnel. Salary levels are as follows: store manager, \$32,000 per annum; butcher/meat cutter, \$25,000. per annum (\$12.00 per hour, 40 hours per week); butcher/meat cutter assistant, \$14,500. per annum (\$7.00 per hour, 40 hours per week); delivery person, \$8,320. per annum (\$8.00 per hour, 20 hours per week). Total North Country Foods payroll is \$79,820. Employee benefits are calculated at 10% (\$7,982. ) for a total payroll expenditures of \$87,802. per annum.

### 3.2.2 TRAINING

It is understood that Don Cadieux is to occupy the store manager's position. A matching of Don's past work experience and North Country Foods' store management tasks (Section 3.1) illustrates the need for extensive small business management training. Initially, there will be a need for training and additional help/expertise to address pre-operational management systems set-up (see Appendix P for a pre-operational checklist).

Specific managerial operational training requirements include:

- \* Development and maintenance of inventory control systems, acquisition systems and inventory consumption forecasting;
- \* Development of financial control systems. Specific financial administrative training to include:
  - maintenance of a daily disbursement journal
  - reconciliation of daily cash sales to cash register tape
  - bank deposit of daily cash sales
  - calculation and preparation of bi-weekly payroll
  - accounts receivable and accounts payable
  - month-end bank reconciliation
  - financial planning
- \* Development and monitoring of production and quality control standards;
- \* Introduction to product pricing theories, the development of retail prices for North Country Foods;
- \* General store management, planning and evaluation;
- \* The development and implementation of marketing plans; and
- \* New product/market research and development;
- The development of operating systems specific to a retail meat store.

In addition to small business management training, Mr. Cadieux will also require on-the-job industry training to enable him to effectively evaluate and respond to staff productivity levels, the quality of store products as well as assist and/or assume meat cutting duties during peak production periods and/or staff shortages.

Specific butcher training requirements include:

- \* The care and safe operation of meat cutting and processing equipment and knives.
- \* The preparation of caribou and muskox fronts and hinds into wholesale and retail "cuts.
- \* Meat preparation - sausage making (methods and preparation), curing meats (methods and preparation), smoking meats and fish, and the preparation of brines, corned meat and pressed meat.
- \* Meat aging and ripening theories and practices.
- \* Cleaning and sanitizing methods required for a retail meat store.

Various training programs have been investigated and are summarized in Appendix J. Given the training programs available and the level of training required, it is recommended that North Country Foods prepare training proposals for four training programs: a) Skill Shortages for management training; b) Skill Investment for industry training; c) C.A.S.E. for on-the-job industry training in Winnipeg; and d) C.E.S.O. to supplement initial management training.

A) Skill Shortages:

Although C.E.I.C. prefers management training to be accessed from a recognized institution, it is acknowledged that in the case of a small business this practice may not be feasible. It is suggested that in order to impart sufficient small business management skills that the training program be 60 days in duration with 40 days of classroom training and 20 days of on-the-job training. Further, it is suggested that management training begin 2 weeks prior to the opening of the store. The cost for a management trainer has been estimated at \$250 per day. Table 17 presents the proposed C.E.I.C. management training contribution under the Skill Shortages Program.

Table 17: Proposed C.E.I.C. Training Contribution - Skill Shortages Program

\$30 per day per trainee	
50% of costs in excess of \$30	
\$140 X 60	\$8400.
C.E.I.C. Wage Contribution	
40 days (8 weeks) @ 60 % of wage	\$2800.
(to a maximum of \$350. per week)	
20 days (4 weeks) @ 25 % of wage	\$ 612.
	-----
Total C.E.I.C. Contribution	\$11812.

B) Skill Investment & C.A.S.E. Program:

As noted above, it is recommended that North Country Foods employ a butcher/meat cutter with extensive meat cutting experience to provide on-the-job training. At the outset of butcher training, it is suggested that the proponent travel to Winnipeg under the C.A.S.E. program to receive training in an existing butcher store. It is understood that C.E.I.C. will contribute 50% of travel and accommodation costs plus 60% of the trainee's wage while in Winnipeg. In order to provide comprehensive butcher training, it is suggested that the Skill Investment Program be 100 days in length, of which 10 days of training will be undertaken in Winnipeg. The proposed C.E.I.C. training contribution to access on-the-job butcher training is presented in Table 18.

Table 18: Proposed C.E.I.C. Training Contribution - Skill investment Program

Off-the-job training in Winnipeg	
airfare	\$768.
accommodation (13 days @ \$120.)	\$1560.
	---
Total	\$2328.

Total trainer costs 90 days x \$96

C.E.I.C. Contribution	
\$30 per trainee	
50% of cost in excess of \$30	
\$63 X 90	\$5670

C.E.I.C. Wage Contribution:

10 days (2 weeks) @ 60% of wage	\$ 700.
(to a maximum of \$350. per week)	
90 days (18 weeks) @ 25% of wage	\$2754.

C.E.I.C. Travel and Accommodation Contribution @ 50%	\$1164.
	---

Total C.E.I.C. Contribution \$10288.

C) C.E.S.O. :

To supplement initial management training, it is suggested that North County Foods prepare a proposal to Canada Executive Service Overseas (C.E.S.O.) after approximately 8 months of operation. The C.E.S.O. workplan should include an evaluation of store management, followed by training to address management areas deemed weak. As noted in Appendix J, C.E.S.O. budgets usually do not exceed \$2000 as based on: trainer costs @ \$25 per day; administration cost of 25%; and travel and accommodation costs.

### 3.3 SECURITY

Discussions were held with Wes Hinchey of Arctic Alarms in Yellowknife with regard to the installation of an in-store security system. Arctic Alarms markets two types of alarm systems: a) a passive infra-red detector which responds to heat emanating from people; and b) a motion detector which responds to environmental factors. Mr. Hinchey recommended that North Country Foods purchase the passive infra-red detector as the motion detector can be activated by in-store environmental factors - air



conditioning , forced air furnace, spinning signs, etc. An Arctic **Alarms** preliminary cost estimate for an infra-red detector was **\$1500.** In addition to the alarm system, there are other options with regard to the system used to alert authorities of an intruder in the store: a) siren mounted on the exterior of the building or store, cost - \$120. plus \$84. for installation; or b) a police monitored system, cost - \$225 monitor connection, \$25. per month for police monitoring and from \$8. - \$30. per month for a NorthwTel 'loop charge' (depending on the store's distance from NorthwTel's downtown facility). A siren on the outside of the facility does not necessarily mean that the response will be immediate. Mr. Hinchey recommended that North Country Foods purchase the police monitored system, the average response time is 8 minutes.

### 3.4 REGULATIONS AFFECTING OPERATIONS

#### A) Health and Welfare Canada

The Medical Services branch of **Health** and Welfare Canada develops and enforces regulations pertaining to the harvesting, processing and retailing of wild meat in the N.W.T. Other than a visual inspection to determine if the meat is unclean or decomposed, Medical Services fieldworkers (Environmental Health Officers) do not inspect the meat. Rather, they inspect the facility and process by which the game is harvested and processed to ensure that the conditions will not promote the growth of harmful **bacterias.** Therefore, North Country Foods' products will not be federally inspected and cannot be marketed as **such. Uninspected** meat cannot be exported outside territorial boundaries. Health and Welfare Canada regulatory guidelines regarding the harvesting and sale of wild game are presented in Appendix K.

North Country Foods must also adhere to "food marketing regulations" which are applicable to a retail meat market. In addition, if the proponent decides to include a food service counter in the retail operation, "eating and drinking places regulations" must be followed.

Environmental Health Officers periodically inspect operations to ensure adherence to regulations set forth in the above documents. prior to the granting of **a city business licence,** the facility must be inspected and approved by an Environmental Health Officer .

#### B) Workers Compensation:

All workers of a business operating in the N.W.T. must be covered by Worker's Compensation. In 1986, the cost for Worker's Compensation for staff of a meat store is \$1.25 per \$100. of payroll. In 1987, the cost of this coverage will be reduced to \$.75 per \$100. of payroll.

### C) Business Licence:

The City of Yellowknife administers the issuing of business licences. Prior to the issuing of a business licence, the proposed facility must be inspected and approved by the city building inspector and an Environmental Health Officer.

#### 3.5 CORPORATE STRUCTURE

Although not included in the original terms of reference, a cursory examination of corporate structure options for North Country Foods was undertaken. Recommendations have been made with respect to the corporate structure most advantageous to the proposed business venture.

##### A) Private Corporation

###### Ownership:

- \* Shareholders, minimum 2, maximum 50 if Territorially incorporated.
- \* Limited liability protects the individual shareholder's personal assets (ie. a shareholder is liable only to the level of his/her investment in the firm).
- Businesses may issue both common and preferred shares. A common share entitles the owner to vote at shareholders' meetings, share in profits, and share in assets of the corporation if it is sold. A preferred share holder has a favoured position in terms of profits and assets, but usually does not have voting rights.

###### Control of Business:

- \* Majority shareholders control management of the company.
- Shareholders may vote for Board of Directors in a general meeting. Board of Directors have authority to make bylaws covering:
  - a) allotment of shares
  - b) payment of dividends
  - c) appointment and removal of employees of the corporation.
- \* Directors can be a minimum of one with the maximum set by the articles of incorporation.

Advantages/Disadvantages :

- \* Small **business** tax deduction is 25% of taxable income to a maximum not exceeding \$250,000.
- \* Since a separate business entity is created through incorporation, continuity can be established despite changes in personnel and/or ownership.
- Capital is more readily available to incorporated bodies (ie. through reinvestment of profits, shareholder loans and/or government incentive loans and grants).
- \* Incorporated business entities are required to comply with a greater number of regulations and accountability exercises. ,
- Structure is suitable to raising limited capital from within the corporation (handicapped by number of shareholders).

B) Public Corporation:

Ownership:

- \* Unlimited shareholders.
- Issue of shares - either common or preferred shares when funds are needed. Share class structure similar to private corporation.
- Transfer of shares is accomplished in the open/public marketplace - may be advertised for sale, but regulated by government.
- \* Shareholders have limited liability - to the extent of their investment .

Control of Business:

- \* Similar to private corporation.

Advantages and Disadvantages:

- Similar to private corporation.
- Structure suitable to raising large amounts of capital.
- Structure suitable for most larger economic businesses.

C) Sole Proprietor:

Ownership:

- \* Business owned and operated by one individual.
- \* Proprietor is legally responsible for all contractual and other legal and financial liabilities of the business.

### Control of Business:

The proprietor has complete control over the operations and direction of the business.

### Advantages and Disadvantages:

- \* A sole proprietorship is not costly to establish.
- There are fewer guidelines to be adhered to with regard to accounting and reporting.
- All income generated by business, is taxed as personal income of proprietor.

### D) Partnership:

#### Ownership:

- An unincorporated business comprised of two or more equal owners.
- \* Partners are equally liable to fulfill business contractual and financial liabilities. If one (or more) of partners is unable to fulfill business liabilities, other partner(s) is (are) responsible for liabilities.

### Control of Business:

- The business is controlled by partners. Usually a contractual agreement between partners designates specific roles and responsibilities of partners.

### Advantages and Disadvantages:

- Few legal restrictions or costs.
- Greater ability to raise capital than sole proprietor but less than private or public corporations.
- May be difficult to resolve disputes amongst partners.
- \* May be difficult for one partner to liquidate business investments.
- \* Partnership legally terminates if one of the partners dies, becomes insolvent, etc.

### 3.6 OPERATIONAL CONSIDERATIONS - CONCLUSIONS AND RECOMMENDATIONS

#### Conclusions:

- \* Critical to the ongoing success of the proposed business will be the consistent delivery of high quality products at competitive prices.

\* In order to ensure the delivery of high quality products, it is important that inventory, supply, administrative, pricing, marketing and quality control systems are in place prior to store opening.

• In order to develop and implement management and operating systems, the proposed business will require a responsible, capable manager and experienced staff.

• Mr. Cadieux will be the store manager. Currently, Mr. Cadieux does not have sufficient experience or training to enable him to effectively manage the proposed business venture.

\* Mr. Cadieux requires a comprehensive training program addressing management and industry specific tasks in order to successfully manage the proposed business.

Recommendations :

The following recommendations have been developed from the foregoing operational assessment.

1) Given Mr. Cadieux's lack of small business management experience, it is recommended that he undergo a small business management training program to address pre-operational tasks as well as small business management skills. It is recommended that management training be 68 days in duration, beginning 2 weeks prior to opening. Management training should address the following areas:

- \* inventory control;
- \* financial administration and planning;
- \* production and quality control monitoring;
- \* product pricing;
- \* planning, evaluation and general store management;
- \* new product/market research and development;
- \* product marketing.

2) With regard to financial administration, it is recommended that the store manager undertake training in the following financial administrative task areas:

- \* maintenance of a daily disbursement journal;
- \* reconciliation of daily cash sales to cash register tape;
- \* bank deposit of daily cash sales;
- \* calculation and preparation of bi-weekly payroll;
- \* payment of accounts receivable and payment of accounts payable;
- \* month-end bank reconciliation.

3) Further, it is recommended that MacKay Computing Ltd. (or a similar service) be retained to provide the following accounting services :

- \* posting ledger entries
- \* preparation of month end financial statements
- \* preparation of year end financial statements.

It is estimated that the cost to North Country Foods will be \$150. per month, plus \$10UCJ. for the preparation of year end financial statements.

4) In light of Mr. Cadieux lack of meat cutting or processing experience, it is recommended that he undergo 100 days of on-the-job butcher training in Winnipeg and Yellowknife. It is further recommended that the North Country Foods butcher be hired to provide on-the-job training. Butcher training should address the following areas:

- \* ageing and ripening meat;
- \* care and cleaning of meat processing equipment;
- \* preparation of processed meat and fish (smoking, sausage making, pressing, etc.; and
- \* cutting, boning and trimming meat.

5) To offset the cost of training, it is recommended that North Country Foods secure training assistance under the C.E.I.C. Skill Shortages and Skill Investment programs, and the Canadian Executive Service Overseas (C.E.S.O.).

6) To meet business demands, it is recommended that North Country Foods employ a full-time store manager, a full-time "butcher, a full-time cashier/meat cutter assistant, and a part-time delivery person. It is recommended that staff salaries for the above positions be: store manager - \$32,000. per annum; butcher - \$25,000. per annum; cashier - \$14,500. per annum; and delivery person - \$8,320. per annum.

7) It is recommended that North Country Foods purchase the following security system: a passive infra-red detector connected to a police monitored alarm system.

8) It is understood from Mr. Cadieux that there are a number of individuals interested in investing in the proposed business. As such, it is recommended that North Country Foods be established as a private corporation with shares issued by magnitude of investment in the corporation.

#### 4.-0 EQUIPMENT, LOCATION AND PHYSICAL SCALE/LAYOUT

Country food demand and supply data gathered in the market assessment provides a data base from which equipment, location, storage and physical scale/layout requirements have been developed.

##### 4.1 EQUIPMENT

In light of forecasted sales and product mix of the proposed operation, a preliminary list of equipment was developed. **Condon-Barr** Food Equipment Ltd. and **Flemming Peddler Co.** responded with equipment costs and specifications (see **Appendix L**). It is understood that some reconditioned meat cutting and processing equipment can be purchased at approximately **65%** of the cost of new equipment.

An alternate source of butchering, processing and cooling equipment was identified in **Yellowknife**. **Capital Meats** terminated operations in October, 1986. A list of equipment and corresponding prices was gathered from **Moises Hernandez**, the store's proprietor. Mr. Hernandez was unable to produce equipment specifications. Further conversations with Mr. Hernandez revealed his desire to liquidate this equipment as soon as possible. However, this equipment may no longer be available when **North Country Foods** is prepared to purchase equipment.

It is recommended that **North Country Foods** access new and used meat cutting, processing and cooling equipment to include the following:

- Floor Scale - required to weigh large orders, carcasses, etc.
- Digital Scale - required to weigh and calculated retail and wholesale orders.
- Printer for Digital Scale - enables quick printing of price labels.
- Meat Saw - imperative to a meat cutting operation.
- Meat Slicer - required to slice deli meats. (It is the opinion of a representative of **Condon - Barr Food Equipment Ltd.** that this meat slicer is capable of slicing meat for jerky and dry meat processing).
- Vacuum Packaging Machine - required to prolong storage life of raw and processed meat and fish products.

- Work Tables - imperative to a meat cutting/processing operation.
- Smoker - required to prepare lox, jerky, dry meat, etc.
- Freezer
- Display Case - required to display frozen retail items.
- Refrigerated
- Display Case - required to display raw meat products.
- Refrigerated
- Deli Case - required to display deli products.
- Meat Grinder - required to prepare ground meat.
- Compartment
- Sink - required for sanitation.
- Manual Sausage
- Stuffer - required to stuff sausages.
- Walk-in
- Refrigerator - required to hang meat and store perishable products.
- with rail
- system and
- shelving unit

In addition to the above equipment, North Country Foods will require the following operating equipment:

- Cash Register - 8 department capacity to track and record inventory movement and sales.
- Delivery Van - required to transport products from freezer storage to retail store, deliver wholesale orders, pick up and transport incoming product supply. A comparison of 'lease to purchase' vs purchasing a vehicle was undertaken. It was discovered that a 'lease to purchase' agreement over three years would cost the proposed business an additional \$3,000.

Condon-Barr Food Equipment Ltd. includes a number of pieces of equipment in their estimate which are not recommended for purchase by North Country Foods:

- Meat Mixer - Purchasing a meat mixer is feasible only when ground meat production is in excess of 500 lbs. per week.



Meat Tenderizer -Meat tenderizers are utilized to process tough cuts (flank steak, etc.) into minute steaks, etc. It is anticipated that these cuts will be utilized in the preparation of ground meat.

Automatic Hydraulic

Sausage Stuffer -It is anticipated that demand for sausages is not sufficient to warrant the purchase of this equipment (\$7200.) in the initial stages of the business. Product testing and marketing this service to **local** hunters may provide viability for this piece of equipment in the future.

#### 4.1.1 COLD STORAGE REQUIREMENTS

The seasonality of supply will impact North Country Foods' demand for cold storage. If North Country Foods ~~is~~ to provide a continuous supply of country food products, it will be necessary to acquire sufficient cold storage space.

North Country Foods' demand for storage has been calculated in light of the frequency of product intake and the volume of space required per species. As noted in the market **assessment**, caribou quarters will be accessed twice annually, whole **char** once annually, **muskox** quarters twice annually and whole **whitefish** and trout will be accessed continuously. Table 19 presents North Country Foods' demand for storage for years 1, 2 & 4-

Table 19: North Country Foods' Storage Requirements,  
Years 1, 2 & 4.

	Year 1	Year 2	Year 4
Caribou			
Total kg.	17250	22181	28850
Storage*	351	450	590
Muskox			
Total kg.	6407	8239	10716
Storage	121	160	191
Arctic Char			
Total kg.	5158	5566	6411
Storage	48	50	59
Total	520	660	840
Aisle Space	40	40	40
Total Storage			
Space	550	700	850

Notes: \* Space requirements presented in square feet.

Caribou - Accessed twice per year. Storage required for 67% of total kg. Carcasses will be cut in quarters. 1 carcass will require 9 sq. ft. of space, carcasses stacked 5 high. 1 caribou weighs approximately 59 kg. Example: Year 1 - 17250 kg x 67% = 11557.5 / 59kg = 196/5 x 9 = 351 Sq. ft.

Muskox - Accessed twice per year. Storage required for 67% of total kg. Carcasses will be cut in quarters. 1 carcass will require 10 sq. ft. of space, carcasses stacked 5 high. 1 muskox weighs approximately 68 kg. Example: Year 1 - 6407 kg x 67% = 4292.7 / 68kg = 63/5 x 10 = 120 sq. ft.

Arctic Char - Accessed once per year. Storage required for 100% of total kg. Fish will be boxed; 22.7 kg/box. Box dimensions: 8"h x 12"w x 30" long. Boxes stacked 12 high, one stack = 2.5 sq. ft. Example: year 1 - 5158 / 22.7 = 227 boxes / 12 = 19 stacks x 2-5 = 47.5 sq. ft.

Total Storage Space - It is anticipated that by January of each year that sufficient char stocks will be utilized to free 10 - 20 sq. St. of storage space.

Given the demand for cold storage space by North Country Foods, two options were investigated for accessing sufficient space: 1) lease space in an existing freezer unit; or 2) purchase and erect a walk-in freezer. Findings of this investigation are presented in Appendix M.

In consideration of the limited availability and cost of leased cold storage space vs. the cost of purchasing and installing a freezer, it is concluded that the most feasible option is to purchase and erect a 25' x 32' walk-in freezer.

#### 4.1.2 PROPOSED EQUIPMENT ACQUISITION BUDGET

Table 20 presents the proposed equipment acquisition budget for North Country Foods. It is recommended that North Country Foods purchase both new and used equipment.

Table 20: Proposed Equipment Acquisition Budget

Floor Scale	\$585.
Digital Scale	\$1625.
Printer for Digital Scale	\$1365.
Meat Saw	\$3875.
Meat Slicer	\$2900.
Manual Sausage Stuffer	\$1000.
Vacuum Packaging Machine	\$4795.
Work Tables	\$ 916.
Smoker	\$8145.
Freezer Display Case	\$4005.
Refrigerated Display Case	\$3166.
Refrigerated Deli Case	\$2567.
Meat Grinder	\$5225.
Compartment Sink	\$1230.
Walk-in Refrigerator	\$7807.
Shelving for above unit	\$1100.
Cash Register	\$1000.
Delivery Van	\$15000.
Walk-in Freezer	\$51840.
Freight, Equipment Hook-up	\$13554.
	-----
TOTAL EQUIPMENT BUDGET	\$131700.

*8750  
1000-1200 sq ft*

#### 4.2 LOCATION

The demand for leasable retail space in Yellowknife far exceeds supply. As such, it is difficult to identify and make recommendations with regard to a specific retail site. Table 21 presents a snapshot of retail space for lease in Yellowknife as of November, 1986. Rental rates of selected

Yellowknife properties have also been included for comparative purposes.

Table 21: Selected Retail Rental Rates by Location - Yellowknife  
November 1986

Space	Location	cost*	Utilities*	Lease
Panda Developments (Mall) Completion date: March 1987 Contact: Ter Hammer	Downtown Size: **	\$19-29	\$7	5 yr with 1st option for renewal
<b>Muncnkins</b> (HFC Location) For lease Nov. 1986 Contact: Harold Glick	Downtown Size: 1500 sq.ft.	\$16.50	\$5-10	3-5 yr with 1st option for renewal
50 Centre Mall Contact: Harold Glick No retail space for rent, Nov. 1986	Downtown	\$25-30	\$5-7	3-5 yr with 1st option for renewal
Polar Bowl Contact: G. Lund For lease Nov. 1986	Downtown Size: 1076 sq.ft.	\$13	(includes utilities)	1 yr, 1st option for renewal
Capital Meats Contact: C. Wong For lease Nov. 1986	Downtown Size: 1056	\$23	\$5-\$7	3 yr, 1st option for renewal
Various Locations Contact: Block Bros . No retail space for rent, Nov. 1986	Outside Downtown	\$16 \$25	\$5-\$7 \$5-\$7	Various Agreements
Mall in Frame Lake South Contact : Northwest Electric, Harv Silzer Completion Date: April 1st, 1987	Outside Size:**	\$14	\$5-7	3 yr lease
Old ICG Building	Downtown	This building is owned by the City, it is neither for rent nor for sale. The City has no long term plans for this site.(Pers. comm. Carol Dipasquale, City of " Yellowknife).		

Notes :

\* Costs are per square foot per annum

\*\* Retail space allocation is in design stage.

Source : Lutra Telephone Survey, Nov. 1986.

The proposed Northwest Electric mall in Frame Lake South (on the 'Edgson Produce' site) would be a suitable location for North Country Foods, as well, this site would be the most economical. Mr. Silzer has applied to the city to rezone the lots from commercial to neighborhood commercial, as he plans to construct a two story facility - commercial space on the main floor and apartments on the second. Upon rezoning approval, Mr. Silzer is prepared to begin construction immediately. It is recommended that Mr. Cadieux pursue this potential retail site.

#### 4.3 PHYSICAL SCALE/LAYOUT

The development of an efficient yet cost effective store layout/scale is an important consideration in the operation of a viable retail store. Sufficient space is required to efficiently accommodate retail demand, as well as provide an area to butcher, process and store meat and fish. A preliminary schematic design has been prepared and is presented in Appendix N.

##### 4.3.1 PHYSICAL LAYOUT

In order to capture potential country food volumes in the three market segments (retail, hospitality and institutional) and, to accommodate the various supply considerations, it is recommended that North Country Foods be a store-front operation with: a stock receiving area; a food processing area with butchering, product packaging, grinding, smoking and sausage making facilities; a walk-in refrigerated area; and a retail area with refrigerated and frozen display equipment.

##### 4.3.2 PHYSICAL SCALE

Recommendations with respect to the most appropriate physical scale of the proposed business were developed in consideration of forecasted sales for the three market segments and discussions with industry personnel. It is recommended that to most efficiently accommodate proposed business demands in the most cost efficient manner that the size of North Country Foods be between 1000 - 1200 Sq. ft. with a food processing area of approximately 650 sq. ft. and a retail area of approximately 350 sq. ft.

#### 4.4 EQUIPMENT, LOCATION AND PHYSICAL LAYOUT/SCALE: CONCLUSIONS AND RECOMMENDATIONS

1) It is recommended that North Country Foods purchase both new and re-conditioned meat cutting, processing and cooling equipment, as well as other operating equipment. It is further recommended that North Country Foods purchase and erect a 25' x 32' freezer to accommodate seasonal intake of inventory. A budget of \$131,700. is required to purchase the recommended equipment package.

2) Due to the shortage of available retail space, it is recommended that Don Cadieux begin his search for an appropriate store location immediately. It is further recommended that Don Cadieux contact Harv Silzer with regard to acquiring space in his proposed mall in Frame Lake South.

3) It is recommended that North Country Foods acquire approximately 1100 sq. ft. of space. Space should be allocated to a retail area, a meat hanging area, a product receiving area and a meat cutting/processing area.

## 5.0 BUSINESS FEASIBILITY

### 5.1 FINANCING REQUIREMENTS

North Country Foods will require fixed and working capital financing and funding in order to meet the business design and equipment discussed in the foregoing sections of this report. Opening working capital requirements for the pre-operational business development stage of the new business venture will be high due to the necessity to carry an expensive inventory of caribou, and muskox. Pre-operational working capital requirements are detailed in section 5.4 first year operating projections .

Food processing and freezer storage will constitute the bulk of fixed capital financing for the new business venture. Table 22 outlines working and fixed capital required by North Country Foods .

Table 22: Proposed Capital Financing Requirements For North Country Foods

Equipment & Furnishings	\$131,700
Working Capital, Opening	77,960
	-----
TOTAL	\$209,660
	-----

### 5.2 FINANCING PROGRAMS

Lutra's review of available funding sources included chartered banks and government special programs. Eligibility, current interest rates, equity contribution and disbursement procedures were considerations in this review. Appendix O details the relevant features of funding programs contacted.

Security beyond the proposed business assets will provide the necessary leverage to obtain bank financing for the new business venture. Property is noted by bankers as good security in Yellowknife. Chartered banks are legislated through the Bank Act to a minimum 25% equity contribution by the borrower.

The pro forma analysis in section 5.4 indicates the amortization period for debt financing will be short and not exceed 4 years under extreme supply conditions.

Working capital financing for inventory and business start-up may be acquired through the SARDA program of DRIE. Normally chartered banks will not provide working capital financing.

### 5.3 RECOMMENDED BUSINESS FINANCING PROGRAM

Based on an analysis of financing programs, and financing requirements for the business venture, the recommended financing program is noted below.

OWNER EQUITY comprised of:

\*An initial contribution of \$30,000. Under a limited company business structure, North Country Foods may raise equity capital through the issue of shares.

GRANT FUNDING:

\*AR DA Incentive Grant - creation of 3 full-time and 1 half-time staff positions at \$30,000, per position for a total of \$105,000. This is equivalent to one-half of the total of fixed and working capital requirements of the business. The development of North Country Foods qualifies for this program primarily because it corresponds with program criteria to sponsor **intersettlement** trade in northern renewable resources and develop northern products to replace imports currently traded in the northern economy. ARDA funding will be used primarily to offset the high opening working capital requirements of the new company. A schedule of opening working capital requirements is detailed in section 5.4, first year pre - operating projections. The total working capital requirement from ARDA then is \$77,960, while the balance \$27,040, will be applied to the purchase of **equipment**.

DEBT FINANCING comprised of:

Although there are a variety of lending institutions available to North Country Foods for business development, it is recommended that chartered banks be approached first. The following pro forma statements have been developed on the basis that conventional charter bank financing is available for the long term debt portion of the financing package.

Long term debt of \$80,000 is calculated for the purchase of equipment. It is suggested by the Federal Business Development Bank that due to the poor security position offered by meat cutting and freezer equipment, the bank would not likely negotiate a "blended *principle* and interest schedule" on its loans, but prefer a "straight line" principle repayment plan.



The net effect of this plan places a heavy interest burden on the business during the critical initial years of business development. Because North Country Foods is a new business venture and is unproven in the marketplace an interest rate of 13.75% (F.B.D.B. 2-3 year term) is used for pro forma calculations .

Interim financing or bank line-of-credit has been included in the business financing package to offset delays in the disbursement of the ARDA grant.

The proposed financing package is outlined in Table 23.

**Table 23:** North Country Food Proposed Financing Package

Owner Equity	\$ 30,000
Bank Financing	80,000
ARDA Grant	105,000
	-----
Total	\$215,000
	-----

#### 5.4 PRO FORMA STATEMENTS AND ECONOMIC VIABILITY

Five year operating and source and application of funds forecast statements are presented for three separate supply scenarios. A first year operating projection statement is included which details month by month cash flow for the proposed business venture. High and low supply scenarios are included in Appendix G.

The economic viability of the proposed business venture is detailed in the pro forma statements. The long term impact of the business development in each of the supply scenarios shows growth throughout the five year forecast period. A working capital decrease is experienced between years one and two, however annual increments are forecasted beyond year two.

Viability has been determined on the basis of North Country Foods' eligibility for the grant package outlined. The pro formas indicate clearly that the business is capable of carrying the interest and principal payments for the new debt.

NORTH COUNTRY FOODS  
 OPERATING PROJECTIONS  
 FIVE YEAR FORECAST  
 MEDIAN SUPPLY COST SCENARIO  
 =====

	<u>YEAR 1</u>	%	<u>YEAR 2</u>	YEAR 3	YEAR 4	YEAR 5
VOLUME KG.	32578		40250	<del>45700</del>	<del>51077</del>	55422
REVENUE: Sales/Kg.	8.24		8.53	8.85	<b>9.20</b>	9.63
Country Meats & Fish Sales	268568		343481	404661	<del>469859</del>	534580
COST OF GOODS SOLD:						
Product Supply	106795	40	137944	<del>164021</del>	192107	221791
Cost of Storage/O & M	7600	3	7560	7938	8335	8752
Freight	<del>30164</del>	<b>11</b>	<b>39158</b>	46674	<del>54888</del>	62540
Total	144559	54	184662	218653	<del>255250</del>	293083
GROSS PROFIT	<b>124009</b>	46	158819	<del>186008</del>	214609	241497
GENERAL AND ADMINISTRATIVE						
Staff Wages:						
Manager	34667	13	<del>33600</del>	3528a	<del>37044</del>	<del>38896</del>
Butcher/Heat Cutter	26041	10	26250	27563	28'941	30388
Butcher/Meat Cutter Asst.	15154	b	15225	15986	16786	17625
Casual/Delivery	8320	3 8	7 3 6	9173	9631	10113
Employee Benefits	8413	3	<del>8381</del>	<del>800</del>	924a	9702
Training Costs	17328					
Materials/Supplies	5371		<del>5640</del>	5922	6218	6529
Equip. & Maint.	<del>2500</del>		2625	2756	2894	3039
Promotion/Prod. Development	8857		8587	8093	9397	10692
Insurance/Equip & Veh./WCB	3988		<del>4095</del>	4300	4515	4740
Rent/Utilities	33150		<del>30600</del>	<del>30600</del>	<del>30600</del>	30600
Delivery Vehicle O & M	3360		3528	3704	<del>3898</del>	<del>4084</del>
Depreciation	13170		23706	18965	15172	<del>12137</del>
Interest	<del>12862</del>		5500	1833		
Acct. & Prof./Bookkeeping	<del>4050</del>		<del>3203</del>	<del>3363</del>	3531	3707
Other: Security	<del>600</del>		<del>600</del>	<del>600</del>	<del>600</del>	<del>600</del>
TOTAL COSTS	196894		<del>180276</del>	176938	178458	182853
NET INCOME	-72885		-21457	9076	<del>36151</del>	58645
OTHER INCOME						
Training Subsidy /GNWT & CEIC	24150					
Supply Subsidies/GNWT	3611		<del>4091</del>	462%	5195	5573
TAXABLE INCOME	-45174		-17366	13691	<del>41346</del>	<del>64218</del>
INCOME TAX PAYABLE	0		0	0	0	14179
NET INCOME AFTER TAX	-45174		-17366	13691	41346	<del>50039</del>

NORTH COUNTRY FOODS  
 SOURCE AND APPLICATION OF FUNDS  
 FIVE YEAR FORECAST  
 MEDIAN SUPPLY COST SCENARIO

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>SOURCES OF FUNDS</b>					
Income From Operations	-45174	-17366	13691	41346	50639
Add Depreciation	13170	23706	18965	15172	12137
	-32004	6340	32656	56518	62176
ARDA Incentive Grant	105000				
Ch. Bank Long Term Debt/ 13.75% -3 years	80000				
Owner Equity	30000				
Interim Financing ARDA ?	50000				
	232996	6340	32656	56518	62176
<b>APPLICATION OF FUNDS</b>					
Equi pment	131700				
	131700				
Repay Interim Financing	50000				
Repay Long Term Debt	26667	26667	26667		
TOTAL	208367	26667	26667	0	0
WORKING CAPITAL, OPENING	0	24629	4303	12291	66889
CHANGE IN WORKING CAPITAL	24629	-23327	5989	56518	62176
WORKING CAPITAL, CLOSING	24629	4303	10291	68809	128986
COMPRISED OF:					
Current Assets					
Current Liabilities					

## ANALYSIS OF SALES AND EXPENSES

### OPERATING PROJECTIONS FIVE YEAR FORECAST

#### SALES

- Revenues from the sale of country foods are calculated for five years. Pricing levels for all products sold are competitive with comparable products thus allowing for the level of market penetration suggested by the country food demand volumes. Annual increments in supply and demand have been calculated and displayed for each market segment in section 2, Tables 5, 8 and 9. All product pricing is indexed for inflation at 4% per annum.

#### COST OF GOODS SOLD

- \*A cost of goods sold is calculated combining product supply costs, freight and storage utility costs. cost formulas are derived for all products in section 2, table 14.
- \*The cost of storage is based on power consumption ratings for a freezer unit of approximately 800 square feet requiring 2 - 5 H.P. compressor units.
- \*Freight, product and storage costs are inflated at 5% per annum during the five year forecast period.

#### GROSS PROFIT

- \*Gross profit is the balance of revenue less cost of goods sold.

#### GENERAL AND ADMINISTRATIVE EXPENSES

- \*Staff wages are based on current industry rates, and a 40 hour work week. Year one estimates have been increased for management, the butcher, and the meat cashier/meat cutter assistant to allow for pre-operational business set-up. Staff wage forecasts are indexed for inflation at 5% per annum.
- \*Employee benefits are calculated at 10% of the total wage package and include employers share of C.P.P, U.I.C and vacation pay.
- \*The recommended training program is outlined in section 3. Training costs apply to the business expense share of the training program. These costs are specifically for trainers and training materials. Management and meat cutting training will take place in year one.

\*Material and supply costs are calculated at 2% of gross sales and indexed for inflation at 5% per annum.

\*Equipment and maintenance costs are based on industry standards for freezer and meat cutting equipment. The cost estimate includes provisions for travel and accommodation for technical assistance from outside the N.W.T. if required. Forecasts are indexed for inflation at 5% per annum.

\*Promotion/Product Development are expenses applied to the implementation of a **marketing** plan and the development of a supply network in the N.W.T. Air travel subsidies to supply centres may be negotiated, reducing product development expenses. Annual expenditures are based on 3% of gross sales in year one reducing to 2% in year five. Pre-operational marketing costs are included in year one estimates. For further detail on **pre-operational** and operational promotion and product development see section 6. Forecasts are indexed for inflation at 5% per annum.

\*Insurance expense is for an all risk policy to cover contents and inventory, a crime package, public liability, tenant legal liability, unlimited business interruption, delivery vehicle policy and Worker's Compensation policy for all employees. Expenses are based on industry standards for a butcher shop operation and are inflated at 5% annually during the forecast period.

\***Rent/Utilities** are calculated for storefront and storage locations either in the downtown core or adjacent to Frame Lake South. Expenses reflect current five year annual commercial real estate and utility lease costs in Yellowknife for available locations. Year one expenses include pre-operational costs.

\*Delivery vehicle operation and maintenance costs are computed at a nominal \$280 per month and indexed for inflation at 5% annually during the forecast period.

\*Gross depreciation costs are calculated on an equipment package **totalling** \$131,700. Depreciation is derived annually at the 20% rate on the declining balance.

\*Interest is calculated on long term debt of \$80,000 at 13.75% for amortization terms noted and interim financing on the ARDA grant **totalling** \$50,000 for a maximum one year period. Simple interest calculations for the long term debt are based on equal annual principal payments.

'Accounting, Professional and Bookkeeping estimates are based on the cost of incorporation (year 1 only), annual registry and licence fees, annual financial audit and statements and monthly bookkeeping update. Forecasts are indexed for inflation at 5% per annum.

\*Other : Security includes estimates for the provision of police monitoring of premises.

\*Income tax is calculated at the small business rate of 25% on net income less losses carried forward during the forecast period.

OTHER INCOME

\*It is assumed that North Country Foods is eligible for each of the subsidies at the levels listed.

NORTH COUNTRY FOODS  
 FIRST YEAR OPERATING PROJECTIONS  
 MEDIAN SUPPLY COST SCENARIO

	PRE-OP	APRIL	RAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
VOLUME KG.		2715	2715	2715	2715	2715	2715	2715	2715	2715	2715	2715	2715	32578
SALES		22380	22380	22380	22380	22380	22380	22380	22380	22380	22380	22302	22382	268568
<b>COST OF GOODS SOLD</b>														
Product Supply	48578	885	885	885	885	885	49378	885	885	am	885	.885	885	186795
Cost of Storage	488	488	888	888	888	888	888	888	488	4888	488	488	488	7600
Freight	15882						15882							30164
Total	64852	1205	1605	1685	1685	1685	65252	1685	1205	1205	1205	1205	1205	144559
GROSS PROFIT	-64852	21175	28775	20775	28775	28775	-42872	28775	21175	21175	21175	21177	21177	124889
<b>GENERAL AND ADMINISTRATIVE</b>														
staff Wages:														
Manager	2667	2667	2667	2667	2667	2667	2667	2bb7	2667	2bb7	2667	2667	2667	34667
Butcher/Meat Cutter	1042	2883	2883	2883	2883	2883	20s3	2883	2883	2883	2883	2883	2883	28841
Butcher/Meat Cutter Asst.	684	1288	1288	1288	1288	1288	1288	1288	1288	1288	1288	1288	1288	15184
Casual Delivery		693	693	bq3	693	693	693	693	693	693	693	693	693	8328
Employee Benefits	431	665	665	665	665	665	665	665	665	665	bb5	665	665	8413
Training Costs	4828	3758	3758	2588	2588									17328
Materials/Supplies	1343			1343			1343			1343				5371
Equip. & Maint.			2588											2588
Promotion/Product Develop.	1457	558	558	558	558	558	558	558	558	558	558	558	558	8857
Insure/Equip. Vehicle & MCB	1958	1958												3988
Rent/Utilities	2558	2558	2558	2558	2558	2558	2558	2558	2558	2558	2558	2558	2558	33158
Delivery Vehicle O & H		288	ma	288	288	288	288	288	288	288	288	288	288	3368
Depreciation		1898	1898	1898	1898	1898	1898	1898	1898	1898	1898	1898	1898	13178
Interest		1872	1872	1872	1872	1872	1872	1872	1872	1872	1872	1872	1872	12862
Acct. & Prof. /Bookkeeping	1888	158	488	158	158	158	158	158	158	158	158	158	1158	4888
Other: Security		58	58	58	58	58	58	58	58	58	58	58	58	688
TOTK COSTS	17872	18766	19566	16988	15566	13866	14488	13866	13866	14488	13866	13866	14866	196894
NET INCOME	-81924	2488	1288	3866	5288	7788	-57281	7788	8188	6766	8188	8111	7111	-72885
<b>OTHER INCOME</b>														
Training Subsidy/GNWT & CEIC	3964	3618	3618	2642	2642	936	936	2936	1484	468	936			24188
Supply Subsidy /GNWT		1885											1885	3611
TAXABLE INCOME	-77968	7533	4827	6588	7851	8645	-56345	18645	9513	7234	9645	8111	8916	-45174

NORTH COUNTRY FOODS  
 FIRST YEAR OPERATING PROJECTIONS  
 OPTIMUM SUPPLY SCENARIO

	PRE-OP	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
<b>CASH INFLOWS:</b>														
Net Income(-Loss)	-77968	7833	4827	6588	7851	8645	-56345	18645	9513	7234	9845	8111	8916	-45174
Add back Depreciation	0	1098	1898	1898	1898	1898	1898	1898	1898	1898	1898	1898	1898	13178
ARDA Contribution	50000					55000								105000
Bank - Long Term Debt Finan.	80000													80000
Investor Equity	30000													30000
Interim Financing/ARDA Loan	8000													58000
	<u>132041</u>	<u>8938</u>	<u>5725</u>	<u>7686</u>	<u>8949</u>	<u>64743</u>	<u>-55247</u>	<u>11743</u>	<u>18611</u>	<u>8332</u>	<u>10143</u>	<u>9288</u>	<u>10014</u>	<u>232996</u>
<b>CASH OUTFLOWS:</b>														
Principal Payments on Mortgage		2222	2222	2222	2222	2222	2222	2222	2222	2222	2222	2222	2222	26664
Interim Financing													8000	50000
Equipment Purchase	131700													131700
	<u>131700</u>	<u>2222</u>	<u>2222</u>	<u>2222</u>	<u>2222</u>	<u>2222</u>	<u>2222</u>	<u>2222</u>	<u>2222</u>	<u>2222</u>	<u>2222</u>	<u>2222</u>	<u>52222</u>	<u>288364</u>
<b>NET INFLOW (-OUTFLOW)</b>	<b>341</b>	<b>6788</b>	<b>3703</b>	<b>5384</b>	<b>6727</b>	<b>62521</b>	<b>-57469</b>	<b>9521</b>	<b>8389</b>	<b>6110</b>	<b>7921</b>	<b>6986</b>	<b>-42288</b>	<b>24632</b>
<b>FORWARD FROM PRIOR MONTH</b>		<b>341</b>	<b>7049</b>	<b>10751</b>	<b>16135</b>	<b>22862</b>	<b>85383</b>	<b>27914</b>	<b>37434</b>	<b>45823</b>	<b>51933</b>	<b>59854</b>	<b>66040</b>	
<b>ACCUMULATED TO DATE</b>	<u>341</u>	<u>7849</u>	<u>10751</u>	<u>16135</u>	<u>22862</u>	<u>85383</u>	<u>27914</u>	<u>37434</u>	<u>45823</u>	<u>51933</u>	<u>59854</u>	<u>66840</u>	<u>24632</u>	<u>24632</u>



## ANALYSIS OF SALES AND EXPENSES

### OPERATING PROJECTIONS FIRST YEAR

#### SALES

\*Seasonal variations in demand were not evident from the research program. Equal monthly sales are reported for forecasting purposes.

#### COST OF GOODS SOLD

\*Due to the nature of the caribou and muskox supply, it is suggested that stock be purchased twice annually. In the first year of operation an opening inventory will be required pre-opening in March.

#### GENERAL AND ADMINISTRATIVE

\*The pre-opening phase will require salaried staff to prepare the premises and products for sale. Staff are phased into the operation in the period immediately store opening.

\*Training costs are allocated to the pre-opening and first year operations through month 4. These costs apply to the manager trainer and course travel.

\*Equipment and maintenance contract fees are scheduled for the pre-summer season in order that freezer units may be serviced in time for heavy use.

\*Pre-operational and operational promotional programs are scheduled for the proposed business Venture. Program options are outlined in the developmental plan.

\*Accounting and professional/bookkeeping is allocated on the basis of an incorporation expense in the pre-operational phase and regular monthly bookkeeping expenses, as well as annual legal and accounting fees during the first year operational phase.

#### OTHER INCOME

\*It is assumed that North Country Foods will be able to negotiate monthly reimbursement schedules in training program contracts.

## 6.0 BUSINESS DEVELOPMENT PLAN

A number of key issues are addressed in the developmental plan. The issues are critical to the successful implementation of the proposed business venture. A checklist and implementation schedule is presented in Appendix P. These issues are: a) working and fixed capital financing; b) product supply and demand development; and, c) operational development.

## 6.1 FINANCING PLAN

Agencies identified to provide working and fixed **capital** financing for the proposed **North Country** Food development include:

\*SARDA - Department of Regional and Industrial Expansion

\*Chartered Bank / Federal Business Development Bank / Business Loan Fund

\*Department of Economic and Tourism, G.N.W.T.

Contacts are:

SARDA: Mr. Mike Mageean, Business Services Centre, Dept. Economic Development and Tourism, **G.N.W.T. Yellowknife**  
Mr. Chester Spry, Executive Secretary to SARDA Committee, DRIE, Yellowknife

BUSINESS LOAN FUND: Mr. Mike Mageean, Business Services Centre, **Yellowknife**,  
Mr. Marc Rioux, Business Services Division, Department Economic Development and Tourism, G.N.W.T. , **Yellowknife**

Specific documentation is required for each funding agency including an application, feasibility study, and business overview/short and long range business plan. Processing of applications usually requires an independent assessment of the business' capacity to carry long term debt, and in the case of bank financing, security to cover the amount of the long term debt.

Applications are reviewed by committees for government special programs. In the case of SARDA, the next and perhaps the final meeting of this fiscal year will be in late January, 1987. An application to SARDA accompanied by the feasibility study should be submitted to the Business Services Centre and SARDA no later than mid-December 1986 in order to qualify for the January meeting.

A meeting with a chartered bank, and/or FBDB should be scheduled for late December to discuss the proposed business venture and the level of bank financing required. Should a North Country Foods loan application be refused by either the chartered banks or FBDB, then the proponent may apply to the Business Loan Fund as a last resort. The proponent should seek bank /Business Loan Fund financing approval in principal and advise the Business Services Centre of such.

Each funding agency will require client financial accountability. Accounting requirements should initially be integrated into the new accounting system of North Country Foods.

Responsibility for the implementation of the Financing Plan will be assumed by Mr. Cadieux.

## 6.2 OPERATIONAL PLAN

Accessing funds to offset training costs and recruiting trainers to implement training programs will be a key variable to the ongoing success of North Country Foods. Agencies and programs identified to offset training costs include:

- \* Canada Employment and Immigration Commission (C.E.I.C.) - Skill Shortages Program, Skill Investment Program.
- \* Federal Business Development (FDBD) - Counseling Assistant; to Small Business (C.A.S.E. )
- \* Dept. of Economic Development and Tourism - Canadian Executive Service Overseas (C.E.S.O)

Contacts for the above programs are:

- \* Margaret Peterson, Employment Officer, C.E.I.C., Yellowknife
- \* Gordon Smith, C.A.S.E. Program, F.D.B.D. , Winnipeg
- \* Brenda Ely, F.D.B.D. Yellowknife
- \* Mike Mageean, (C.E.S.O. ) Business Services Centre, Yellowknife.

C.E.I.C. training programs have been identified as the main contributors of training funds. The process of applying to a C.E.I.C. program includes: initial meeting with CEIC to discuss training plans and proposed budget; the preparation of an application; the development of a training schedule and workplan, and a copy of the feasibility study.

A training workplan can be developed from this feasibility study (Section 3: Operational Considerations & Appendix P - Pre-operational Checklist). It is suggested that training schedule (number of training days per month) be as follows:

	March	April	May	June	July	
Skill Investment	10'	5	5	10	10	
Skill Shortages	10	15	15	10	10	
	Aug.	Sept.	Ott .	Nov.	Dec.	Jan.
Skill Investment	10	10	10	15	5	10
CESO			8			

Note: \*The first ten days of Skill Investment Program training will be undertaken in Winnipeg through the C.A.S.E. Program.

Applications to the F.D.B.D. , C.A.S.E. Program are less formal. Telephone contact should be made with Gordon Smith in Winnipeg, followed by written documentation of training plan.

Applications to the C.E.S.O. should include a proposal to undertake training plus a trainer "terms of reference".

### 6.3 MARKETING PLAN

A comprehensive marketing plan is suggested for the first year of operations. An outline or mini marketing plan is detailed below. The goal of North Country Foods' marketing program will be to selectively target and attract the following market segments":

- \* Yellowknife retail;
- \* Fort Smith Region institutions;
- \* Fort Smith Region hospitality industry.

A directory of potential restaurant and institution contacts attached as Appendix C. It is suggested that North Country Foods' marketing plan be a combination of a general marketing plan

targetted to attract all potential markets, supplemented by a specific plan for each market segment. Further, it is suggested that this marketing plan be comprised of two distinct phases: phase 1, pre-opening marketing plan culminating in the store's grand opening; and phase 2, year one marketing.

#### Phase 1

The objective of phase 1 will be to introduce key features and products of North Country Foods.

#### General Plan:

- \* 4 - 1/4 page advertisements in three Yellowknife newspapers starting 2 weeks before opening
  - News North (1)
  - Native Press (1)

- \* 15 - 30 second advertising spots on CJCD as part of their "day plan", starting 1 week before opening day.

- \* CJCD live remote broadcast on opening day including 10 promotional announcements prior to remote, 10 "cut-ins" per hour - for 3 hours.

- \* Free coffee, cake and sample products on opening day.

#### Segment Specific Plan

##### Retail

- \* Final quarter page advertisement (Yellowknifer or News North) to include opening day product specials and activities.

- \* Flyer distributed to each Yellowknife mail box describing North Country Foods' products, store location, telephone number and operating hours as well as opening day activities and product markdowns.

##### Institutions

- \* Direct mail campaign to all South Mackenzie institutions, Deputy Minister, Dept. of Gov. Services, Chief of Purchasing, Dept. of Gov't Services; information packages to include letter of introduction and separate flyer outlining products, prices, business hours, telephone number and opening day.

- \* Follow direct mail campaign by establishing telephone contact with persons responsible for supply procurement.

#### Hospitality Industry

- \* Same as plan for institutions. Mailing list to include all restaurants in the South Mackenzie.

#### Phase 2

The objective of phase 2 of North Country Foods' first year marketing plan will be to attract and maintain store patrons.

#### General Plan

- \* Print advertising to include:
  - News North;
  - Yellowknifer;
  - Native Press;
  - NWT Air Explorer;
  - Yellowknifer Visitor's Guide.
- \* Accurate listing in **NorthwestTel** directory (white and yellow pages).
- \* Appropriate signage at store.
- \* Sponsor (**winning!**) sports team.
- \* Donate products to non-profit organizations, in exchange for acknowledgement.

#### Segment Specific Plan

##### Retail

- \* Monthly or bi-monthly product specials.
  - 1/4 page ad in Yellowknifer or News North
- \* In-store cooking demonstrations, with free recipes.
- \* Free product sampling on Saturdays.
- \* Establish an affiliation with Yellowknife Direct Charge **Co-op** (members receive 10% discount)

##### Institutions and Hospitality Industry

- \* Establish contact with new restaurant owners/operators.
- \* Monitor individual orders and suggest alternative products.
- \* Offer free samples of new and alternative products.

It is recommended that the marketing plan be evaluated annually. Common techniques employed in evaluation include sales analysis and customer questionnaires.

#### "6.4 PRODUCT DEVELOPMENT - SUPPLY SYSTEM

The necessity to implement a functional inventory supply system will remain a key factor to the ongoing development and success of North Country Foods. It is advised that North Country Foods develop a dependable and economic source of caribou, muskox and Arctic char.

##### Caribou:

\*Initial contact to be made with the Department of Renewable Resources in Yellowknife, to determine the procedure for accessing the required number of commercial caribou tags from the Bathurst Caribou Herd.

\*Discussions with and preparation of a supply proposal to be submitted to Hunter's and Trapper's Associations or Band Councils in Fort Rae, Detah and **Yellowknife**. The proposal should outline payment terms and conditions, delivery dates and location, stock requirements, quality control and freight considerations. This task should be completed early in 1987 to meet opening inventory requirements.

\*As an option to Bathurst Herd caribou, commercial caribou may be accessed from the **Bluenose** Herd. Fort Good Hope, **Colville** Lake, **Paulatuk** and **Inuvik** (Ulu Foods) are communities with commercial quotas and reasonable transportation linkages to Yellowknife. Proposals for stock purchase should be directed to the Hunter's and Trapper's Associations in these communities.

##### Muskox:

\*A proposal to supply muskox should be submitted to Hunter's and Trapper's Associations in **Holman** Island, Cambridge Bay and/or Coppermine early in 1987 in order to meet opening inventory requirements. The proposal should outline the same information listed above for caribou.

##### Arctic Char:

\*Arctic char is available from a number of suppliers throughout the western **N.W.T.** and Keewatin. Fish plants are located in Rankin Inlet and Cambridge Bay, and supply primarily "south of 60" markets through distribution by the Freshwater Fish Marketing Corporation.

'It is recommended that North Country Foods acquire its supply from communities in the Central Arctic and contact be initiated early in 1987 to explore the possibility of a winter supply of Arctic char. A quota of approximately 407,000 kg. is available from rivers and lakes in the Central Arctic.

\*Mr. Sid Kerwin, Department of Economic Development and Tourism will be an important resource person for information regarding freight subsidies offered to move Arctic char to market.

Whitefish:

\*Although large inventories will not be required for whitefish, discussions should be held with fishermen on Great Slave Lake to establish a supply system.

\*A freight subsidy may be available on whitefish products, should North Country Foods purchase stocks from Hay River.

Freight and **handling** will be important components of a dependable supply system. It may be possible to negotiate freight rates and handling arrangements with **N.W.T. Air** and **P.W.A.** from communities within each airline's system. Discussions with each airline should be held early in 1987, to confirm freight rates, and other arrangements of transportation, handling and supply that the airline might assist North Country Foods.

A more formal method for country food supply would be the tender method, however it is recommended that personal contact by North Country Foods staff during the developmental stages of the business would produce better results.

Responsibility for the development of supply systems **will** be primarily Mr. Cadieux's during the initial stages of business development. Beyond year one responsibility for this task will be shared jointly by the North Country Foods staff and management.



The following contacts are suggested:

Mr. Bill Taylor (Hunter's and Trapper's Association) Cambridge Bay  
Mr. Fred Elias, Hunter's and Trapper's Association, Coppermine  
Hunter's and Trapper's Association - Holman Island  
- Yellowknife  
- Fort Rae

Ikaluktutiak Co-op, Cambridge Bay  
Yellowknife Band, Yellowknife  
Ulu Foods, Inuvik  
Mr. Doug Billingsley, Inuvik (Reindeer Herd)  
Dept. of Renewable Resources, GNWT, Yellowknife  
Dept. of Economic Development and Tourism, Renewable Resource  
Division, GNWT, Yellowknife  
Mr. John Robertson, NWT Air Ltd., Yellowknife

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# NORTH COUNTRY FOODS

APPENDIX A - LIST OF CONTACTS/RESOURCE PEOPLE BY REPORT SEGMENT

MARKET

Retail :

Yk Super A  
Northern Fancy Meats  
IGA  
Capital Meats  
Seafood Outlet  
Freshwater Fish Marketing Corporation  
Sid Kerwin, GNWT, Dept. of Economic Development & Tourism

Institutions :

Akaitcho Hall  
Detox Centre (Yellowknife)  
Fort Simpson Hospital  
Fort Smith Hospital  
Hay River Hospital  
Receiving Home (Yellowknife)  
South Mackenzie Correctional Centre  
Stanton Yellowknife Hospital  
Thebacha College  
Yellowknife Correctional Centre  
Sid Kerwin, GNWT, Dept. of Economic Development  
Ray Rasette, Acting Administrator, Stanton Yellowknife Hospital  
CBC Northern Service, Yellowknife

Hospitality Industry:

Office Lounge  
Explorer Hotel  
Ptarmigan Inn  
Netties Pyroghy House  
Yellowknife Inflight Service  
Red Apple Family Restaurant  
Our Place  
Hoist Room  
Float Base/Edibly Yours  
Wildcat Cafe  
Yellowknife Inn  
Airporter  
50 Mansion  
Mr. Mikes  
Kentucky Fried Chicken  
Sid Kerwin, GNWT, Dept. of Economic Development & Tourism  
NWT Air

Country Food Supply:

GNWT, Dept. of Renewable Resources  
GNWT, Dept of Economic Development & Tourism  
Bill Tar, Cambridge Bay Hunters and Trappers Association  
Doug Billingsley, Canadian Reindeer Ltd.  
Norm Stannard & John Robertson, NWT Air  
Rae Baert, Raecom Air  
Paul Marks, Ulu Foods  
Ikaluktuktiak Co-op, Cambridge Bay  
Ben Greenfield  
Greg Haist

OPERATIONAL CONSIDERATIONS

Beth Nitah, Canada Employment and Immigration  
Bill Carr, Canada Employment and Immigration  
Margaret Peterson, Canada Employment and Immigration  
Auke Praamsma, Canada Employment and Immigration  
Mackay Computing Ltd.  
Brenda Ely, Federal Business Development Bank  
Gordon Smith, Federal Business Development Bank  
Mike Mageean, Economic Development & Tourism  
GNWT, Dept. of Renewable Resources  
Northern Alberta Institute of Technology  
Wes Hinchey, Arctic Alarms  
Health and Welfare Canada  
Workers Compensation  
City of Yellowknife

EQUIPMENT, LOCATION AND PHYSICAL LAYOUT/SCALE

Herb Bernhart, Condon-Barr Food Equipment Ltd.  
Frank Gawley, Flemming Peddler Co.  
Moises Hernandez, Capital Meats  
Gary Pomfrey, GW Business Machines  
Ron Brown, Yellowknife Motors  
Dave Muirhead, Burns Meats  
Richard Rozestraten, Echo Bay Mines Ltd.  
Nick Treeshin, Treeshin Heating and Cooling  
Panda Developments  
Harold Glick  
Cory Wong  
Chris Simmons, Block Eros.  
Harv Silzer, Northwest Electric  
George Lund

BUSINESS FEASIBILITY

Craig Yeo, SARDA  
John Reimer, FBDB  
Reed Stenhouse  
GNWT, Dept. of Economic Dev. and Tourism

—Lutra—

APPENDIX B - TABLE 2: ESTIMATE OF PERSONAL INCOME  
FROM ALL SOURCES, 1984.

Community	Income Per Capita (\$)
Detah/Rainbow Valley	1900
Ft. Simpson	7900
Ft. Smith	10000
Hay River	9200
Rae-Edzo	3100
Yellowknife	18000

Notes: Includes imputed value for country food harvesting

Source: Fort Smith Region Economic Base Study, prepared for  
Dept. Econ. Dev. & Tourism, G.N.W.T. by Lutra Assoc. Ltd.  
& H.J. Ruitenbeek Resource Consulting Ltd., 1985;

CUT:	INUUVIK	YELLOWKNIFE			HAY RIVER	OTHER FISH PROCESSING OPERATIONS		
	ULU FOODS (Muskox/Caribou)	YK SUPER A	NORTHERN FANCY MEATS	IGA	CAPITAL SEAFOOD FPMC MEATS OUTLET	CAMBRIDGE BAY	RANK INLET	PANGNI TUNG
Blade Steak	9.39	6.49	7.90	6.59	5.19			
Rib Chop	11.89	12.35	11.90	12.29	10.90			
Loin Chop	11.99	13.49	12.90	13.29	11.90			
Sirloin Steak	11.89	12.95	12.10	12.59	10.99			
Sirloin Tip Steak	12.19	12.35		10. W	9.90			
Whole Round Steak	12.19	10.39	10.10	9.79	7.59			
Shoulder Blade	9.29	7.99	8.60		7.80			
(Baron) Round Roast	11.29	9.99	9.70	9.69	7.09			
Sirloin Tip Roast	11.29	10.69	9.90	10.89	7.99			
Rib (Rack) Roast	10.99	11.75	10.90	10.99	9.59			
Short Loin Roast	11.99			10.89				
Trimmed Hinds	8.99	5.89	5.70	4.39	4.95			
Trimmed Fronts	7.19	3.49	3.50	3.94	3.60			
Trimmed Sides	7.99	4.39	4.30	3.63	4.07			
Ground Meat (Lean)	7.99	7.09	7.20	7.89	7.09			
Stew Meat	6.29	6.39	6.90	6. W	6.39			
Dry Heat	9.89							
Pepperoni	19.99							
Muktuk (5 gallon pail)	75.00							
Char						Whole Char:		
-steak	11.19				13.15	(>1.0kg) 9.90		
-whole	9.29				10.89	(<1.0kg) 6.60	6.60	3.30
-fillets					28.49	11.00		
Whitefish								
-whole						2.65		
-fillets	4.89				4.04	4.95		
Trout								
-steaks					7.92			
-whole					6.49	3.95		

NOTE: Prices per kg.

SOURCES: Ulu Foods, Inuvik

Price survey conducted by Lutra Associates, June 1986.  
Sid Kirwin, Economic Development & Tourism, G. N. W.T.

Number of Surveys Distributed	1100
Number of Surveys Returned	151
Percent Responding	13.7

CHARACTERISTICS OF RESPONDENTS

Clues. 1) How many people live in your house? Of these, how many are adults over the age of 18?

Total People	401
Population of Yellowknife	11214
Percent of Population Responding	3.5
Total Adults	291

ETHNICITY OF RESPONDENTS

Ques. 2) What is the ethnic background of the adults living in your household?

Number of Surveys	151	100%
Non Native	130	86%
Metis	4	4%
Dene	3	2.6%
Inuit	0	0
Mixed*	7	4.6%
No Ethnic**	7	4.6%

\*-Two ethnic backgrounds checked off.  
 \*\*-No response to question.

PER CAPITA CONSUMPTION OF BEEF

Ques 3) What cuts of beef does your household usually purchase (lbs per week)?

	Total Kilograms Per Week	Annual Average Per Capita Consumption (kg)
Steak	123.7	17.7
Roast	122.3	17.5
Stew	30.2	4.2
Ground	139.4	20
Organ	8.8	1.2
Ribs	34.6	4.7
	<b>Total:</b>	<b>65.3 kg</b>

\*1) Surveys did not respond to question 3 (40 people).

....continued..

**CURRENT COUNTRY FOOD CONSUMPTION**

Ques.4) How much country food has your household consumed at home in the past year?

Ethnicity	Surveys		Kg. Per Year	Number of Individuals Responding	Annual Per Capita Consumption of Country Food (kg)
	Did Not Respond	Responded			
Non Native	33	97	2941.4	232	12.7
Metis	2	2	340.9	9	37.9
Dene	0	3	284.1	12	23.7
Inuit	0	0	0	0	0
Mixed	2	5	400	16	25
No Ethnic	2	5	15.9	17	.9
<b>Total</b>	<b>39</b>	<b>112</b>	<b>3982.3</b>	<b>286</b>	<b>13.9</b>

**EXPRESSED INTEREST IN COUNTRY FOOD**

Ques.5) If a northern country food store was established in Yellowknife, what types of country food would your household purchase?

Total Surveys 151

Product	Surveys Expressing Interest	Percent of Total Survey Respondents
Caribou Steak	106	70.0
Ground Caribou	85	56.0
Caribou Salami	24	15.8
Caribou Ribs	49	32.4
Caribou Jerky	52	34.4
Caribou Pepperoni	26	17.2
Caribou Roast	79	52.3
Caribou Stew	61	40.3
Caribou Sausage	51	33.7
Caribou Dry Meat	42	27.8
Muskox Steak	78	51.6
Ground Muskox	51	33.7
Muskox Pepperoni	14	9.2
Muskox Ribs	27	17.9
Muskox Jerky	25	16.5
Muskox Salami	12	7.9
Muskox Roast	63	41.7
Muskox Dry Meat	18	11.9
Muskox Sausage	27	17.9
Muskox Stew	30	19.8
Seal	13	8.6
Greenland Shrimp	85	56.2
Smoked Whitefish	660	39.7
Muktuk	7	4.6
Char	103	68.2
Small Game	41	27.1
Whitefish	87	57.6
Smoked Char	77	51
Trout	83	54.5

....continued..



APPENDIX C -  
RESULTS OF LUTRA ASSOCIATES' HOUSEHOLD SURVEY TO ASSESS DEMAND FOR COUNTRY FOOD

BEEF DISPLACEMENT QUALITIES OF COUNTRY FOOD

Ques. 6) If you purchased northern country meat would it affect your beef purchases?

Total Surveys 151  
Responded Yes 106  
Responded No (or No Response) 45

Ques. 6a) If yes, then by how much would your current beef consumption drop?

Percentage	Respondents	Percent of Yes Respondents
1-5%	7	6.6
6-10%	13	12.3
11-15%	7	6.6
16-20%	17	16.1
21-25%	15	14.2
26-30%	3	2.8
31-35%	8	7.6
36-40%	9	8.5
over 40%	24	22.9

\* Two respondents answered yes to Ques. 6 but did not complete 6a.

AVERAGE WEEKLY LUNCH EXPENDITURE

Ques. 7) If any members of your household eat out at lunch-time, what is the average weekly amount spent for lunches in restaurants?

Total Survey Respondents 151  
Non Respondents 23 (46 Adults)  
Total Weekly Lunch Expenditures \$2982.50  
Total Number of Adults 245  
Average Weekly Lunch Expenditure \$12.17

• APPENDIX C - Survey Methodology & Notes - Country Food Household Survey

\* The survey form was developed by Lutra Associates Ltd.

\* 1100 surveys were distributed. 156 surveys were returned. 5 surveys were not included due to profanity, incomplete surveys, unrealistic figures.

Survey Distribution:

\* The surveys were distributed randomly to one in four locked boxes at the post office, to one in four street address boxes, and to the first 100 general delivery mail recipients.

\* This process of distribution was utilized to randomly distribute the surveys to a cross section of one in four households in Yellowknife receiving mail via the three main modes of mail distribution in Yellowknife.

\* Surveys were distributed on June 5, 1986. A cut off date for mailing of completed surveys was included on the distributed surveys (June 30, 1986). Three surveys were completed and received after that date, they were included in survey results.

Survey Notes:

\* It can be argued that those individuals most interested in the sale and consumption of country food in Yellowknife would be more likely to respond to the questionnaire.

\* Questions 3: What cuts of beef does your household usually purchase?

steak	_____ lbs/wk	stew	_____ lbs/wk	organ	_____ lbs/wk
roast	_____ lbs/wk	ground	_____ lbs/wk	ribs	_____ lbs/wk

If the respondent completed part of this question, and left other portions of the question blank, it was assumed that the blank portions were 0 lbs per week. If the respondent completed this question with all 0's it was assumed that the respondent consumed 0 lbs of beef per week. If the respondent did not complete any portion of question 3 it was assumed that the respondent did not respond to the question.

\* Questions 4 & 7. If the respondent completed either of these questions with a 0, it was assumed that the volume or dollar figure expended was 0. However, if the respondent did not complete this question, it was assumed that the respondent did not respond to the question.

APPENDIX C SURVEY OF RESTAURANTS, 1965

.....Continued.....

Rest. No.	Country	Market Type	Current Supplier	Purchase from Yellowknife Supplier	Considerations	Problem with Current Supplier	Products Available from Supplier	Order Frequency	Order Name Products	Considerations/Recommendations
5	Canada	tourists and local	Caribou-Ulu Foods Char-Ulu Foods & Rankin Inlet	yes	Reasonable price Good quality product Consistent supply Professional butchering	Ulu - lack of qualified butcher 1/2 of the time inconsistent supply. Rankin Inlet - seasonal operation (only in summer)	see - smoked trout, smoked miltfish.	bi-monthly	see - Caribou Jerky Muskox Jerky Smoked fish and other	Consumers of country foods are travelers. Feels that the quality of Ulu's products has increased over the past five years although there remains a problem in receiving a consistent supply.
6	Canada	tourists and local	Caribou-Ulu Foods Char-Ulu Foods & Rankin Inlet	yes	Reasonable price High quality product	Ulu - lack of qualified butcher 1/2 of the time inconsistent supply. Rankin Inlet - seasonal operation (only in summer)	see - smoked trout, smoked miltfish.	bi-monthly	see - Caribou Jerky Muskox Jerky Smoked fish and other	Consumers of country foods are travelers. Feels that the quality of Ulu's products has increased over the past five years although there remains a problem in receiving a consistent supply.
7	Canada	tourists and local	Caribou-Ulu Foods Char-Ulu Foods & Rankin Inlet	yes	Reasonable price High quality product	Ulu - lack of qualified butcher 1/2 of the time inconsistent supply. Rankin Inlet - seasonal operation (only in summer)	see - smoked trout, smoked miltfish.	bi-monthly	see - Caribou Jerky Muskox Jerky Smoked fish and other	Consumers of country foods are travelers. Feels that the quality of Ulu's products has increased over the past five years although there remains a problem in receiving a consistent supply.
8	Canada	tourists and local	Caribou-Ulu Foods Char-Ulu Foods & Rankin Inlet	yes	Reasonable price High quality product	Ulu - lack of qualified butcher 1/2 of the time inconsistent supply. Rankin Inlet - seasonal operation (only in summer)	see - smoked trout, smoked miltfish.	bi-monthly	see - Caribou Jerky Muskox Jerky Smoked fish and other	Consumers of country foods are travelers. Feels that the quality of Ulu's products has increased over the past five years although there remains a problem in receiving a consistent supply.

Is willing to product test a variety of country food to see their potential.

Not interested to introduce country food.

Franchise with set menu

Franchise with set list

APPENDIX C

SURVEY OF RESTAURANTS

Source	Volume of Country Food (kg)	Market Breakdown	Seasonal Peak	Current Food Supplier	Purchase from Yellowknife Supplier	Considerations
yes	char n/a	doesn't know	yes	Sportstean	maybe	Competitive price
yes	char 2.37kg caribou 22.77kg	tourist 100%	doesn't know	Caribou Ulu Foods Char Seafood Outlet	yes - caribou no - char	Competitive price
yes	char 24.19kg	doesn't know	yes	Char not tied into one supplier	yes	Competitive with Ulu Good quality
yes	char n/a Whitfish n/a	tourist 50% local 50%	yes: summer	Char Cambridge Bay Whitfish FFMC-Hwy River	yes-char no-whitfish	Competitive price Good quality
yes	char 1.15kg	tourist 100% local 50%	doesn't know	Caribou Ulu Foods Char not tied into one supplier	yes	Competitive price Good quality Consistent supply
yes	char 10.77kg n/a	tourist 40% local 50%	seasonal operation	Caribou Ulu Foods Mushroom Trout Whitfish local flaxseed	yes	Competitive price Good quality

APPENDIX C SURVEY OF RESTAURANTS, 1986.

Restaurant Name	Buy Country Food	Volume of Country Food (kg)	Market Breakdown	Seasonal Peak	Current Food Supplier	Purchase from Yellowknife Supplier	Consistency	Problems with Current Supplier	Products Unavailable from Supplier	Order Frequency	Order More Products	Considerations/Recommendations
Yellowknife	yes	Muskox 31.8/kg Char 11.4/kg Burgers 9.7/kg Char 14.2/kg	tourist 75% local 25%	no	Ulu Foods meat Enterprise 1 char	yes	Comp. price	Ulu Foods - no problem with quality of meat. Enterprise - some problems with quality of fish - chived tails, no fins etc.	no	weekly	Would buy market other products.	Believes that residents of Yellowknife have access to country foods thus will not order c.f. when dining out. Held a northern food festival this spring - not well attended and not sell alot of country food.
Bay River	yes	Char 1.8/kg Whitefish 3.6/kg	doesn't know	no	Char FFMC Whitefish local fishermen	yes	Comp. Price Consist. Supply	FFMC - quality poor local fish - good product, fair price, occasional problem with supply	Smoked Char	bi-monthly	Would definitely order seafood/fish selections, would product test meat selections	Restaurant emphasizes seafood, manager is very interested in sea food and fish items. Believes that Expo '86 will boost country food market. Demand for country food in restaurant has risen proportionately with other food sales.
Yellowknife	yes	Caribou 2.2/kg	doesn't know	no	Caribou Ulu Foods	no		No	no	No	No	Not interested - received shipment of caribou during caribou carnival meat is not selling well - only selling 2 burgers per day.
Yellowknife	no	no	not applicable	no		yes	Guarantee continue supply product	No existing supplier	no	1/6wks per product	Is interested in introducing country food.	Approval would have to come from airlines. Operates on rotating menu. Will use 136.4 kg of product per selection on the menu. Owner of Inflight Services is definitely interested in using country food. Supplier will have to guarantee consistent supply of product. Discussions with N.W.T. Dept. *YK Inflight Services to prepare a sample meal using country food decision would be made based on price (competitive with beef), quality, taste and holding a sample - sometimes meals are not served until the second leg of the trip.

APPENDIX C SURVEY OF INSTITUTIONS, 1966

Institution Name	Family Type	Country Food	Current Types and Cuts	Current Country Food Supplier	Would Consider Changing Supplier	Potential Caribou Volume	Potential Muskox Volume	Potential Char Volume	Potential Volume Other Products	Country Food Pricing	Order Frequency	Country Food Processing	Considerations/Recommendations
Yellowknife	yes	yes	Char -whole whitefish -fillets	FFMC	no - whitefish maybe - char	7.7/wk -stew -grnd	13.6/wk -roast -steak	13.8/mth	-	Meat - Near same level as beef FOB Hay River. Char - Same as char - FFMC.	1/month	tray pack	Receive fish direct from the Hay River Fish Plant. No reason to change. Consistent supply is one of the most important considerations. Served buffalo a few years ago and would also be interested in serving rabbit. Would serve muskox to both patients and staff.
Fort Smith	yes	yes	Caribou -roast -steak -stew Muskox Char -whole Whitefish -fillets Trout -whole	Ulu Foods FFMC	yes - if high quality product was offered at a competitive price	Stew 2.3/wk Roast 4.5/wk Steak .9/wk		1.9/wk	whitefish- 1.9/wk	Competitive with Ulu	1 month	tray pack	Has tried Muskox but wasn't happy with the product and it did not get a positive reaction from patients.
Yellowknife	yes	yes	Whitefish Trout	FFMC	yes - quality & price important	27.3/wk -stew -grnd -rst steak	27.3/mth -stew -grnd	9.1/wk	whitefish- 9.1/wk trout- 9.1/wk	Reasonable price	bi-weekly	block ready or tray pack	Was not happy with the quality of country food received in the past. Has received meat with fur on it and meat with entrails still attached. Has received char that was rotten, freezer burnt and mushy. Is willing to test country food again but the quality must be high.
			Caribou -roast -steak Char -steak	Ulu Foods	Maybe it would depend on the quality price and availability of the product.	roast 5.9/wk steak 1.9/wk		2.1/wk		Competitive with Ulu FOB Yellowknife	1/month	tray pack	The hospital is now in the process of developing a new 15 day rotating menu.

.....Continued.....

## APPENDIX C

## SURVEY OF INSTITUTIONS, 1985

... Continued.

	Currently Served Country Food	Current Types and Cuts	Current Country Food Supplier	Would Consider Changing Current Supplier	Potential Caribou Volume	Potential Muskox Volume	Potential Char Volume	Potential Volume Other Products	Country Food Pricing	Order Frequency	Country Food Processing	Considerations/Recommendations
1000000000	yes	Caribou -ground -steaks Buffalo -steaks -ground Whitefish -fillets	Caribou -Ulu Whitefish -FFMC Buffalo -High Level Whitefish -Alta.	yes - depending on price and quality	ground -2.8/wk steak -2.8/wk			Whitefish -2.3/wk	competitive with current supplier	1/month	sides of caribou	It may be difficult to deliver freshwater fish to Thabasca College cheaper than FFMC. Thabasca College has only had country food (meat) on the menu for 2 months, has been positively received by students.
1000000000	no				2.3/wk -roast -stew -ground		.9/wk			bi-monthly	tray pack	Head cook has only occupied current position for 2 months. Would like to serve country food but feels that she must first discuss it with her supervisor.
1000000000	yes	Char -whole	Char -local supplier	probably not, is happy with current supplier	15/wk -ground -roast -stew				competitive with beef	bi-weekly	tray pack	Commented that the students found that the caribou received from Ulu Foods tasted different than the meat that they were used to. Has served muskox and bison in the past but the students did not like it.
1000000000	yes	Whitefish -whole -fillets Trout -whole -fillets	FFMC	no	9.1/wk -steak -roast -ground	9.1/wk -steak -roast -ground			competitive with beef	1/week	tray pack	Must be a government approved supplier of country food. If the inmates like the product then they would continue buying it.
1000000000	no	Whitefish -whole	local fisherman	maybe	4.5/wk -roast 2.3/wk -stew				competitive with beef	1/week	tray pack	Most of the clients at the Detox Centre are of Dana descent, is very interested in offering caribou to them.
1000000000	no				1.4/wk -roast	1.4/wk -roast	3.6/wk -whole		competitive with beef char - 1/month competitive with local fish	1/month	tray pack	Would purchase country food from a local supplier if approval was granted by G.N.W.T. Purchasing.

{2) Where a Health Officer finds that any condition exists in any transportation unit that is or is likely to become dangerous to health, the Health officer may order that the food in shipment that is in the transportation unit or has been in the transportation unit be seized or destroyed and may order that the transportation unit not be used to transport food until the condition has been rectified to the satisfaction of the Health Officer.

50. (1) Where the operator considers that an order of closure made pursuant to section 49 is unjustified, he may appeal the decision, in writing, to the Executive Member within fourteen days of the order being made.

{2) Upon receipt of an appeal made pursuant to subsection (1), the Executive Member shall review the matter, causing such inspections to be made as he deems advisable.

(3) The Executive Member may affirm, amend or rescind any order made pursuant to this section." "

Dated at Yellowknife this . . . . day of . . . . . 1983.

**DRAFT ONLY**

John H. Parker,  
Commissioner of the  
Northwest Territories.



REGULATIONS GOVERNING THE SANITATION OF  
EATING OR DRINKING PLACES

Short title

1. These regulations may be cited as the Eating or Drinking Places Regulations.

interpretation

2. In these regulations:

- (a) "approved" means approved in writing by a Health Officer;
- (b) "common use" means the use of an article or thing by more than one person without its being thoroughly cleansed and sterilized" after each use;
- (c) "eating or drinking place" means any place, boat or vehicle where food or drink is prepared, cooked, stored, or served, with or without charge, except a private home;
- (d) "employee" means a person who
  - (i) is employed in an eating or drinking place, and
  - (ii) handles or comes in contact with any utensil or with food during its preparation, service or storage;
- (e) "operator" means a person who by himself or his agent owns or operates an eating or drinking place;
- (f) "single service container" means a container or utensil that is to be used once only and then discarded; and
- (g) "vermin" means rats, mice, cockroaches, flies, bedbugs and any other similar animals or insects.

A p p l i c a t i o n

3. These regulations apply to all eating or drinking places except an eating or drinking place

- (a) that operates for a period of 2 weeks or less in any 12 month period in connection with any fair, carnival, circus, sports day, public exhibition or similar gathering, and
  - (i) serves food or drink prepared and served in a manner satisfactory to a Health Officer,
  - (ii) serves beverages in original sealed containers or, except in the case of milk, in single service containers filled from covered containers equipped with a faucet or pouring device satisfactory to a Health Officer,
  - (iii) serves food in single service containers; and
- (b) that operates for a period in excess of 2 weeks in any 12 month period, if all food and drink is served in original sealed containers.

4. No person shall operate an eating or drinking place except an eating or drinking place referred to in section 3, unless such

eating or drinking place meets with the requirements of these regulations.

### Inspection

5. (1) A Health Officer may, at any reasonable time, enter any eating or drinking place and examine the premises and anything therein contained that is used in connection with the operation thereof.

(2) Where in the opinion of a Health Officer any provision of these regulations is not being observed, he may make such recommendations or issue such directions as are necessary in that connection.

(3) Where an operator upon the request of a Health Officer fails to bring the operation of his place within the provisions of the regulations or otherwise fails to observe any of the requirements thereof, a Health Officer shall make or cause to be made a report to the Commissioner and shall in such case furnish to the operator a copy of such report.

(4) A report by a Health Officer shall specify the manner by which the regulations have been violated together with a recommendation.

(5) In any eating or drinking place a Health Officer may, for laboratory examination, as often as he deems necessary, "

- (a) take a sample of any food or drink;
- (b) swab dishes, glasses, cutlery or utensils; or "
- (c) take samples of wash water.

6." At the request of an operator,

- (a) a Health Officer shall examine an eating or drinking place and everything contained "therein; and
- (b) if the Health Officer is satisfied that these regulations have been complied with, he shall issue to the operator a certificate to that effect.

### Closing

7. (1) Notwithstanding section 5, where a local board or a Health Officer finds that any condition exists in any eating or drinking place that is or may become dangerous to health or may hinder in any manner the prevention, mitigation or suppression of disease, "the local board or a Health Officer may order such eating or drinking place to be closed from the date of such order until the condition has been rectified, and the said eating or drinking place shall be closed forthwith.

(2) As soon as practicable after issuing the order, "the local board or a Health Officer shall give written notice thereof to the operator, together with the reasons for the closing.

(3) Where the owner or operator of the eating or drinking place considers the order of closure to be unjustified he may, within 7 days of receipt of notice of the order, appeal in writing to the Commissioner -

(4) The Commissioner, upon receipt of the appeal, shall consider it and may make such inspections and hear such representations as he deems advisable.

(5) The Commissioner may, in his discretion, affirm, amend or rescind the order of closure and the decision of the Commissioner is final.

#### Construction

8. Every eating or drinking place shall be so constructed that
- (a) it is free from every condition that may
    - (i) be dangerous to health,
    - (ii) injuriously affect the sanitary operation of the place,
    - (iii) injuriously affect the wholesomeness of the food or drink prepared, served or stored therein, or
    - (iv) cause disgust;
  - (b) the floors and floor-coverings are tight, smooth and non-absorbent in rooms where
    - (i) food is prepared, served or stored,
    - (ii) utensils are washed, or
    - (iii) washing and toilet fixtures are located;
  - (c) the walls and ceilings of the rooms and passageways may be readily cleaned and maintained in good condition;
  - (d) all rooms and passageways are well-lighted and ventilated;
  - (e) no toilet-room opens directly into any room used for the preparation or storage of food, and the toilet-rooms are fitted with full-length self-closing doors;
  - (f) all openings to the outside are screened or fitted with devices to repel or prevent the entrance of vermin; and
  - (g) any room where food is cooked is provided with adequate means for the escape to the exterior of the building of smoke, gases and odours.

#### Sanitary facilities

9. Every eating or drinking place shall, to the satisfaction of a Health Officer, be provided with
- (a) an adequate supply of water;
  - (b) an adequate number of toilets and urinals, or where no pressure water system is available, an adequate number of sanitary privies, chemical "closets" or other means for the disposal of human excreta for the use of the public, the operator and employees;
  - (c) separate handwashing facilities for the public and the employees;
  - (d) notices, posted in each room in which there is a toilet, directing employees to clean their hands thoroughly after using the toilet and before commencing or resuming their work; and
  - (e) a sufficient number of garbage or refuse containers of airtight construction made of non-absorbent material and provided with close-fitting covers.

10. Every toilet room and every place where handwashing facilities are provided for the operator, employees or the public in any eating or drinking place, shall be

- (a) conveniently located and easily accessible;
- (b) without direct access to any room in which food is prepared or stored;

- (c) equipped with full-length self-closing doors;
- (d) free from any condition which may cause disgust;
- (e) equipped with adequate lighting, either natural or artificial (of a rating of not less than 100 lx); and
- (f) equipped with adequate ventilation and facilities for the removal of odour, to the satisfaction of a Health Officer.

11. Handwashing facilities provided in any eating or drinking place shall consist of

- (a) a basin;
- (b) an adequate supply of water;
- (c) a constant supply of soap in a suitable container or dispenser; and
- (d) an adequate supply of clean towels for the use of each person using the handwashing facilities and a suitable receptacle for used towels and waste material.

"12. No person shall provide a single or roller towel for common" use.

13. Notwithstanding paragraph n(d), any apparatus for drying" the hands may be substituted for an adequate supply of clean towels, where such apparatus is approved by a Health Officer.

Equipment

14\*. Every eating or drinking place shall be provided with (a) equipment and facilities for the cleansing and sterilizing of utensils, including an ample supply of hot and cold water, as follows:

- (i) mechanical equipment so designed and operated that all utensils are adequately cleaned and sterilized, or
- (ii) manual equipment consisting of at least 3 sinks or containers of non-corroding metal or porcelain of sufficient size to ensure thorough cleansing and sterilizing, and draining - racks of non-corrodible materials;
- (b). suitable racks, cabinets, shelves or drawers for the" safe storage of food, placed not less than 250 mm above the floor, for protection against contamination;
- (c) adequate refrigerated space for the safe storage of perishable food or drink, provided with removable racks or trays and "maintained at a temperature not higher than 10°C;
- (d) unless electric refrigeration is used, a means to discharge wastewater from refrigerated equipment into an open sink or drain properly trapped and sewer connected, except t-hat where sewer connections are not available a clean and; adequate water-tight drip pan may be used; and
- (e) suitable enclosed racks and shelves or drawers for the storage of crockery, cutlery and other containers or utensils used for the preparation, cooking, serving or storage of food or drink, or used in eating or drinking, and placed not less than 250 mm above the floor, for protection against contamination.

APPENDIX L - EQUIPMENT QUOTES AND SPECIFICATIONS

Flemming Peddler Co.,  
Box 1254,  
Saskatoon, Saskatchewan,  
S2K 3N2  
Tel (309) 244-5539

(Quote received by telephone)

GS 102  
Self-contained 8' refrigerated display case.  
5 year warrenty  
\$3166.

PA 480  
Self-contained 2' refrigerated deli display case.  
5 year warrenty  
\$2567.

8' Freezer display case  
5 year warrenty  
\$4005.

14' x 8' x 8' (high) walk-in cooler  
thermostat  
bracketed meat rail to accommodate 24 quarters  
meat track to support meat rail  
2 doors  
condensing unit  
5 year warrenty  
**\$7807**

Galvanized shelving  
2 units - 3 tiers x 10 ft.  
\$1100.

25' x 32' x 12' (high) freezer complete with floor  
1/8" steef plate for floor  
pallet door  
2 - 5hp condensing units (5 year warrenty)  
thermostats  
\$51,840 (includes turn key set up)

Freight on above units  
Winnipeg - Yellowknife  
\$9500.

—Lutra—



June 10, 1986

Lutra Associates  
Box 1866  
Yellowknife, N.W.T.  
X1A 2P4

Attention: Sandy

Dear Sandy:

Please find enclosed budget pricing and product specifications regarding your butcher shop requirements. These prices include federal sales tax and I have quoted a price to deliver and install the required equipment. All prices are firm for 30 days.

I have also enclosed a few drawings of meat shops we have been involved in, in the past. These may help in determining a layout for your customer.

If you have any questions please do not hesitate to call. I will be happy to help in any way possible.

Yours truly,

CONDON-BARR FOOD EQUIPMENT LTD.

A handwritten signature in black ink, appearing to read "H. Bernhart". The signature is written in a cursive style with a large initial "H" and a question mark at the end.

Herb Bernhart  
Sales Representative

HB:bf  
Encl.

Lutra Associates - Quotation

<u>Item #</u>	<u>Quantity</u>	<u>Description</u>	<u>Manufacturer</u>	<u>Price</u>
1.	1 each	Floor Scale platform type, model SP-902, 500 lb. capacity.	Dover Pad *	585.00 ✓
2.	1 each	Digital Scale model #555.	Berkel	1,625.00 ✓
3.	1 each	Printer for above scale, model P-501.	Berkel *	1,365.00 ✓
4.	1 each	Meat Saw, model #5701-D, 3 H.P. (single phase)	Hobart	3,875.00 ✓
5.	1 each	12" Meat Slicer, model #808.	Berkel	2,900.00 ✓
6.	1 each	Vacuum Packaging Machine, model Picolo, chamber size 41x42x12 CM, 110 Volt/ single phase.	Berkel *	4,795.00 ✓
7.	3 each	Work Tables, 60" X 30" c/w removable plastic cutting boards. \$470.00 each.	Custom	1,410.00 ✓
8.	1 each	Automatic Hydraulic Sausage Stuffer, 22 Litres.	Sheerline *	7,200.00 ✓
9.	1 each	Smoker, model CV-150 c/w auto humidity control, internal meat probe, manual smoke generator, 4 - smoke sticks 2 - shelves.	Enviropak *	13,329.00 ✓
9A.	1 each	<u>Alternate:</u> Smoke House model NS-100 with meat probe. Nat. gas or propane.	King's Choice	8,145.00*

10.	1 each	Freezer Display Case, remote 8', model TIC-8 .	General .	5,880.00
11.	1 each	Deli Case, 8', model PA-75.	Coldstream	3,850.00
11A	1 each	<u>Alternate:</u> All Purpose Display Counter, model GS-102.	Coldstream.	3,800.00*
12.	1 each	Meat Mixer, 100 lb. capacity c/w one motor for each paddle, stainless steel tub and paddles. Tub-16" wide x 24" long x 20" deep.	King's Choice *	3,860.00
13.	1 each	Meat Grinder, model 4146, 5H.P.	Hobart ,	5,225.00
14.	1 each	Meat Tenderizer, model #705.	Berkel . .	1,980.00+-
15.	1 each	2 Compt. Sink c/w right and left hand drainboards and faucets.	Custom	1,230.00
16.	1 each	Combination Cooler/ Freezer 14'x8': 8'x7' - Cooler (6'x14') 6 compartments 8'x7' - Freezer c/w 2 dial thermometers, 2 vapor proof lights, 6' of 6" bracketed meat rail and 6' of 12" bracketed meat rail (for freezer) .	Coldstream *	6,580.00
17.	4 each	Shelving for Cooler 48" x 21" W, 4 tier coated wire shelving.	Metro *	1,625.00
18.	2 each	Shelving for Freezer 48" L x 21" W, 4 tier chrome wire shelving.	Metro *	598.40



play a key role in providing this expertise. These officers are there to be utilized in this manner and every effort should be used to do so.

The following points are to be used as guidelines and may be altered as an Environmental Health Officer may deem necessary because of extenuating circumstances.

A. Slaughter:

- 1) **Animals** should be eviscerated immediately after kill.
- 2) The **carcasses** should be frozen or cooled as quickly as possible. Every **effort** is to be taken to place the carcass in a frozen state or cooled to 40°F (4°C) or cooler as soon as possible so as to prevent the **multiplication** of harmful bacteria that may be present that can be the cause for a food borne illness. These organisms may be present because of the poor sanitary conditions associated with the "out-door" **slaughtering**.
- 3) Knives or other instruments used for slaughter should **be clean** and sanitized to prevent the transmission of harmful bacteria.
- 4) Carcasses should be raised above the ground soon after they are killed so as to prevent, contamination from the soil, animals (such as dogs defecating or urinating on carcass) or human activity.
- 5) When the Innards are being removed, care must be taken not to **pierce, cut, or rupture the-intestinal tract** as there may be harmful organisms present which could contaminate the carcass.

6) It is suggested that during the summer months of June, July, August and September, that the killing of animals be restricted because of the difficulty of keeping the carcasses cool (40°F or 4°C) while out on the hunt. The other months usually have temperatures cool enough (less than 40°F or 4°C) to prevent the multiplication of harmful bacteria. But, regardless of what month of the year, it is, when the temperature is above 40°F or 4°C, great care must be taken to ensure the carcass is placed in a frozen state, or cooled (40°F or 4°C) as quickly as possible (within 4 hours).

Note: The main concern in killing and slaughtering the animals in the "out-door" environment is the poor sanitary conditions. When this is done in an abattoir, it is done under controlled conditions with a strong emphasis on hygiene, i.e; workers have hand washing facilities; knives are cleaned and sanitized; premise is kept clean on a regular basis; and the carcasses are kept off the floor and stored in clean and properly refrigerated temperatures. These conditions are usually non-existing in the "out-doors". The reasons for these required conditions is to prevent the contamination of the meat and also to provide the best storage temperature to preserve the meats quality as well as to prohibit the multiplication of harmful bacteria. Last, but not least, the workers in an abattoir can be observed if he/she is not maintaining a "good set of health standards. Health educational seminars are feasible. Whereas, the hunter in the "out-doors" environment can not be monitored. There must be a strong educational emphasis in this direction because of the

lack of. supervision of the hunter and his slaughtering practices.

B. Transportation (of freshly killed/slaughtered animals)

It is very important that the carcasses are transported in the shortest possible time to the processing operation. The carcasses must be transported frozen or cooled to 40°F (4°C). The carcasses must not be subject to temperatures above 40°F (4°C).

Care must also be taken not to allow the carcasses to be contaminated from other items when shipped such as; gasoline; oils; soaps; chemicals, etc."

C. Processing Establishment

The butchering and final packaging of food should be conducted under very good hygienic conditions;

- 1) The interior walls and floors should be smooth, tight and non-absorbing so as to facilitate easy cleaning of premise. Also to deny bacteria and moulds hiding places to live and multiply.
- 2) There should be sufficient light to properly see to work by and also sufficient lighting to clean the premise satisfactorily.
- 3) There should be adequate ventilation so as to rid the atmosphere of undesirable odours, excessive moisture or heat.
- 4) There should be hand washing facilities for the staff, complete with hot and cold piped/pressured water systems and a piped drainage system; both systems to be approved by an Environmental Health Officer. There should be soap

in dispensers (powder or liquid) and disposable towelling available. The plans for the washroom(s) location and layout should be reviewed prior to construction, by the Environmental Health Officer. . . .

- 5) There should be hot and cold piped/pressured water systems for this operation as well as a piped drainage system so as to provide proper sinks to clean and sanitize equipment and utensils and also to properly clean and sanitize the floors, walls, shelving, and counter work surfaces.
- 6) The work surfaces (counters, table tops) should be stainless steel. Properly manufactured laminated hardwood work surfaces are acceptable if approved by an Environmental Health Officer.
- 7) There should be toilet facilities available on the premises for the staff, to the satisfaction of an Environmental Health Officer.

If a honey-bucket is to be used, then the honey-bucket must be vented; careful attention must be given to the emptying procedures so that the premise does not become contaminated; washroom-must not open directly onto operation area(s); honey-bucket is not to be emptied during normal working hours so as not to cause contamination of the food items; workers hands are to be thoroughly washed after emptying honey-bucket. and any clothes used in this operation are not to be worn into the food preparation area.

- 8) Clothing for the foodhandlers should not be worn anywhere else but in this food premise. Street clothes are not acceptable. The clothing should be light coloured (such as "white) and easily laundered. Fresh clothing should be worn each shift. Hair coverings of male and female should be worn to prevent loose hairs from falling into the food.
- 9) Foodhandlers should bath/shower just prior to reporting for work. Hands, especially fingernails, should be clean at all times.

Note: Hand washing is very important as hands can be vehicles for transferring bacteria to food. Whenever a worker leaves the food area they should wash their hands before returning; also when they visit the washroom. If it is necessary that they do cleaning such as floors, walls, stores, equipment etc. then the "hands must be scrubbed prior to handling food.

A simple rule to follow is:

Whenever you touch anything that is not food or food equipment, then, wash your hands before touching food or-food equipment.

- 10) All equipment and utensils shall be free of chips, scratches, rust, breaks Or damage of-kind so as to facilitate cleaning and sanitizing. The surfaces must be in good condition so that the cleaning action can "effectively remove all particles of food and the sanitizing will kill all the possible bacteria present. All food surfaces should be smooth, tight and non-absorbing.

D. Transportation (from Processing to Retail Outlet)

The same 'rules apply as before: "

- 1) Proper temperature while in shipment:  
-0°F or colder (frozen) (-18°C)  
or -40°F or colder (refrigerated) (4°C)
- 2) Proper packaging and handling to ensure that food does not become contaminated from other items when shipped such as gasoline, chemicals, soaps, antifreeze, oils, pesticides, etc. . "

E. Retail Outlet .

- 1) Adequate storage facilities that are clean at all times "
- 2) Freezer should be 0°F (-18°C) or colder.
- 3) Refrigerators should be 40°F (4°C) or cooler.
- 4) All items that do not require refrigeration are to be stored off the floor on shelves (bottom shelf to be 10" off the floor) or pallets for bulk items (shall be 6" off the floor). This is to provide adequate air circulation; easier access to cleaning floor; promotes neatness; reduces hazard of water damage; and in some instances reduces damage due to freezing. .
- 5) Walls and floors should be smooth, tight and non-absorbing to facilitate easy cleaning.
- 6) Equipment; shelving and pallets should be smooth, tight and non-absorbing to facilitate easy cleaning and sanitizing.

Note: All foodhandlers should be free of communicable diseases;

- 1) No owner, proprietor, manager or agent or representative of such owner or proprietor of any establishment; business or occupation shall employ or retain in his employ for the performance of any service, any person who is known or

reasonably believed to be affected with such disease.

- 2) Do person knowing or having reasonable, cause to believe himself to be affected with a communicable disease in a communicable form shall seek or continue in any employment for the performance of any service.

This would apply to all food handlers beginning with the hunter right through to the retailer.

Note:

- 1) It is essential that all plans be reviewed prior to construction, of any phase of the Country Food Exchange program, by an Environmental Health Officer\*
- 2) It is essential that any premise(s) associated with this program be inspected and approved prior to being put into operation, by an Environmental Health Officer.
- 3) The potable water source, distribution and storage must be approved, for the premise(s) of this program, by an Environmental Health Officer..
- 4) The sewage collection and disposal must be approved, for the premise(s) of this program, by an Environmental Health Officer.
- 5) The "solid wastes (other than sewage) disposal must be approved, for this program, by an Environmental Health Officer.

DEPART  
 The Commissioner of the Northwest Territories, pursuant to section 3 of the Public Health Ordinance, and every enabling power, orders that the Food Marketing Regulations are hereby made and established:

"1. These regulations may be cited as the Food Marketing Regulations.

2. In these regulations,

- (a) "approved" means approved by the Health Officer;
- (b) "custom-butchering" means the butchering of a privately owned carcass of a non-inspected animal in a licensed butcher shop whether or not payment is tendered or made for the services;
- (c) "food" means food or drink for human consumption or any ingredient thereof;
- (d) "food marketing premises" means any premises in which food is manufactured, prepared, processed, handled, sold or offered for sale, but does not include any establishments governed by the Eating or Drinking Places Regulations;
- (e) "operator" means a person who by himself or through an agent owns or operates food marketing premises; and
- (f) "potentially hazardous food" means food or drink, including meat, poultry, fish, eggs and products of these foods, both fresh and processed, liable to contamination, deterioration or spoilage;
- (g) "transportation unit" includes any vehicle, aircraft, vessel, or any facility operated or owned by the transportation company for the purpose of transporting or holding pending transportation or delivery;

NEW 3. These regulations apply to all food marketing premises.

4. Subject to these regulations, no person shall operate food marketing premises without written approval from a Health Officer and this approval is not transferable from person to person or from one location to another.

5. (1) Any construction, reconstruction, alteration or enlargement of food marketing premises shall be in accordance with guidelines set out by the Health Officer and in accordance with the provisions of the National Building Code of Canada and codes or standards established pursuant to the National Building Code of Canada.



(2) Food marketing premises constructed, reconstructed, altered or enlarged contrary to subsection (1) shall not be used as food marketing premises.

(3) The Health Officer may, in writing, order that the food marketing premises be closed until he is satisfied that any breach of subsection (1) has been remedied.

(4) Where there has been an order made pursuant to this section, the Health Officer shall outline the reasons for the order, and attach a copy of the reasons to the order.

APPEAL  
FINAL

(5) Where the operator of a food marketing premise or of a transportation unit considers the order pursuant to this section to be unjustified, he may appeal the decision in writing to the Executive Member within fourteen days of the order being made.

(6) Upon receipt of an appeal pursuant to subsection (5), the Executive Member shall review the matter, causing such inspections to be made and allowing such representations to be made as he deems advisable.

(7) The Executive Member may affirm, amend or rescind any order made pursuant to this section.

DELETE

6. (1) A person shall not operate food marketing premises unless, in the opinion of a Health Officer, those premises have an adequate supply of water and an adequate number of properly ventilated water closets taking into consideration the number of employees and members of the public using the premises.

(2) The supply of water shall be from a source approved by the Health Officer.

(3) There shall be hand-washing facilities included in the same room as water closets, and they shall contain:

- (a) a constant supply of hot and cold water;
- (b) a constant supply of soap in a suitable container or dispenser;
- (c) a constant supply of single Service towels or a hot air hand drying device; and
- (d) a suitable container for used towels and waste.

7. No room that contains a toilet, urinal or clothes change area shall open directly onto any room that has food stored, prepared or served unless approved by the Health Officer.

8. There shall be no single towel or roller towel for common use.

9. The operator shall ensure that all wash basins and toilet facilities are washed and treated with suitable disinfecting solution as often as necessary to keep them in a sanitary condition.

10. (1) Where a public water supply approved by the Health Officer is available, or can be made available, this supply shall be used exclusively.

(2) Where there is no approved public water supply available, a private water supply may be used subject to the approval of the Health Officer as to the source, method of treatment, transmission and storage.

(3) The rate of supply shall be sufficient to meet peak demands, and where the water is piped, the pressure shall not be less than 30 pounds per square inch at peak demand periods.

11. (1) Where a public sewage collection system approved by the Health Officer is available, or can be made available, this system shall be used exclusively.

(2) Where there is no approved public sewage collection system a private sewage disposal system may be used subject to the approval of the Health Officer as to the system and as to the disposal site.

12. (1) Garbage or waste shall be placed in suitably covered, fly-proof, non-absorbing containers, kept in appropriate places and removed from the premises at the end of each working day and more often if necessary to maintain them in a sanitary condition.

(2) Garbage containers shall be washed and disinfected on a regular basis and kept in good repair at all times.

(3) Where there is no municipal garbage removal service and no community disposal site, the operator shall dispose of all garbage waste and refuse in a manner approved by the Health Officer.

13. All containers, utensils and other equipment that comes into contact with food shall be constructed so as to be easily cleaned.

14. Containers, utensils or other equipment that hold food which are badly worn, rusted, corroded, or in a condition that cannot be properly cleaned and sanitized shall not be used in any food marketing premises.

15. All containers, utensils and equipment used in the storage, preparation, transportation or display of food, shall be thoroughly cleaned and sanitized.

16. Fleet blocks used in food marketing premises shall be constructed of impervious material, free from cracks and smoothly finished.

17. Waste water from refrigeration equipment, bakery steam cabinets or sinks used in the preparation or cleaning of food shall have an indirect water connection in accordance with the National Building Code of Canada.

18.(1) Rooms used for food storage shall be equipped with storage racks at least four inches clear of the floor with sections easily removed for cleaning purposes and constructed so as to allow the circulation of air.

(2) Food storage rooms shall be painted or finished in a surface approved by a Health Officer.

19.(1) The use of sawdust, sand or other absorbent material on floors is prohibited except in meat preparation areas.

(2) The use of absorbent materials in meat preparation areas, other than sand or sawdust, shall be approved by a Health Officer.

(3) If absorbent material is to be used on floors it shall be completely removed and replaced on a weekly basis or as often as deemed necessary by a Health Officer.

(4) Sweeping of floors shall be carried out in a manner which will prevent the airborne spread of contaminants.

20. All rooms where food is sold or displayed shall be adequately lighted to permit inspection of all food.

21. All food marketing premises shall be ventilated in order to provide adequate air circulation and to be rid of undesirable odours, excessive heat and moisture.

22. All shelves, counters, showers, bins, tables, showcases and other fixtures shall be constructed in a good and workmanlike manner that permits easy cleaning, and shall be kept clean at all times.

23. All food marketing premises and transportation units shall be kept free from flies, cockroaches, mice and other vermin and rodents.

24. A room in any food marketing premises shall not be used for the storing, preparation or serving of food if  
(a) the room is used for sleeping purposes, or "  
(b) the room opens directly onto a room used for sleeping purposes.

25. A potable water system used in food marketing premises shall be connected in accordance with the National Building Code of Canada so that foreign material or non-potable water cannot enter the system.

26. No person shall sell, store or offer for sale for human consumption any food which

- (a) consists in whole or in part of any filthy, putrid, rotten, decomposed, or diseased animal or vegetable substance;
- (b) is or has been manufactured, prepared, preserved, packaged, or stored under unsanitary conditions; or
- (c) is in the opinion of a Health Officer unfit for human consumption.

27. A Health Officer may inspect any animal or vegetable product, or any other food intended for public consumption by humans and without limiting the generality of the foregoing may inspect any animal, meat, fowl, game or flesh thereof, whether dead or alive and any fruit, grease, vegetable, grain, fish, bread, flour or milk.

28. If, upon inspection, a Health Officer finds food which, in his opinion, is unfit for human consumption, or might cause injury to health, the Health Officer may seize and dispose of the food in question.

29. (1) No person shall display any article of food, including any meat, meat product, bread, cake, pastry, fish, candy, or confections unless it is protected from droplet infection, dirt, dust, insects or other sources of infection.

(2) - This section does not apply to whole fruits or vegetables that can be readily washed before consumption.

W 30. (1) Where ice is manufactured for human consumption, potable water only shall be used and the ice shall be manufactured; stored and packaged under sanitary conditions.

(2) Where natural ice is used for human consumption the Health Officer shall approve the source of the ice and the ice shall be stored and packaged under sanitary conditions.

31. (1) Every operator shall ensure that every room where food is prepared, packaged, served or stored, is kept free from live birds or animals.

(2) This section does not apply to leader dogs for the blind.

32. (1) Food that requires storage at a particular temperature, so that it does not become hazardous when consumed, shall be stored in appropriate temperature controlled storage units.

(2) Storage units used pursuant to this section shall:

- (a) be in good working condition;
- (b) contain readily visible accurate thermometers; and
- (c) use shelves and racks that can be removed and easily cleaned.

- (3) For the purposes of this section,
- (a) where food is to be kept warm, the storage unit shall be kept at 60° C or above;
  - (b) where food is to be kept cool, the storage unit shall be kept at 4° C or lower, and
  - (c) where food is to be kept frozen, the storage unit shall be kept at -18° C.

33.(1) All transportation units and bulk containers shall be maintained in a clean and sanitary condition when used for the transportation of food.

(2) The provisions of section 32 shall apply mutatis mutandis to all transportation units.

34. Perishable foods in transit shall be kept at proper storage temperatures at all times and refreezing of thawed or partially thawed food is prohibited.

35. Custom butchering in food marketing premises shall be done only after the normal butchering of inspected meat is completed for the day, and shall *only* be done immediately prior to completion of the day's business.

36. All equipment, utensils and floor area shall be thoroughly cleaned and properly sanitized immediately after the completion of custom-butchering operations, in a manner that will eliminate the risk of cross-contamination between the custom-butchered products and inspected meat.

37.(1) Custom-butchered products shall be clearly labelled "not for sale" immediately after being prepared and kept separate from inspected meats but at proper storage temperatures until delivery is made.

*ADD*  
(2) Uninspected carcasses shall be stored separately from inspected carcasses and shall be clearly labelled "not for sale".  
*in storage facilities*

38. Where non-inspected foods are offered for sale to the public, they shall be clearly labelled as "not government inspected" and stored and displayed in separate units from inspected foods.

*DELETE*  
39. If non-inspected food is to be butchered, prepared or packed in food marketing premises, sections 35 and 36 apply mutatis mutandis.

40.(1) All food marketing premises that handle or prepare meat, other than frozen, prepackaged or prepared meats, shall be equipped with a three compartment sink of non-corrodible metal or porcelain that is of sufficient size, length, width and depth to allow the complete immersion of articles to be washed.

(2) All equipment and utensils shall be given a pre-soaking, rinsing or scraping to remove particles of food or other soil before washing.

(3) An efficient detergent, suitable to the local water condition, shall be used in the water for all cleaning, whether manually or mechanically performed.

(4) Adequate space shall be provided for holding soiled utensils separate from areas used for stacking and holding clean utensils.

(5) Shelving and sinks with drain boards shall be of non-corrodible metal, constructed to withstand the weight, applied without buckling and sloped for self-drainage.

(6) Washing shall be done in hot water not less than 48°C of sufficient depth to cover utensils or equipment.

(7) The water shall be kept reasonably clean and the detergent concentration shall be maintained in **Compliance** with the manufacturer's recommendation.

(8) The utensils shall be rinsed thoroughly in clean hot water at a temperature of not less than 48°C to completely remove soil or detergent residue.

(9) Notwithstanding this section, all eating, drinking and food contact surfaces of equipment used in the preparation or sale of food shall be sanitized by a method approved by a Health Officer.

**DELETE** 41. Sections 35, 36 and 37 shall apply to all institutions where food is prepared, cooked, stored or served, with or without charge, mutatis mutandis.

42. (1) No person affected with a communicable disease in a communicable form shall be engaged, employed or serve in any work, occupation or employment which necessitates the handling of any food or the handling of any dish or article used in the preparation or serving of food.

(2) No person shall retain or employ a person who is known to have a communicable disease in a communicable form or who is reasonably believed to have such disease in such form.

43. (1) Where there is a person suspected of having a communicable disease in a communicable form who is engaged in any service referred to in subsection 42(1), the Health Officer may direct that the person

- (a) be examined by the Medical Health Officer or Public Health Nurse, or
- (b) furnish a certificate from his medical practitioner affirming his freedom from such communicable disease.

(2) Where an examination under this section reveals a communicable disease in a communicable form, the person afflicted shall not continue to perform any service referred to in subsection 42(1) until a further examination reveals an absence of the disease in question.

44. (1) Every person who is employed or engaged in or about food marketing premises shall at all times,

- (a) be clean in their habits and mode of working,
- (b) wear clean clothing, and
- (c) refrain from using tobacco in any form.

(2) Every person who is employed or engaged in the preparation of food for human consumption shall either keep his or her hair cut to a length where it does not require control or wear an appropriate head covering or bairnet so as to effectively control the hair while engaged or working in the preparation of food.

45. A Health Officer may take reasonable amounts of food as samples for laboratory analysis to check the quality or safety of the food or to check the efficiency or condition of food processing equipment.

46. Where, as a result of an inspection carried out by a Health Officer, a condition is found to exist which is contrary to the provisions of these regulations, the operator shall be notified in writing of such violation and of the corrective action required and such notification shall be as soon as possible after the inspection.

47. A Health Officer may, by written order, direct that any action required to be taken to comply with these regulations, be taken by any persons within the time limits that the Health Officer deems reasonable.

48. No person shall neglect, fail or refuse to comply with a notice of violation under section 46 or with an order made pursuant to section 47.

49. (1) Where a Health Officer finds that any condition exists in any food marketing premises that is likely to become dangerous to health or may hinder in any manner the prevention, mitigation or suppression of disease, the Health Officer may order that the food marketing premises be closed until the condition has been rectified.

APPENDIX D - WILDLIFE BUSINESS REGULATIONS AFFECTING DEALERS IN THE MEAT OF GAME. SEPT. 24, 1984.

2. Every operator of a licenced business, whose licence specifies a location where the business is to be carried on, shall display his licence in a prominent place at that location.
3. Every operator of a licenced business shall file with the Superintendent, on or before July 15 in each year, a statement in the approved form, and shall keep such records as are necessary to enable him to accurately complete the statement.
4. Every operator of a licenced business shall keep, in the approved form, a daily record of his transactions.
5. The quantities of raw pelts or raw hides which a person may acquire or purchase for the sole use of himself or his dependents, but not for resale, pursuant to subsection 62 (3) of the Ordinance, are as follows:
  - (a) in the case of a resident, any amount, and
  - (b) in the case of a non-resident or a non-resident alien, such quantities in any one year as have a market value, assessed as of the time of acquisition, of \$7,000.00 or less.

Dealers in the Meat of Game

24. (1) A natural person is not eligible to hold a licence to deal in the meat of game unless that person:
  - a) is a resident; and
  - b) has attained the age of nineteen years.
- (2) A corporation is not eligible to hold a licence to deal in the meat of game unless it:
  - a) is registered or incorporated under the Companies Ordinance; or,
  - b) is, in the case of a Hunter and Trapper Association, registered under the Societies Ordinance.
- (3) The application of a corporation for a licence to deal in the meat of game shall, at the request of the Superintendent, include:
  - a) the names and complete addresses of each director;
  - b) the names and complete addresses of each shareholder;
  - c) proof, satisfactory to the Superintendent, of the residency of each shareholder; and
  - d) any other information or proof satisfactory to the Superintendent that he requires in order to determine whether or not the corporation is a resident corporation.
- (4) Every application by a corporation shall be accompanied by a certificate of good standing, issued by the Deputy Registrar of Companies, dated within one month of the application.
- (5) A corporation is deemed to be a resident corporation where



- (6) Where a corporation holds a licence to deal in the meat of game as a resident Corporation and subsequently ceases to be a resident corporation within the meaning of subsection (5), the licence of the corporation is thereupon suspended for thirty days during which the corporation may:
- a) obtain a non-resident licence to deal in the meat of game; or,
  - b) requalify as a resident corporation, failing which, the licence shall be deemed to be cancelled.
- (7) Every licence to deal in the meat of game expires June 30 next following the date of issue.

APPENDIX E - SPECIAL DEALER'S LICENCE - GENERAL CONDITIONS AND INSTRUCTIONS

1. Under the provisions of the Freshwater Fish Marketing Act Section 21, except in accordance with the terms and conditions set forth in any licence issued by the Corporation, no person other than the Corporation or any agent of the Corporation shall : a) export fish from Canada; b) send, convey or carry fish from a participating province or to any other province: c) in a participating province receive fish for conveyance or carriage to a destination outside the province: or, d) sell or buy, or agree to sell or buy fish situated in a participating province for delivery in another participating province or any other province, or outside Canada.

2. For the purpose of the Regulations under the Freshwater Fish Marketing Act, "fish" means round, dressed, or filleted fish of any species enumerated in the Schedule, whether fresh or frozen and whether packaged or unpackaged, which have been fished under licence for commercial purposes in a province or territory participating in the Freshwater Fish Marketing Corporation arrangements, namely, Manitoba, Saskatchewan, Alberta, the Northwest Territories and part of Northwestern Ontario.

An application for licence which has been approved and been given a registered licence number by the Corporation becomes a Licence available for use by the applicant for the purpose in trade specified in the licence.

Licences are not transferable. They may be amended, suspended, surrendered or cancelled on notice being given by the applicant or the corporation.

Shippers of fish are advised that for export movement and for shipment from a participating province to another province, transportation companies will require that Bills of Lading are endorsed with the Licence number of the shipper. For export shipments of fish the shipper's Licence number must be included in Customs B-13 Export Declaration. For transactions made under this Licence, the Licence number must be quoted on commercial invoices.

In the case of export shipments, an indication is required of the ports at which a shipper will present his Export Declaration. For the protection of shippers at export and inter-provincial trade, transportation companies will be provided with the names and licence numbers of firms who may use their services.



Government of Canada

Gouvernement du Canada

Fisheries and Oceans

Pêches et Océans

Box 2310,  
Yellowknife, N.W.T.  
X1A 2P7  
(403) 873-5831

APPENDIX F- LOCAL FISH SALES

Your file    Votre référence

Our file    Notre référence

May 30, 1986

Sandy Auchterlonie,  
Lutra Associates Ltd.,  
Box 1866,  
Yellowknife, N.W.T.  
X1A 2P4

Dear Sandy:

Great Slave Lake operates a summer fishery and a winter fishery. The market is very limited with regards to local sales with peak sales occurring during the summer months on weekends by three fishermen.

Species	Weight (kg)	Price/Kg	\$ Value
Lake trout	2,000	2.00	4,000.
Whitfish	4,000	1.25	5,000.
* Pike	3,000	.50	1,500.
* Other ( <b>burbot</b> , sucker, etc.)	2,000	.25	500.
	11,000		11,000.

\* Majority of these species are dog food for dog team owners. The above figures are combined summer and winter production.

In addition Hay River produces 500 kg lake trout; 2,000 kg whitfish and 5,000 kg **pike/sucker/burbot** (rough fish). Prices per kilo are the **same** as **Yellowknife**. Local sales are fairly constant each year.

Only two fishermen actively promote their product through newspaper ads, etc. in **Yellowknife**.

If you **require** any clarification, please call me.

Yours truly,

*Darlene Norman*  
per Grant P ryznyk,  
Offi cer-In-Charge,  
Central Arctic.

## APPENDIX G

High and low supply cost scenarios are presented outlining variable market share and pro forma forecasts. From the research analysis the key variable factor will be the origin of supply for country food products. The origin of supply will determine the eventual cost of sales for each specific product.

The corresponding high and low supply cost pro forma statements have been adjusted to account for varying financing programs. In each of the high and low scenarios the **long** term debt amortization period is either lengthened or shortened to accommodate business viability.

—Lutra—

APPENDIX 5

TABLE 15: NORTH COUNTRY FOODS' FIVE YEAR FORECAST OF MARKET SHARE  
HIGH SUPPLY COST LEVEL SCENARIO

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	Volume kg.	(Sales \$)	Volume kg.	(Sales \$)	Volume kg.	(Sales \$)	Volume kg.	(Sales \$)	Volume kg.	(Sales \$)
<b>SALES</b>										
<b>FISH:</b>										
Arctic char	5158	55449	5566	62228	5907	69629	6411	77572	6550	82400
Whitefish	1825	9673	1970	10855	2112	12139	2268	13520	2318	14370
Other	952	6303	1027	6762	1105	7253	1184	7840	1289	12727
<b>Sub-total :</b>	7935	71424	8563	79845	9211	89031	9863	98933	10077	109496
<b>COUNTRY MEATS</b>										
Caribou	17250	138001	22181	184545	25542	228941	28950	259648	31791	297559
Muskrat	6407	51257	8239	68545	9487	82054	10716	96441	11900	110522
Other	986	788b	1267	10545	1468	12625	1649	14837	1817	17M13
<b>Sub-total :</b>	24643	197144	31687	263636	36489	315630	41214	370926	45415	425084
<b>TOTAL</b>	32578	268568	40250	343481	45700	404661	51877	469859	55492	534580
<b>COST OF GOODS SOLD</b>										
Caribou		48300		73387		88775		103895		117128
Muskrat		28192		38062		60		54581		63151
Arctic char		20632		23377		26403		29686		31847
Whitefish: Dressed		2515		2822		3156		3515		3736
other Meats		2997		4087		4798		5638		6461
Other Fish and Marine										
Mammals		4160		4463		4794		5175		8400
<b>TOTAL</b>		106795		146119		173947		202489		230723
Cost of Freight		30164		40132		48319		57065		65345
Cost of Storage/O & M		7600		7560		793a		9335		8752
<b>GROSS PROFIT</b>		124009		149670		174456		201969		229761
<b>GROSS MARGIN %</b>		46%		44%		43%		43%		43%

\*A high supply cost level is derived from the cost of delivering a supply of caribou to meet five year demand forecasts at a constant annual supply from the Bathurst Caribou Herd (at 292 of the commercial quota) and the balance from supply centres such as Ulu Foods, or Cambridge Bay.

OPERATING PROJECTIONS  
 FIVE YEAR FORECAST  
 HIGH SUPPLY COST SCENARIO

	YEAR 1	%	YEAR 2	YEAR 3	YEAR 4	YEAR 5
VOLUME KG.	32578		40250	45780	51077	55492
REVENUE: Sales/Kg.	8.24		8.53	8.87	9.20	9.63
Country Meats & Fish Sales	268568		343481	404661	469859	534500
COST OF GOODS SOLD:						
Product Supply	106795	40	146119	174456	201969	229761
Cost of Storage/O kM	7680	3	7560	7938	8335	0752
Freight	30164	11	40132	48319	57865	65345
Total	144559	54	193811	238713	267369	383858
GROSS PROFIT	124009	46	149670	173948	232490	238722
GENERAL AND ADMINISTRATIVE						
Staff Wages:						
Manager	34667	13	33600	35280	37844	38896
Butcher/Meat Cutter	26041	10	26250	27563	28941	38388
Butcher/Meat Cutter Asst.	15104	6	15225	15986	16786	17625
Casual/Delivery	8328	3	8736	9173	9631	10113
Employee Benefits	8413	3	8381	8800	9240	9702
Training Costs: CESO/CEIC	17328					
Materials/Supplies	5371		5640	5922	6218	6529
Equip. & Maint.	2588		2625	2756	2894	3839
Promotion/Prod. Development	8057		8587	#93	9397	18692
Insurance/Equip & Veh/WCB	3988		4895	4388	4515	4740
Rent/Utilities	33150		30600	30600	30600	38600
Delivery Vehicle O & H	3368		3528	3784	3890	4084
Depreciation	13170		23706	18965	15172	12137
Interest	13328		6875	4125	1375	
Acct. & Prof. /Bookkeeping	4050		3203	3363	3531	3707
Other: Security	600		600	600	600	600
TOTAL COSTS	197352		181651	179238	179833	182853
NET INCOME	-73343		-31981	-5282	22657	47870
OTHER INCOME						
Training Subsidy /GNWT & CEIC	24188					
Supply Subsidies/GNWT	3611		4091	4628	5195	5573
TAXABLE INCOME	-45632		-27890	-661	27852	53443
INCOME TAX PAYABLE	0		0	0	0	1778
NET INCOME AFTER TAX	-45632		-27890	-661	27852	51665

**NORTH COUNTRY FOODS**  
**SOURCE AND APPLICATION OF FUNDS**  
**FIVE YEAR FORECAST**  
**HIGH SUPPLY COST SCENARIO**  
 -----

4

	YEAR 1	%	YEAR 2	YEAR 3	YEAR 4,	YEAR 5
	-----		-----	-----	-----	-----
<b>SOURCES OF FUNDS</b>						
Income From Operations	-45632		-27820	-661	27852	51665
Add Depreciation	13170		<b>23706</b>	18965	15172	12137
	-----		-----	-----	-----	-----
	-32462		<b>-4184</b>	18304	43024	<b>63882</b>
ARDA Incentive Grant	<b>105000</b>					
Ch. Bank Long Term Debt/13.75% -4 years	00000					
Owner Equity	30000					
Interim Financing ARDA	<b>50000</b>					
	-----		-----	-----	-----	-----
	232538		-4184	18304	43824	63882
	-----		-----	-----	-----	-----
 <b>APPLICATION OF FUNDS</b>						
Equi went	131700					
	<b>131700</b>					
Repay Interim Financing	<b>50000</b>					
Repay Long Term Debt	20000		<b>20000</b>	<b>20000</b>	<b>20000</b>	
TOTAL	281700		20000	20000	<b>20000</b>	<b>0</b>
WORKING CAPITAL, OPENING	0		<b>30838</b>	8655	<b>4958</b>	<b>47982</b>
CHANGE IN WORKING CAPITAL	30838		-24184	<b>-1696</b>	43824	63802
	-----		-----	-----	-----	-----
WORKING CAPITAL, CLOSING	30838		6655	<b>6958</b>	47982	111785
<b>COMPRISED OF:</b>						
Current Assets						
Current Liabilities						

**TAME 16: NORTH COUNTRY FOODS' FIVE YEAR FORECAST OF MARKET SHARE**  
**LOW SUPPLY COST LEVEL SCENARIO**

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	Volume	kg. (Sales \$)	Volume	kg. (Sales \$)	Volume	kg. (Sales \$)	Volume	kg. (Sales \$)	Volume	kg. (Sales \$)
<b>SALES</b>										
<b>FISH:</b>										
Arctic char	5158	55449	5566	62228	5987	69629	6411	77572	6550	82400
Whitefish	1825	9673	1970	10955	2119	12139	2268	13520	2318	14370
Other	952	6303	1027	6762	1105	7263	1184	7840	1209	12727
subtotal :	7935	71424	8563	79845	9211	89031	9863	90933	10077	109496
<b>COUNTRY MEATS</b>										
Caribou	17250	138001	22181	184545	255422	220941	28850	259648	31791	297559
Muskox	6407	51257	8239	68545	9487	82064	10716	96441	11808	110522
Other	986	7884	1267	10545	1460	12625	1649	14837	1817	17003
sub-total:	24643	197144	31687	263636	36489	315630	41214	370926	45415	425084
TOTAL	32578	268568	40250	343481	45700	404661	51077	469959	55492	534580
<b>COST OF GOODS SOLD</b>										
Caribou		34500		46580		56321		66794		77283
Muskox		28192		38062		46022		54581		63151
Arctic char		20432		23377		26403		29686		31847
Whitefish: Dressed		2515		2822		3156		3515		3736
Other Meats		29%		4007		4798		5638		6461
Other Fish and Marine Mammals		4160		4463		4794		5175		8400
TOTK		92995		119312		141493		145389		198878
Cost of Freight		28439		36829		43878		51469		58675
Cost of Storage/O & H		7600		7560		7938		8335		8752
GROSS PROFIT		139534		179780		211352		244666		276275
GROSS MARGIN %		52x		52%		52x		52%		52x

● A low supply cost level is, derived from the cost of delivering a supply of caribou to meet five year demand forecasts at a total annual supply from the Bathurst Caribou Herd.



NORTH COUNTRY FOODS  
 OPERATING PROJECTIONS  
 FIVE YEAR FORECAST  
 LOW SUPPLY COST SCENARIO  
 -----

	YEAR 1	%	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	-----		-----	-----	-----	-----
VOLUME KG.	<b>32578</b>		40250	45700	51077	55492
REVENUE: Sales/Kg.	8.24		8.53	8.85	9.20	9.63
Country Meats & Fish Sales	268568		343481	<del>404661</del>	<del>469859</del>	534580
COST OF GOODS SOLD:						
Product Supply	92995	35	<b>119312</b>	141493	165389	<b>190878</b>
Cost of Storage/O & M	7600	3	<b>7560</b>	7938	8335	8752
Freight	28439	11	<b>36829</b>	43878	51469	58675
	-----		-----			
Total	<b>129034</b>	48	<b>163701</b>	193309	225193	258305
GROSS PROFIT	139534	<b>52</b>	179780	211352	244666	<b>276275</b>
GENERAL AND ADMINISTRATIVE						
Staff Wages::						
Manager	34667	13		<del>35280</del>	37044	38896
Butcher/Meat Cutter	<b>26041</b>	10	26250	27563	<del>28941</del>	<del>30388</del>
Butcher/Meat Cutter Asst.	<b>15104</b>	6	<b>15225</b>	<b>15986</b>	16786	17625
Casual/Delivery	<b>8320</b>	3	8736	<b>9173</b>	9631	10113
Employee Benefits	<b>8413</b>	3	8381	<del>8800</del>	9240	9702
Training Costs	<b>17328</b>					
Materials/Supplies	<b>5371</b>		5640	<b>5922</b>	<b>6218</b>	6529
Equip. & Maint.	<b>2500</b>		<b>2625</b>	<b>2756</b>	2874	3039
Promotion/Prod. Development	<b>8057</b>		<b>8587</b>	<b>8093</b>	9397	<b>10692</b>
Insurance/Equip & Veh/WCB	<b>3900</b>		4095	<b>4388</b>	4515	4740
Rent/Utilities	<b>33150</b>		30600	<del>30600</del>	<del>30600</del>	<del>30600</del>
Delivery Vehicle O & N	<b>3360</b>		<b>3528</b>	<b>3704</b>	3890	4084
Depreciation	<b>13170</b>		23706	18965	15172	12137
Interest	<b>11945</b>		<b>2750</b>			
Acct. & Prof./Bookkeeping	<b>4050</b>		3283	3363	3531	3707
Other: Security	<b>600</b>		<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>
	-----		-----	-----	-----	-----
TOTAL COSTS	195977		177526	175105	178458	182853
	-----		-----	-----	-----	-----
NET INCOME	-56443		2254	36247	<b>66200</b>	93423
	=====		=====	=====	=====	=====
OTHER INCOME						
Training Subsidy/GNWT & CEIC	24100		2254	<del>36247</del>	<del>66200</del>	93423
Supply Subsidies/GNWT	<b>3611</b>		4091	4620	5195	5573
	-----		-----	-----	-----	-----
TAXABLE INCOME	<b>-28732</b>		<b>8600</b>	77115	137611	192419
	-----		-----	-----	-----	-----
INCOME TAX PAYABLE	<b>0</b>		<b>0</b>	<b>14246</b>	34403	<b>48102</b>
NET INCOME AFTER TAX	<b>-28732</b>		<b>8600</b>	62869	103208	144317

**NORTH COUNTRY FOODS**  
**SOURCE AND APPLICATION OF FUNDS**  
 FIVE YEAR FORECAST  
 LOU SUPPLY COST SCENARIO

	YEAR 1	%	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>SOURCES OF FUNDS</b>						
Income From Operations	-28732		8600	62869	103208	144317
Add Depreciation	13170		23704	18965	15172	12137
	-15562		32306	81834	118380	156454
<b>ARDA Incentive Grant</b>	<b>105000</b>					
<b>Ch. Bank Long Term</b>						
<b>Debt/13.75% -2 gears</b>	<b>80000</b>					
<b>Owner Equity</b>	<b>30000</b>					
<b>Interim Financing ARDA</b>	<b>50000</b>					
	249438		32306	81834	118380	156454
<b>APPLICATION OF FUNDS</b>						
Equipment	131700					
	131700					
Repay Interim Financing	50000					
Repay Long Term Debt	40000		40000			
<b>TOTAL</b>	221700		40000	0	0	0
<b>WORKING CAPITAL, OPENING</b>	<b>0</b>		27738	20044	101878	220258
<b>CHANGE IN WORKING CAPITAL</b>	<b>27738</b>		-7694	81834	118380	156454
<b>WORKING CAPITAL, CLOSING</b>	<b>27738</b>		20044	101878	228258	376713

**COMPRISED OF:**  
 Current Assets  
 Current Liabilities

APPENDIX H - NORTH COUNTRY FOODS JOB DESCRIPTIONS

Store Manager - \$32,000. per annum

Responsible for planning, organizing, directing and controlling the operations of a country food store.

Specific Duties:

- \* Supervise a staff of three - one meat cutter, one cashier, one delivery person.
- \* Orchestrate and supervise seasonal inventory acquisition.
- \* Manage and control store inventory.
- \* Develop retail meat prices. Monitor and evaluate retail prices vis a vis operating/inventory costs.
- \* Promote good customer relations.
- \* Undertake ongoing research into new product and market development.
- Develop and implement North Country Foods promotional activities to market country foods.
- \* Ensure adequate security measures are implemented and followed by staff members.
- Develop and maintain financial administrative systems.
- \* Assist butcher in meat cutting and processing duties.
- Develop, implement and ensure adherence to production systems, waste control guidelines and quality control guidelines.

Butcher/Meat Cutter \$12.00 per hour - 40 hours per week

**Reporting to the store manager, responsible for preparing caribou and muskox carcasses and fish for re-sale.**

Specific Duties:

- \* Hang and age meat.
- Cut, bone and trim meat to standard cuts such as chucks, loins, rounds and shanks.
- Cut and trim standard cuts of meat to shape and size for display or as ordered by customers (steaks, chops, roasts, etc.).
- \* Prepare meats and fish for smoking.
- Prepare sausages.
- Set up and operate grinder, saw, smoker, sausage stuffer and other meat processing equipment as required.
- \* Clean and maintain meat cutting/processing equipment.
- Wrap and weigh meat for customers and collect payment for sales.
- \* Fillet whitefish, char and/or trout as required.

— Lutra —

Cashier/Assistant Meat Cutter \$7.00 per hour - 40 hours per week

Reporting to the store manager, responsible for selling country food and assisting meat cutter as required.

Specific Duties:

- \* Wrap and weigh meat for customers.
- \* Receive payment for sales and operate cash register.
- \* Assist manager and meat cutter when required to operate grinder, sausage stuffer or smoker and in the packaging of meat.

Delivery Person \$8.00 per hour - 20 hours per week

Reporting to the store manager, responsible for gathering products from storage area as well delivering wholesale orders.

Specific Duties:

- \* Operate and maintain North Country Foods' delivery vehicle.
- \* Pick up products as required from storage area and deliver to retail store.
- \* Deliver orders to various locations around Yellowknife.
- \* Receive and store incoming product supply.

—Lutra—

MACKAY COMPUTING LIMITED

ACCOUNTING/PROCESSING SERVICES  
PRICE QUOTE RANGES

- |    |  |           |
|----|--|-----------|
| 1. | INITIAL SET UP FEE -TO DESIGN CHART OF ACCOUNTS/FORMAT FINANCIAL STATEMENTS                | \$150-350 |
| 2. | MONTHLY PROCESSING -KEYPUNCH ONLY  | 150-300   |
| 3. | -KEYPUNCH, RECONCILE BANKS, BALANCE SHEET ACCOUNTS (ACCOUNT FOR DEP'N, PPDS, LOANS, ETC. ) | 175-500   |
| 4. | QUARTERLY PROCESS. -KEYPUNCH/RECONCILE BALANCE SHEET                                       | 200-600   |
| 5. | MONTHLY PROCESSING/BOOKKEEPING/ACCOUNTING-INCLUDING PAYROLL, ACCOUNTS PAYABLE, ETC.        | 400-700   |
| 6. | MONTHLY PROCESSING -ACCOUNTS RECEIVABLE- STATEMENTS, AGED TRIAL BALANCE                    | 100-300   |

THE ABOVE RANGES ALLOW FOR VARIATION, COMPLEXITY AND NUMBER OF:  
FINANCIAL STATEMENTS  
SCHEDULES  
CHEQUES  
ACCOUNTING REQUIREMENTS

IF THE PROSPECTIVE CLIENT REQUIRES A MORE SPECIFIC PRICE, PLEASE REFER HIM/HER TO THE UNDERSIGNED.



GAYLE MARRAI  
MACKAY COMPUTING LIMITED

**MacKay  
Computing  
Limited**

Computerized  
Accounting  
Services

PO Box 727  
MacKay Building  
4910.50th Street  
Yellowknife, N.W.T. XIA 2N5  
Telephone (1) (403) 920.4400

*Gayle Marrai,*  
Manager

APPENDIX J - TRAINING PROGRAMS

A) Canadian Executive Service" Overseas (C.E.S.O. )

Retired businessmen/executives are matched with managers of new or existing businesses who require small business management or specific industry training. Funded by Economic Development and Tourism, G.N.W.T, C.E.S.O. training budgets usually do not exceed \$2,000 and include \$25. per diem for consultant's fees, 25% for C.E.S.O. administration, plus travel and accommodation costs.

How to apply: Prepare and submit proposal (training terms of reference) to Mike Mageean, Business Services, Economic Development and Tourism, G.N.W.T.

Average turn around time on proposals: one month.

B) Canada Employment and Immigration Commission (C.E.I.C.)

Under the Canadian Job Strategy, C.E.I.C. offers a number of training programs. The Skill Shortages program provides financial assistance to businesses to train employees in professions where C.E.I.C. has identified a shortage of skill workers. The Skill Investment program provides financial assistance to businesses to train employees when changing technological or market conditions threaten present work activities.

Assistance is available for both on- and off-the-job training. C.E.I.C. will fund 25% of wages for on-the-job training and 60% for off-the-job training, for a maximum of \$350. per week. In addition, \$30. per day (and 50% of costs exceeding \$30) per trainee is provided to cover trainer costs.

How to apply: Prepare and submit applications, proposed training workplans, proposed training budgets and background material (feasibility study) to Margaret Peterson or Auke Praamsma, CEIC.

Average turn around time on proposals: two months

C) The Federal Business Development Bank - C.A.S.E. Program

**The** Counseling Assistance to Small Enterprises (C.A.S.E.) Program provides training to small business managers including: marketing; accounting; planning, production; and personnel management. C.A.S.E. counsellors will also undertake operational audits on existing businesses and make recommendations with regard to streamlining operations and increasing profits. In addition, the C.A.S.E. program sponsors practical, hands-on training in an existing business.

The N. W.T. C.A.S.E. Program is administered in Winnipeg. Businesses with employees of less than 75 are eligible to apply to the C.A.S.E. Program. The Federal Business Development Bank assumes C.A.S.E. counsellor's travel costs, the business pays for training. Practical training in an existing operation is usually undertaken in Winnipeg. For this component of the training program, the client must assume travel, accommodation and living expenses and is not paid for time spent during on-the-job training. There are no training costs for practical training.

Mr. Gordon Smith, C.A.S.E., Winnipeg, estimated the cost to North Country Foods to train a manager would be approximately \$3400. Training duration would be 3-4 months and would include 4 visits to Yellowknife of 4-5 days each.

How to apply: contact Gordon Smith, FDBD C.A.S.E. Program, Winnipeg; or Brenda Ely, FDBD, Yellowknife.

D) The Federal Business Development Bank - Business Management Seminars

The F.D.B.D. offers full day, half day and evening courses in accounting, taxation, marketing and personnel management. However, due to government cut backs, there are no business management seminars scheduled for the fall of 1986. Persons interested in attending F.D.B.D. seminars are asked to submit their name and desired course, to the F.D.B.D. office. Courses will be held on an 'as demand warrants' basis.

E) G.N.W.T. Dept. of Renewable Resources

The Dept. of Renewable Resources does not administer training programs. Rather, the department provides input into the formulization of renewable resource development programs (EDA) and monitors and reacts to the impact of resource harvesting in terms of wildlife stocks, etc.

F) G.N.W.T. Dept. of Economic Development & Tourism - Renewable Resource Development Division

The Renewable Resource Development Division does not administer training programs.

—Lutra—

G) The Economic Development Agreement

It is understood that the proposed Economic Development Agreement (anticipated to be in place on April 1, 1987) will include a renewable resource sub-agreement devoted to developing the commercial harvesting of the N.W.T.'s renewable resources. Part 1 of the sub-agreement will provide funds to assist in new product development and market assessment, while part 2 will fund the development of renewable resource business development. It is further understood that no money has been allocated for human resource training within the Renewable Resource Sub-Agreement.

H) Northern Alberta Institute of Technology (N.A.I.T.)

The Northern Alberta Institute of Technology offers a five month retail meat cutting course consisting of 435 hours of practical shopwork, 67 hours of meat cutting theory and 100 hours of related theory. Course tuition fee is \$350., mist. supplies and books cost an additional \$190. The course is offered twice during the calendar year, in Feb. and Sept.

How to apply: Prepare and submit N.A.I.T. application form.



Medical Services  
Mackenzie Zone  
P-O. 80X 520  
Yellowknife, N.W. T.  
X1A 2N4

Your file Votre référence

Our file Mire référence

150-5-2  
General

September 2, 1986

Mr. Bob Steven  
Lutra Associates  
Box 1866  
Yellowknife, N.W. T.  
X1A 2P4

Dear Mr. Steven:

In response to your request for information as to regulatory requirements for the processing and retailing of wild meat, I am enclosing the following which we discussed:

1. Country Food Exchange Guidelines
2. Eating and Drinking Place Regulations.,
- 3\* Proposed Food Marketing Regulations.

Also, I'm enclosing a photo-copy of Section 4 of the Federal Feed and Drug Act as it is of general application. Please call if you have any questions.

Yours truly,

  
Mike Pichichero  
Health Officer

ENCLOSURE

/kew

Canada

"di-  
"vendre".

"unsanitary  
conditions".  
"conditions...".

"sell" includes sell, offer for **sale**, expose for **sale**, have in possession for sale, and distribute;

"unsanitary conditions" means such conditions or circumstances as might contaminate a food, drug or cosmetic with dirt or filth or render the same injurious to health.

## PART L

### FOODS, DRUGS, COSMETICS AND DEVICES.

#### General.

Prohibited  
advertising.

3. (1) No person shall advertise any **food**, drug, cosmetic or **device** to the general public as a **treatment, preventative** or cure for any of the diseases, disorders or abnormal physical states mentioned in Schedule A.

Idem.

(2) No person shall **sell** any food, drug, cosmetic or device

(a) that is represented by label, or

(b) that he advertises to the general public

as a treatment, preventative or cure **for any** of the diseases, disorders or abnormal physical states mentioned in Schedule A

Advertising  
of contra-  
ceptive  
device  
prohibited.

(3) Except as authorized by regulation, no person shall advertise to the general public any contraceptive **device** or any drug manufactured, sold or represented for use in the **prevention** of conception.

#### Food.

Prohibited  
sales of food.

4. No person shall sell an article of **food** that

(a) has in or upon it any poisonous or harmful substance;

(b) is unfit for human consumption;

(c) consists in whole or in part of any filthy, putrid, disgusting, **rotten decomposed** or diseased animal or vegetable substance;

(d) is adulterated; or

(e) was manufactured, prepared, preserved, packaged or stored under unsanitary conditions.

Deception.

5. (1) No **person** shall **label**, package, treat, process, sell or advertise any food in a manner that is false, **misleading** or deceptive or **is** likely to create **an erroneous impression** regarding its character, value, quantity, **composition**, merit or safety.

Idem.

(2) An article of food that is not **labelled** or packaged as required by the regulations, or is **labelled** or packaged contrary to the regulations, shall be deemed to be **labelled** or packaged contrary to subsection (1).

Where  
standard  
prescribed.

6. Where a standard has been prescribed for a food, no person shall label, package, sell or advertise any article in such a manner that it is likely to be mistaken for such food, unless the article complies with the prescribed standard.

Unsanitary  
conditions.

7. No person shall **manufacture, prepare**, preserve, package or store for sale any food **under unsanitary conditions**.

#### Drugs.

Prohibited  
sales of  
drugs.

8. No person shall **sell** any drug that

(a) was manufactured, prepared, **preserved**, packed or stored under **unsanitary** conditions; or

(b) is adulterated.

February 12, 1979  
Rev May 15, 1979

DRAFT

GUIDELINES FOR THE COUNTRY FOOD EXCHANGE PROGRAM

There are four main areas of concern when providing food for public consumption:

- 1) Is the food from an approved source? "Is it safe to eat? Is it free of disease or parasites?"
- 2) Is the food handler, including the hunter, free of communicable diseases that may be transmitted via the food to an unsuspected eater of such food? Does the food handler have good personal hygiene habits?"
- 3) Are the food handlers knowledgeable in the seriousness of poor sanitation conditions? Do they have some basics in bacteriology?"
- 4) Are the food handlers (hunters, food handlers and retail outlet workers) knowledgeable in the proper handling and temperature storage of foods?"

Item #1 can not be accomplished by the Environmental Health Officer of Medical Services as they do not possess the required qualifications of a meat inspector. If the food is visibly unclean or decomposed, the Environmental Health Officer can advise "it is unsafe to eat."

Item #2, 3 and 4 can be covered very adequately by the Environmental Health Officers as this is his/her specialty."

It is very important to stress at this time that educational sessions are necessary so everyone involved with this program understands the reasons for the required health standards to reduce the possible health hazards to a minimum. Therefore, the Environmental Health Officers "should

APPENDIX P - PRE-OPENING CHECKLIST

<u>Activity</u>	<u>Date</u>
* Secure business investors	Dec. 1986
* Secure owner equity program	Dec. 1986
* Prepare application for SARDA program	Dec. 1986
* Prepare training plan and proposal: CEIC, CASE	Dec. 1986
* Prepare financing proposals - Chartered Banks SBLF / FBDB	Jan. 1987
* Decision made re: SARDA grant, long term debt	Jan. 1987
* Incorporation	Feb. 1987
* Site identification / negotiate lease	Feb. 1987
* Order equipment	Feb. 1987
* Establish supply contacts / systems	Feb. 1987
* Staff recruitment	Feb. 1987
* Decision made re: training subsidies	Feb. 1987
* Receive and install equipment	Mar. 1987
* Staff hired	Mar. 1987
* Butcher and management training "begins"	Mar. 1987
* Establish product pricing, inventory control, financial control systems	Mar. 1987
* Facility Inspection - Environmental Health, Municipality	Mar. 1987
* Business Licence / WCB / Insurance	Mar. 1987
* Marketing - Pre-operational plan	Mar. 1987
* Order security system	Mar. 1987
* Receive and store inventory	Mar. 1987

STORE OPENS TO PUBLIC

APRIL 1ST 1987

— Lutra —

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\*Statistics Canada "Apparent Food Consumption in Canada", Cat. #32-229 & 32-230 (annual).

\*G.N.W.T. Bureau of Statistics, "Food Price Survey", Northwest Territories, 1985. May 1986.

\*Ruitenbeek Resource Consulting Ltd., Lutra Associates Ltd., LCL Ltd., Dabbs Environmental Services, "Slave River Lowland Bison Ranch Feasibility Study", 1985.

\*Lutra Associates Ltd. "Feasibility Study: Great Slave Lake Cod processing Plant", Dec. 1982.

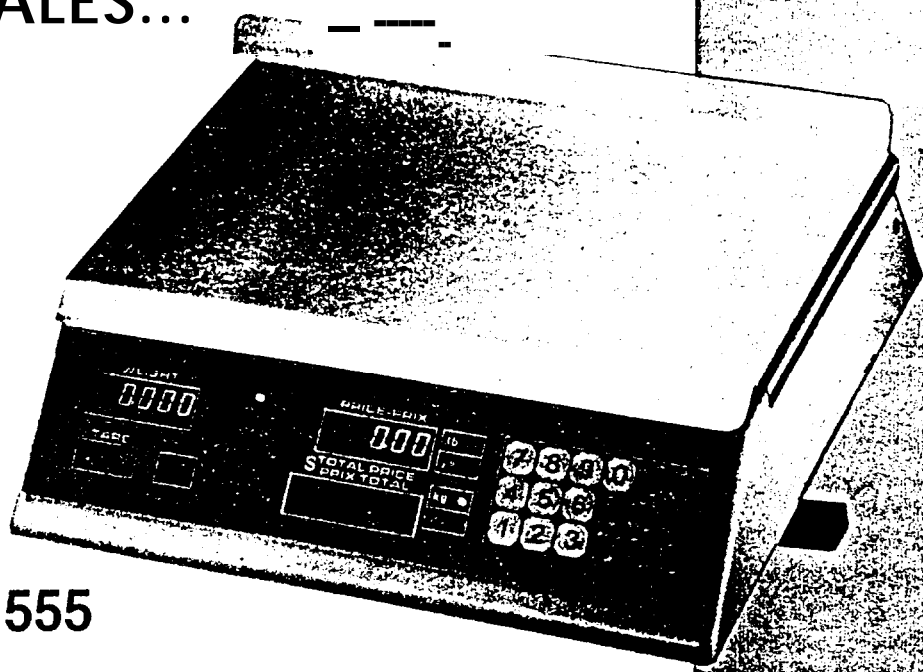
\*Lutra Associates Ltd. "Economic Study of the Proposed East Arm Park", Aug. 1986.

\*Amirault, Ernest & Archer, Maurice. "Canadian Business Law", Methuen Publications, 1976.

19.	1 each	Refrigeration for walk-in cooler; -3/4 HP, 208 volt, 1 phase walk-in freezer; -1 HP, 208 volt, 2 phase (less electrical and mechanical).	Coldstream*	5,7,0.0.00
-----	--------	--	-------------	------------

20.	1 each	Freight and Setting Condon-Barr In Place of Equipment ready for hook up by subtrades . (Less electrical and mech- anical) .	4,500.00	
			Total . . . . .	\$78,112.40
			(not including alternates)	

# THE NEW GENERATION OF BERKEL 500 SERIES 'DIGITAL ELECTRONIC RETAIL SCALES...



## THE MODEL 555

- Capacity 15kg. x .005kg. (30 lbs. x .01 lb.).
- 5-digit price entry; 6-digit total price display.
- Platter or keyboard Tare.
- Fractional pricing.
- Accumulator function.
- Pre-pack settings for Tare and price.
- Printer capable.
  - . Pre-pack automatic label dispense.
  - . Date Code entry through keyboard.
- Metric Convertible.
- Audible beep during key entry.



DIGITAL ELECTRONIC RETAIL SCALES SERIES 500

UL Approved

Made in U.S.A. by

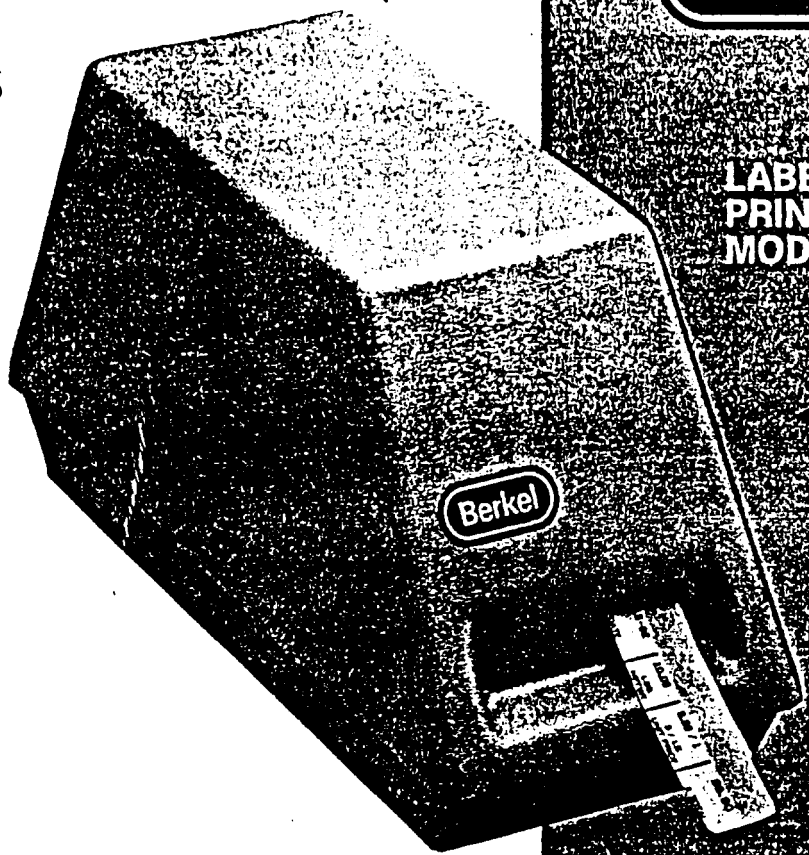


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Toronto/Vancouver/Calgary

BERKEL INCORPORATED  
One Berkel Drive • LaPorte, IN 46350  
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Machine orders only 1-800-348-0251

# THE ADVANCED LABEL PRINTER for the **Berkel** Model 555 Scales

## Model P-501 A New Concept in Label Printers



**Berkel**

LABEL  
PRINTER  
MODEL P-501



- Expanded total price for easier reading.
- Date Code programming through scale keyboard.
- Automatic label dispensing for pre-pack.
- Space-saving, vertical design requires counter area of only 158mm width by 403mm depth (6-1/4" x 15-7/8").
- Combination interface/power cable connects directly to the scale — no need for a separate power outlet for the printer.
- Dot matrix printer head for longer, trouble-free life and crisp, clear printing.
- Built-in take-up spindle neatly stores the used label backing inside the printer housing.
- More labels per roll. Approximately 1500 of 76mm (3") labels or 1000 of 102mm (4") date-code labels per roll.

 Approved

Made in U.S.A. by



IN CANADA: Produits Berkel Ltée., Montreal  
Berkel Products Co., Ltd.,  
Toronto/Vancouver/Calgary

BERKEL INCORPORATED  
One Berkel Drive • LaPorte, IN 46350  
(219) 326-7000. Telex 258-343  
Machine orders only 1-600-348-0251





FOOD EQUIPMENT

## 5701 SERIES MEAT SAW

### THE NEW 5701 SAW FROM HOBART.

The unique design of the new Hobart Model 5701 vertical saw allows for improved cleanability over any other vertical saw on the market.

The total open construction and complete hose down capabilities including the water resistant motor makes the 5701 saw easy to clean and to sanitize.

The enclosed bone dust system with its large, **lower scrap pan keeps the bone dust** where it belongs.

Cutting power, where you need it, is assured with our standard 3 HP motor and direct gear drive transmission — there are no belts to replace, slip out of adjustment or break.

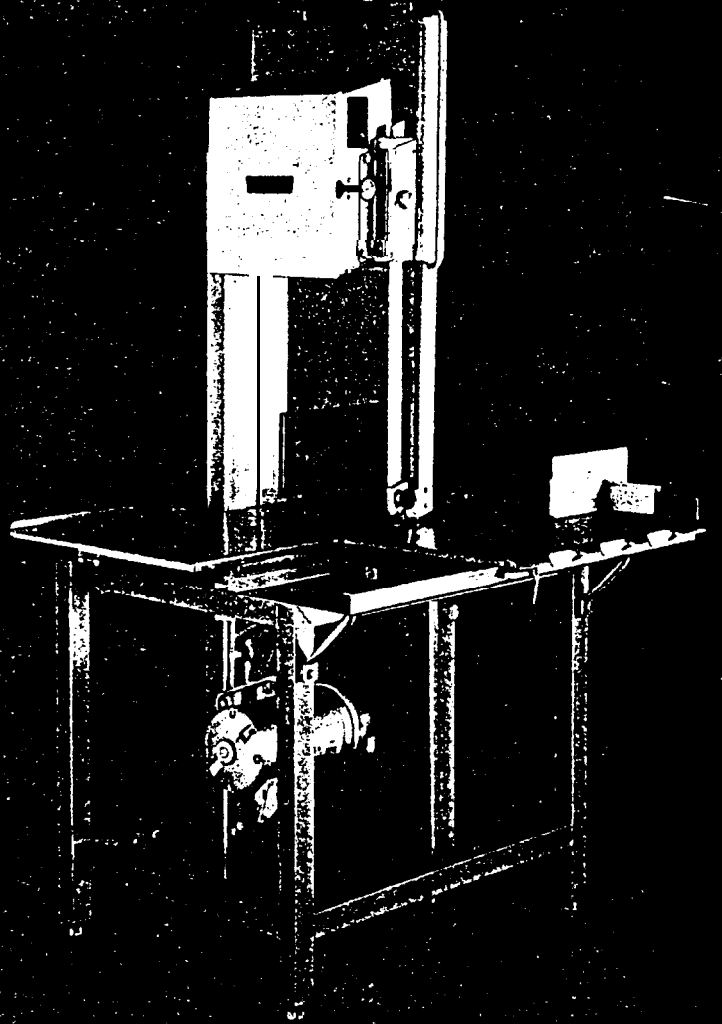
The new eye-level "on-off" switch is easy to find and easy to reach. And the positive-lock, quick release gauge plate saves adjustment time.

No tools are needed for removal of parts, including both pulleys, and our exclusive two-piece table and open frame design make sink-washing or high pressure hose-down a cinch.

Specifications, Details and Dimensions on Reverse Side

WORLD HEADQUARTERS  
TROY, OHIO 45374

5701 SERIES  
MEAT SAW





# BULLETIN

TO: All Berkemen and Authorized Berkel Dealers

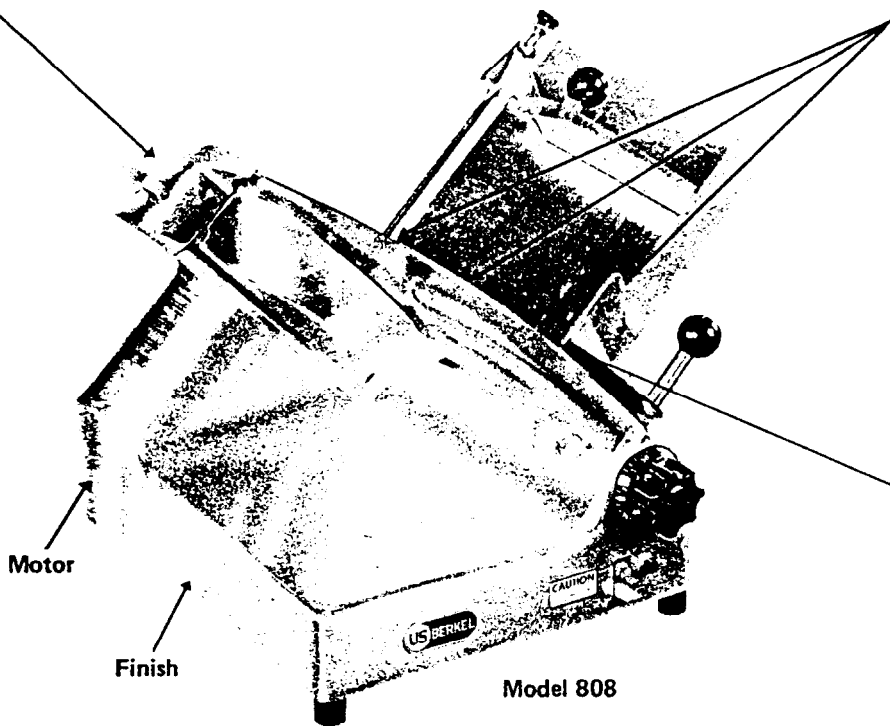
## COMPARE THE Berkel MODEL 808 SLICER WITH THE HOBART MODEL 1612 AND THE GLOBE MODEL 400

### SHARPENER:

Berkel's one finger control sharpener is an attached part of the slicer, is factory pre-set to give a precise correct cutting edge. The knife, even when sharpened by the inexperienced operator, will always come out razor-sharp.

Hobart-s sharpener is not an attached part of their slicer and is used in conjunction with the gauge plate.

Globe's sharpener, although attached to their slicer, requires the moving of the center plate and since it does not have the one finger control feature, undue pressure can be applied to the knife edge.



### CENTER PLATE, GAUGE PLATE AND MEAT TABLE:

Berkel's are all made of heavy gauge stainless steel. Hobart's are all aluminum. Globe has thin gauge stainless steel gauge and center plates and their meat table is made of aluminum.

### FINISH:

Berkel has a gleaming burnadized finish. Hobart and Globe have a dull anodized finish.

### KNIFE:

Berkel's thin profile, hollow ground knife is made of high quality stainless steel; never requires factory regrinding and is 12½" in diameter. Hobart's 11 ¾" diameter knife not only is smaller, but because it is not hollow ground, requires the added expense of factory regrinding. Globe's knife is only 11" in diameter.

### SCRAP PAN:

Berkel's has no need for a scrap pan, since its superior design and high performance produces a negligible amount of waste. Globe has a scrap pan because they need one.

### MOTOR:

Berkel's motor is 1/3 hp. - Hobart's motor is 1/4 hp. - Globe's motor is 1/3 hp.

### WEIGHT:

Berkel- 102 lbs. indicates quality and solid design - Hobart-90 lbs. - Globe-100 lbs.

APPROVALS: Berkel is NSF approved, USDA accepted, UL listed, CSA approved.

THE Berkel Model 808 has all the plus features. Sell Berkel equipment . . . . .

Berkel INCORPORATED

"THE WORLD'S BEST"

LA PORTE, INDIANA

# Add the High Profits of Smoke with the ENVIRO-PAK Mini-Series FORCED AIR OVENS

fast smoke-cooking  
*Plus* unequalled  
product  
uniformity

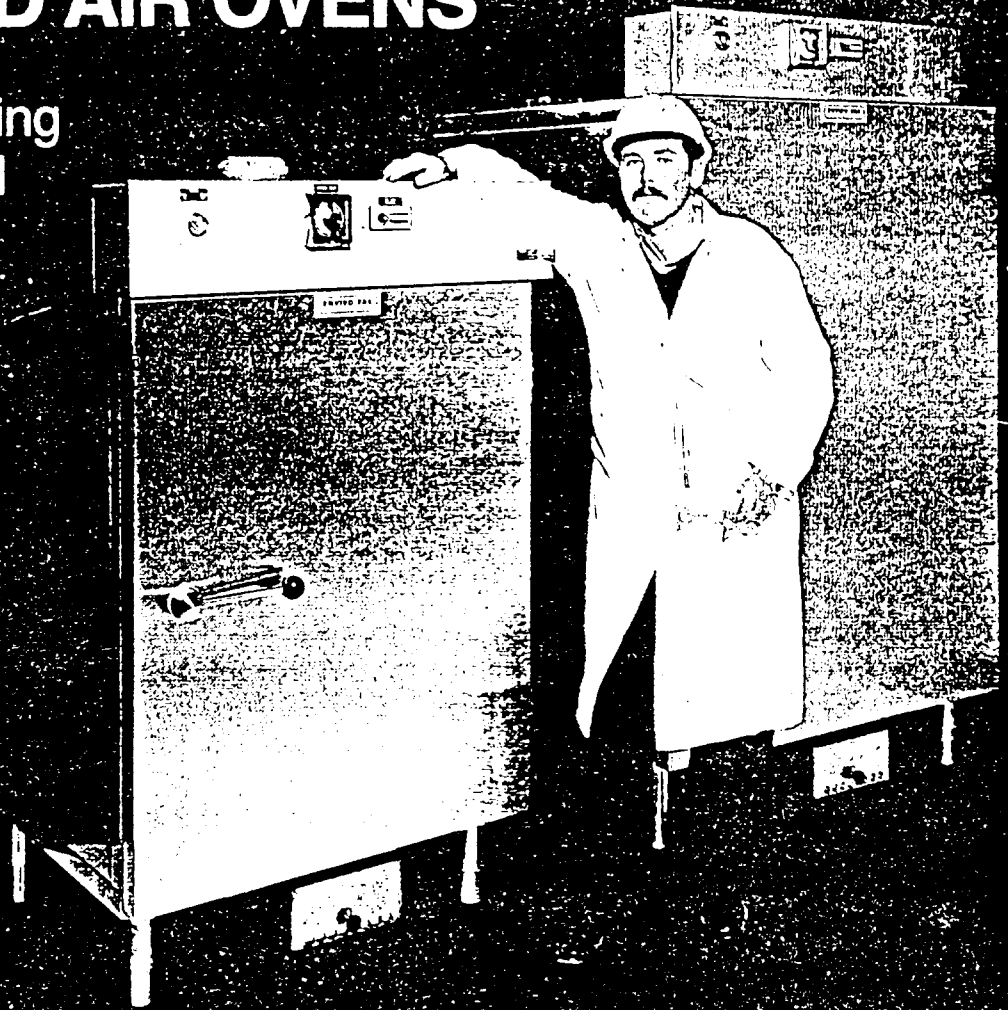
**TWO  
BIG  
SIZES**

**Model CVU-150**

Up to 200 lbs. capacity

**Model CVU-350**

Up to 400 lbs. capacity



Check these extras against all others, and you will agree . . .  
the Mini-Pak CVU-150 and CVU-350 are SUPER SMOKERS!

- 100% stainless steel construction – with welded seams where it counts!
- Fully automatic temperature control– up to 300°F.
- **Automatic timer**–shuts down oven at pre-set time.
- Fully, adjustable and gasketed air intake and exhaust dampers.
- Dual spray cooling shower– pre-piped and fitted.
- High volume “Turbo Fan” air recirculation– for fast cooking and smoking.
- Built-in Smoke Chip Pan–burns natural hardwoods–easy to use.
- **Easy to clean**–interior disassembles for fast and easy cleaning.
- Floor drain built in to all stainless steel floor– 1 1/2” connection.
- High density insulation assures energy efficient operation.
- Complete and **easy** installation instructions– “do-it-y ourself.” One electrical hookup and water are all that **is** required.
- Plus–dozens of **cooking ‘recipes and tips** for all types of product – red meats, poultry, fish.

\*U.L. Approval #E-72225

SEE BACK FOR OPTIONS AND ACCESSORIES

## ENVIRO-PAK

# 5 Ways to Make Smoke Cooking Even Easier

The following options and accessories for Mini-Pak Smoke-Cookers are designed to add economy, convenience and efficiency in producing a superior smoked food. No matter what your product is – hams, bacons, roast beef, prime ribs, pastrami, turkey, chicken, sausage product, smoked salmon, cod, etc. – Enviro-Pak has provided you with a better way to do them!!!

## Options and Accessories for the CVU-150 or CVU-350 Mini-Pak Smokers

**HUMIDIFIER** This option provides for maximum yields and moisture retention of smoke-cooked food products. Includes specially designed air-water humidifier, with built-in mini-air compressor, allowing for up to 90% R.H. Helps promote faster cooking while avoiding shriveling and moisture loss.

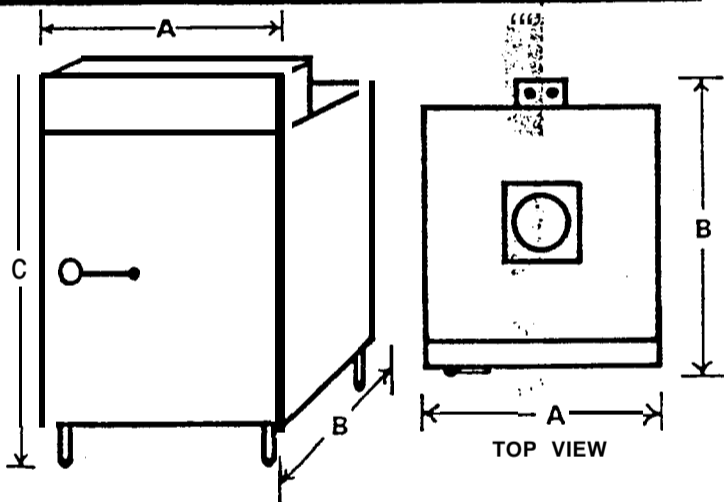
**INTERNAL MEAT PROBES** Know your internal product temperature at a glance. Two models are available: indicating, or recording for permanent record keeping. Once you pre-set the control for the proper finish temperature, the oven automatically showers, shuts off or sounds a sonic horn alarm – no more opening doors or fussing until the product is done!

**ENVIRO-MIST LIQUID SMOKE ATOMIZER** Want more uniform product and easier cleaning with no pollution, no tar, no fire hazard, no mess? Enviro-Mist is the answer. An all stainless steel system mounted to the oven side wall atomizes directly into the oven cabinet.

**ENVIRO-GEN Natural Smoke Generator.** Fully automatic. The Enviro-Gen is hopper-fed with a 10-hour capacity. For more information, ask for our Enviro-Gen Model EG-CSG brochure.

**SHELVING & SMOKESTICKS** Each oven order includes 10 smokestacks. You may need additional smokestacks or shelving depending on your product. All-stainless steel shelving is available for items such as jerky, fish, poultry parts, ham hocks, prime rib, roast beef, spare ribs, etc.

## OVEN DIMENSIONS & UTILITIES



OVEN DIMEN.	A	B*	c	SHIP. WEIGHT
CVU-150	36"	38"	64"	600 lbs.
CVU-350	44"	48"	82"	1000 lbs.
UTILITIES	115V/230V/1Ph/60 Hz			
CVU-150	1/2 HP, 3.5 KW Electric Heat			
CVU-350	3/4 HP, 9 KW Electric Heat			

\*Door and rear accessories removable - deduct 8".

# ENVIRO-PAK

PORTLAND, OREGON

2700 S.E. Ankeny St.  
Portland, Oregon 97214

Phone: 503-233-7611

Telex: TECH MARK PTL 36-0844

FOOD EQUIPMENT

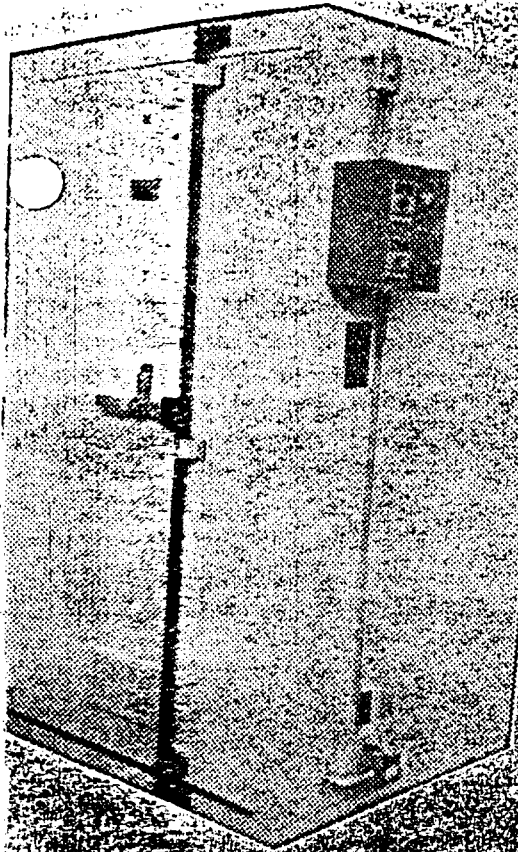


Herb Bernhart  
Sales Representative

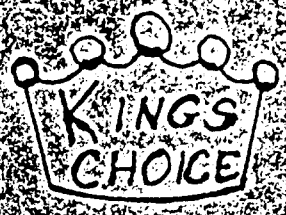
STAINLESS STEEL EQUIPMENT MANUFACTURER FOR FOOD SERVICES AND LABORATORIES. FOOD SERVICE EQUIPMENT — RECONDITIONED EQUIPMENT

14515-118th Avenue, Edmonton, Alberta T5L 2M7. Telex 03742779

Off (403) 454-0432



Model NS - 100



SMOKE HOUSES

Natural Gas or Propane  
 Electrical 110/240 volt  
 Satin finish/construction  
 Interior space 44" x 47" x 60"  
 Indicating Temp Control 0 - 250  
 Drain ways for easy cleaning  
 Built in smoke generator  
 Up to 500 lb capacity  
 (Optional)  
 Meat (internal probe)  
 Auto shut down & reset controls  
 Model NS - 100

Natural gas or propane  
 forced air flow  
 Stainless steel construction  
 interior space 44" x 47" x 60"  
 Floor drain & product shower  
 Indicating Temp 0 - 250  
 Roll in product truck  
 up to 500 lb capacity  
 (Optional)  
 model Smoke  
 Natural smoke generator  
 Temp time control  
 Internal temp control  
 Auto shut down control  
 Product Shower (Auto)

Model FA - 500

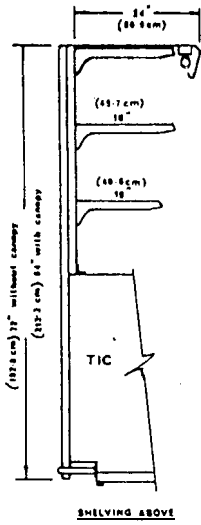
Write or Phone

Manufactured by  
**NORWEST PLUMBING  
 & HEATING**  
 Shop - 2726 5th Ave. Regina S4T 7S5  
 BUS. 543-6919

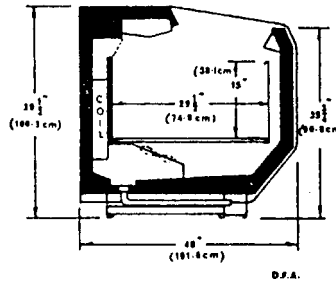


Model FA 500

ICE CREAM and  
FROZEN FOODS



TIC-8  
TIC-10  
TIC-12



**FEATURES:**

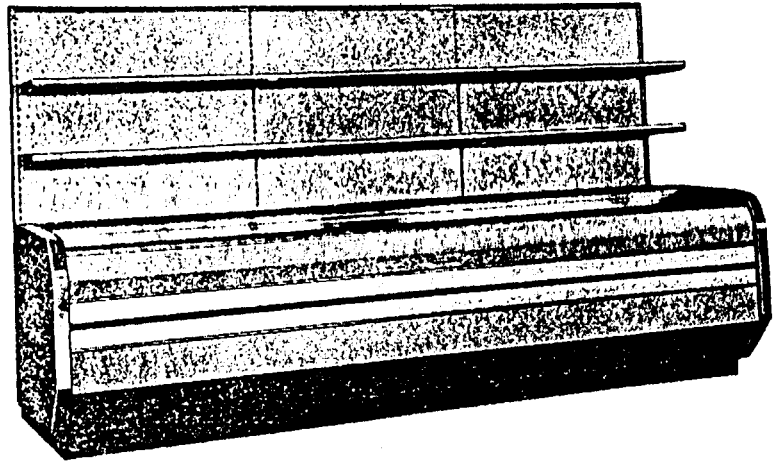
**INTERIOR** - Front and back gauge steel, High Baked Polyester bottom and fan housings - galvanized steel.

**EXTERIOR** - Heavy gauge steel base all High Baked Polyester access to services).

**COLOUR** - Choice of attractive color combinations.

**TRIM** - Decorative front panel trim of complementary or contrasting color. Polished bumper strip inserted in polished edges of high polished stainless steel. Front rail - cap trim of gleaming chrome.

**INSULATION** - High density polyurethane.



MODEL
TIC8
TIC10
TIC12

**General Refrigeration of Canada Limited**

Subsidiary of *Intermetco Limited*

Office and Factory

124 NOR FINCH DRIVE

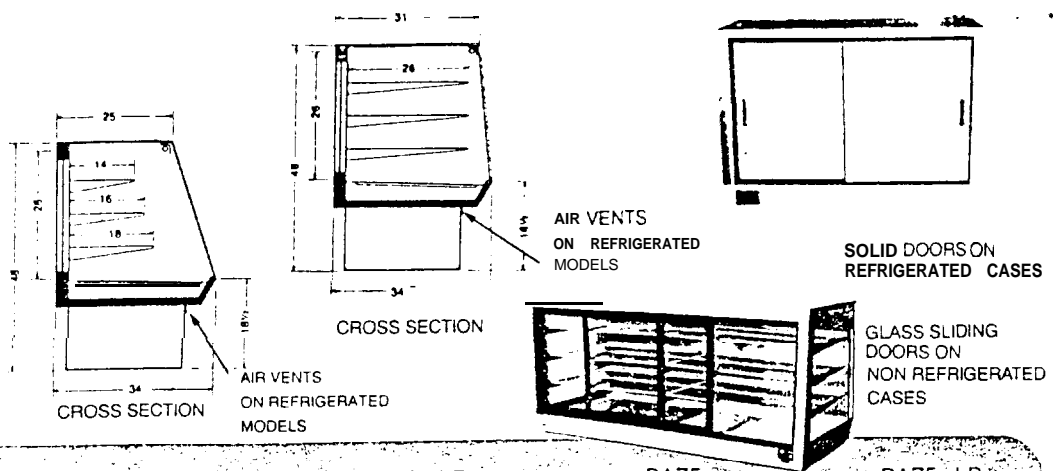
DOWNSVIEW, ONTARIO M3N 1X5

TELEPHONE 416-635-6363 • TELEX 06-965588

General Refr

# COLDSTREAM

## Pastry and Deli Display Cases



Specifications	Model	PA48	PA48 - LR	PA75	PA75 - LR
Evaporator Type		Blower Coil	Nil	Blower Coil	Nil
Condenser Type		Air Cooled	Nil	Air Cooled	Nil
Refrigerant Feed		Cap Tube	Nil	Cap Tube	Nil
Condensate Disposal		Automatic	Nil	Automatic	Nil
Shipping Weight		500 lbs	400 lbs	800 lbs	700 lbs
Compressor		1/4 HP	Nil	1/2 HP	Nil
Electrical Characteristics		115/1/60	115/1/60	115/1/60	115/1/60
Total Electrical Load		5.5 Amps	1.0 Amps	10.5 Amps	1.0 Amps
Connection		Cord	Cord	Cord	Cord
Case Length		48"	48"	75"	75"

Specifications	Model	PA48HV	PA48HV - LR	PA75HV	PA75HV - LR
Evaporator Type		Blower Coil	Nil	Blower Coil	Nil
Condenser Type		Air Cooled	Nil	Air Cooled	Nil
Refrigerant Feed		Cap Tube	Nil	Cap Tube	Nil
Condensate Disposal		Automatic	Nil	Automatic	Nil
Shipping Weight		500 lbs	400 lbs	800 lbs	700 lbs
Compressor		1/4 HP	Nil	1/2 HP	Nil
Electrical Characteristics		115/1/60	115/1/60	115/1/60	115/1/60
Total Electrical Load		5.5 Amps	1.0 Amps	10.5 Amps	1.0 Amps
Connection		Cord	Cord	Cord	Cord
Case Length		48"	48"	75"	75"

All models are CSA certified.

NOTE: In line with our program of constantly striving for improvement in design, we reserve the right to change these specifications without notice.

**All Glass Merchandising Perfection** — This beautiful new case is a "sales case in every sense of the word. The front, the top and the ends are all glass. The result is a beautiful display which sells and sells.

The bottom shelf, plus the three white wire shelves, provide ample capacity where business is in volume. Glass shelves optional at extra cost. \*Glass shelves not available for H.V. models.

**Fluorescent Lighting** — There is fluorescent lighting across the top of the glass, inside the case, to display pastries or deli products in the best possible setting.

**Display Window** — Guarantees lifetime of clear visibility, not only in the front but the ends — large sliding doors glide open or close with a touch. Large size permitting easy and full access to either the wire shelves, or the main display shelf. The main display shelf is of stainless steel and in sections which lift out for easy cleaning.

**Positive Refrigeration** — Balanced refrigeration provides a gentle circulation of cooled air. There are no cooling coils or drip trays or

anything of that nature in the top of the case. Cooling equipment is down under the main platter shelf where it belongs. Slide out refrigeration system for easy servicing.

The base is vented for operating efficiency.

**Cold Pack Replaceable Complete Refrigeration Unit** — Coil and compressor are in one unit. Does not require a service mechanic in the event of a malfunction. The complete unit just slides out at the bottom for factory servicing.

**No Plumbing Required** — The condensate from the cooling coil is evaporated automatically.

**Pre-wired and Tested** — Operates from a 115 volt plug.

**Non Refrigerated Models** — As above except case has single glass unit and sliding doors are glass,

**Delicatessen Models** — Have stainless steel shelves and natural white fluorescent lamp.

**Dimensions** — Exterior dimensions same as for refrigerated cases.

**COLDSTREAM**  
 PRODUCTS OF CANADA LTD.  
 1001 REGENT AVE. W. WINNIPEG, MAN. R2C 4M2  
 PHONE (204) 669-1201 Telex 07-57152  
 Distributors Coast to Coast

# SELF CONTAINED ALL PURPOSE LOBOY DISPLAY COUNTER

## SPECIFICATIONS

**ALL PURPOSE MERCHANDISER** — Low height permits use of top for checkout or wrapping counter — end compressor stand holds cash register, scale, slicer, etc.

**ELIMINATES WASTE SPACE** — All customers view powerful selling display while waiting to be checked out — turns waste space used by checkout counter into valuable selling area.

**SAVES ON LABOR** — Groups all perishables together at most convenient service point in store.

**BIG SLIDING REAR DOORS** — (Hide wide open to provide easy and full access to display shelves or rear storage compartment — do not block aisle at rear counter when open.)

**BIG STORAGE SPACE** — Full length refrigerated storage space provided under display shelves with convenient access from rear sliding doors.

**CONVENIENT ELECTRICAL OUTLET** — At back of counter provides plug in for scale, cash register, etc.

**COLOR LIGHTING** — Brilliantly hoodlights entire interior, displaying all items in mouth watering color.

**NO DRAINS** — Defrost water automatically evaporated with Cold-stream's exclusive condensate disposal system.

**PRE-WIRED, TESTED** — Completely pre-wired at factory — tested and proven before you get it — comes to you ready to run.

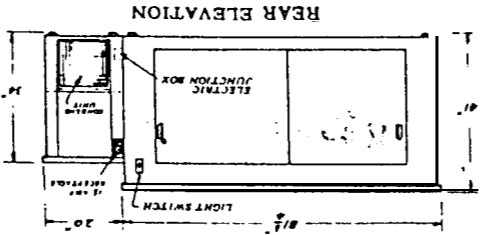
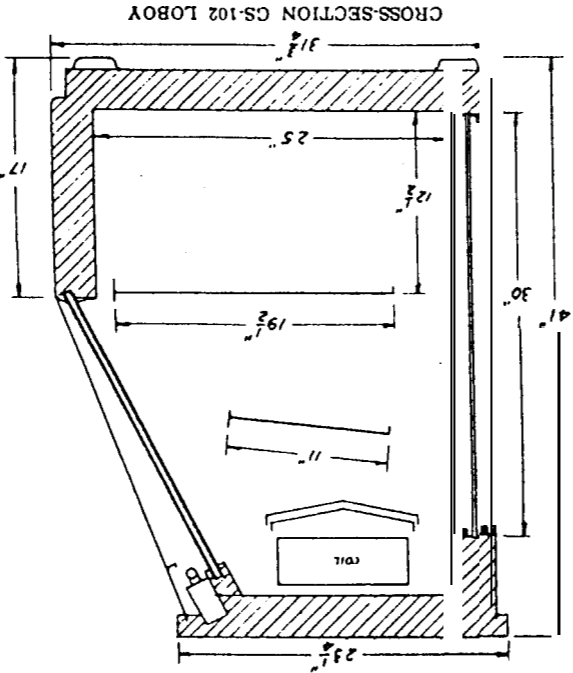
APPROVED CANADIAN STANDARD LABORATORIES

More Than Ten Thousand Goldstream Self Contained Units  
Are In Operation In Stores In Canada.

**GOLDSTREAM**  
PRODUCTS OF CANADA LTD.  
HEAD OFFICE • 1855 SARGENT AVENUE • WINNIPEG 21 • MANITOBA  
SOLD BY

**CAPACITIES**  
Total Display Shelf Area 15.6 sq. ft.  
Bottom Storage Compartment 13.3 cu. ft.

**ELECTRICAL REQUIREMENTS**  
Condensing Unit 1/2 H.P., 115, 1.60  
Electrical Rating — Condensing Unit 5.2 Amp, 115, 1.60  
and Lights 5.2 Amp, 115, 1.60  
Receptacle Rating 15 Amp, 115, 1.60  
Automatic  
Shipping Weight 800 lbs.



CROSS-SECTION GS-102 LOBOY

REAR ELEVATION

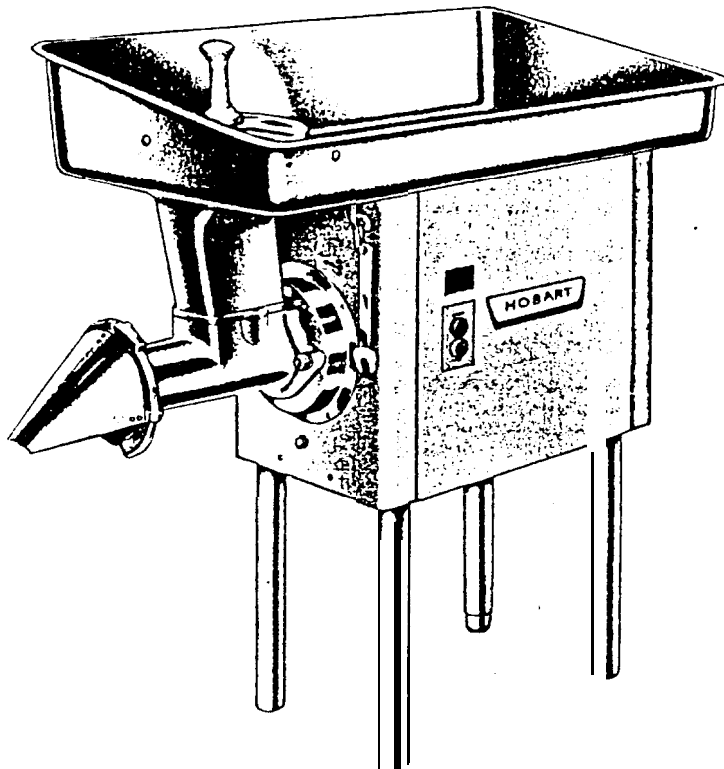
SE-GS 102 - 2M, 877



# HOBART

#13.

## 4146 MEAT GRINDER



### MAXIMUM PERFORMANCE IN GRINDER DESIGN

The Model 4146 Meat Grinder will handle the toughest assignments with ease — ideal for continuous service in supermarkets and all other high-volume processors of fresh or tempered meats. Unique Hobart grinding end design brings a standard of performance to the medium duty grinder field formerly unattainable in machines of this capacity. There **is no** crushing or mashing of meat — it comes out clean cut with all its natural color and flavor.

Special Hobart "Plus" Features:

- High speed production on **both** first and second grind.
- Separate cylinder and bowl for easy disassembly and quick clean-up.
- Bowl guard is permanently side mounted on feed pan — no bottom mounts to restrict feeding.

Many other Hobart "extras". . . including extra large high-back stainless steel feed pan — extra motor protection — extra sanitation features — and overall extra value.

Specifications, Details and Dimensions on Reverse Side..

HOBART CANADA INC., 190 RAILSIDE ROAD, DON MILLS, ONTARIO M3A 1B1

# SPECIFICATIONS

Listed as certified by Canadian Standards Association and by National Sanitation Foundation.

**GENERAL** The Model 4146 grinds fresh or tempered frozen meat. This grinder is designed for the fast, clean culling of meat where high-quality ground products are of prime importance.

**MOTOR:** Hobart designed and built, 3.75 kw (5 H.P. nominal), heavy duty. Front ball bearing receives oil lubrication from transmission. Rear ball bearing is grease packed sealed for life. Ventilation is provided through screened openings in base. Motors are available in electrical specifications of 208-60-3, 230-60-3, \*460-60-3 and \*575-60.3. \*Not listed with CSA.

**MOTOR CONTROLLER:** Magnetic type featuring low-voltage and automatic resetting bi-metal thermal overload protection. Starter is mounted inside machine enclosure and actuated by rubber-capped pushbuttons located on right side of machine for standard right-to-left operation. For applications above 250 volts, a transformer is furnished to reduce voltage for use in the electrical interlock control circuit.

**TRANSMISSION:** Geared, double reduction, consisting of oil-lubricated hardened helical cut steel gears. Worm speed is 215 RPM. Thrust from grinder worm is taken by a large tapered roller bearing mounted in attachment hub on face of transmission housing. Double seals prevent loss of oil or entrance of moisture.

**GRINDER END:** This unit is supplied with a No. 46 wide-mouth grinding end with a separate cast-iron bowl. The cylinder is removable when the pan is unclamped and raised to rest on a support provided to hold it in a tilted position. The grinding end is mounted to the transmission on two studs. It can be removed easily by loosening two cylinder nuts and rotating the cylinder a few degrees until the mounting flange clears the nuts. The cylinder is a spiral fluted type, equipped with a deep-fluted worm, designed for standard No. 32 knives and plates (not furnished). The cylinder, bowl, worm, and adjusting ring are heavily tinned cast iron.

**CAPACITY:** The Model 4146 Grinder has a fresh beef capacity of 60 to 65 pounds (27 to 30 kg) per minute, first cutting, through a 1/8" (3 mm) plate and 45 to 50 pounds (20 to 23 kg) of beef per minute, second cutting, through a 1/8" (3 mm) plate.

**SAFETY SYSTEM:** Model 4146 Grinder combines operator safety with maximum capacity. A cast aluminum guard is permanently mounted to the sides of the pan. This guard, plus the unique bowl

design, protects from accidental contact with the worm. An electrical interlock system is provided which shuts off current to the motor as soon as the pan is separated from the bowl. An additional interlock prevents the machine from running or being started when the bowl is not in position on the cylinder. Both the bowl and the pan must be in their proper operating locations before the machine can be started.

**FEED PAN:** Feed pan features large capacity and high back (9" / 229 mm), measures 49" (1245 mm) long, 26 3/4" (679 mm) wide, and 4 1/2" (114 mm) deep at front edge. Furnished in 16 gauge stainless steel. Cast aluminum guard is mounted high and to the sides of the pan with hardened steel drive screws, assuring ease of feeding along with maximum safety. High back permits easy dumping of large lugs of meat into pan. Tilt-back feature on feed pan permits removal of chopping end for cleaning without removing pan from machine.

**LEGS:** Standard leg length (16 7/406 mm) provides 21 3/4" (552 mm) clearance between floor and lowest point on adjusting ring. One leg is adjustable for leveling. Legs are galvanized steel with epoxy finish. Optional leg sets available: 18 1/2" (470), 21" (533) 24 1/2" (622) 26" (660) 28 1/4" (724) 31 1/4" (800) other heights on request.

**STANDARD EQUIPMENT:** Consists of working power unit with magnetic-type starter and pushbuttons completely wired to motor; waterproof junction box on rear of machine requiring only power connection; Hobart grinding end; high back, large-capacity stainless steel feed pan with guard; tinned steel meat deflector mounted to grinding end; plastic feed stomper; open end wrench (for loosening cylinder nuts); legs. This unit uses No. 32 knives and plates (not furnished).

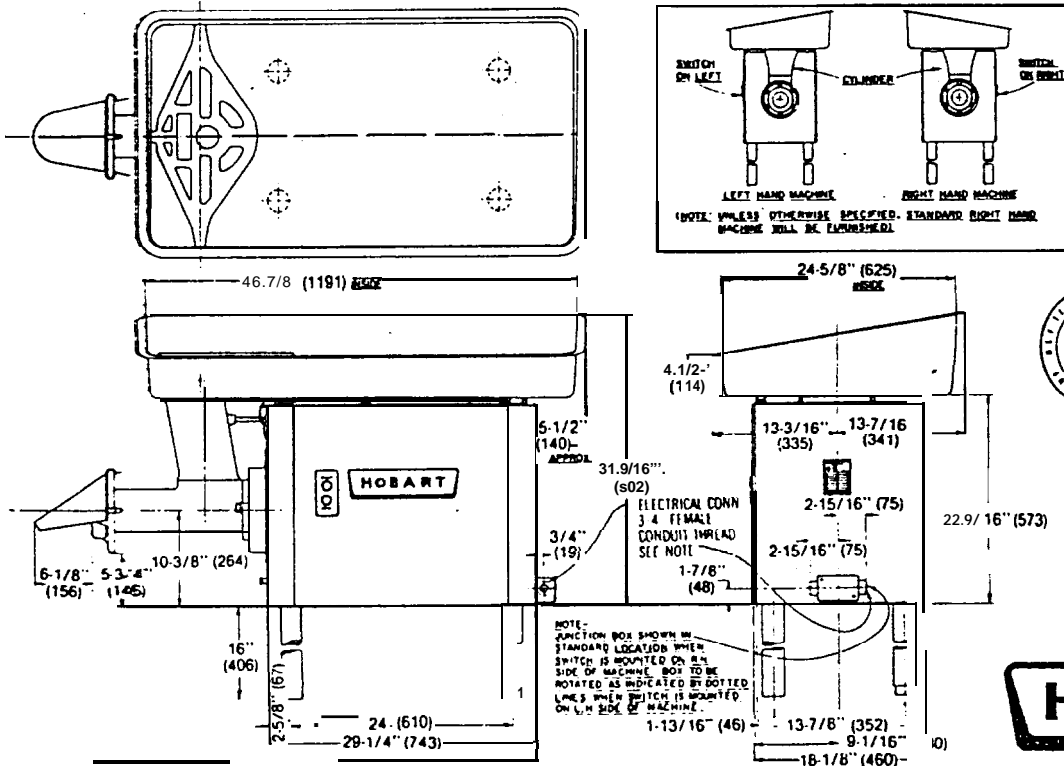
**FINISH:** The housing is in stainless steel finish.

**SANITATION:** The motor and transmission are totally enclosed by housing and base plate. Two openings in the base screened with perforated metal provide ventilation for the motor. All machine parts that have direct contact with the product are easily removed for cleaning or easily cleaned in place. The machine surfaces are smooth and free of unnecessary edges, cracks, and screw heads to simplify cleaning.

**WEIGHTS** Net 510 pounds (231 kg), shipping 569 pounds (258 kg).

As continued product improvement is a policy of Hobart, specifications are subject to change without notice.

## DETAILS AND DIMENSIONS (Metric in Brackets)



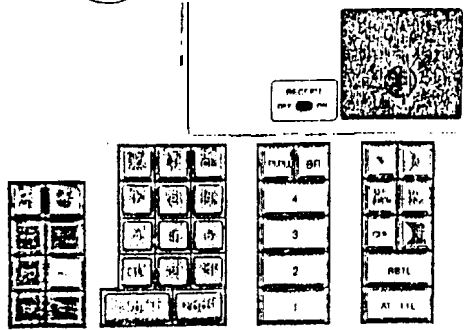
# ER-2390

9995 UPGRADE N/C

- The four department keys are presettable for unit pricing, positive (+) and negative (-) registration, single-item cash sales, entry limitation, and selectable tax status.
- The 15 standard PLUS offer much of the same flexibility of the departments.
- The built-in clock function prints the time of sale on the journal tape.
- Printer can validate sales slips.
- 13 discount or premium percentages may be calculated after individual department entries.
- Tax registration features include automatic, manual and tax shift functions.
- [BB] key controls the handling of bottle deposits.
- Mixed media registration of cash, check and credit is available.
- Three kinds of void functions (last item, past items, and VOID mode) are available.
- Split pricing function speeds the entry of items priced by quantity.

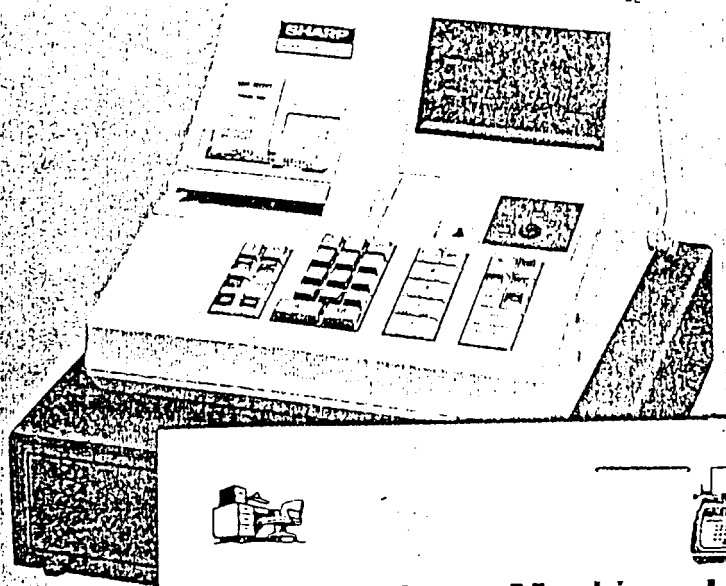
### Options

- Department expansion (4-8P) PLU expansion (15-88)



The inexpensive, extremely easy to operate ECR with " " sophisticated standard features.

4 departments



**G.W. Business Machines Ltd.**

SALES, SERVICE & RENTALS

BOX 2429  
(403) 873-5880

YELLOWKNIFE, N.W.  
X1A 2P1

GARY B. POMFREY  
PRESIDENT

ELIZABETH E. POMFREY  
OFFICE MANAGER

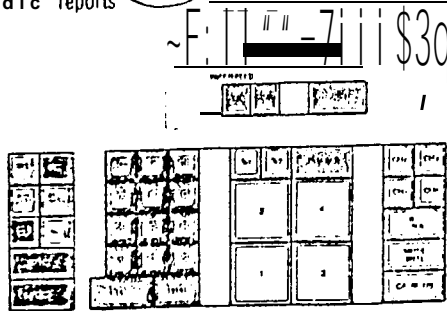
# ER-2540

1195 UPGRADE N/C

- The four department keys are presettable for unit pricing, positive (+) and negative (-), single-item cash sales and finalizing, entry limitation, and selectable tax status.
- The majority of the keys may be located in any configuration on the keyboard in order to accommodate your requests.
- Four clerks increase accountability.
- Programmable enforced validation of sales slips.
- The built-in clock function prints the time of sales on the journal tape.
- Reports, including general financial, department group, hourly range, PLU/Sub range, CIO and clerk, maybe customized to contain only that information which relates to your business.
- Two kinds of percentage calculation keys.
- Two tax tables for collecting two taxes automatically.
- Tax registration features include automatic, manual, and tax shift functions.
- Five media keys.

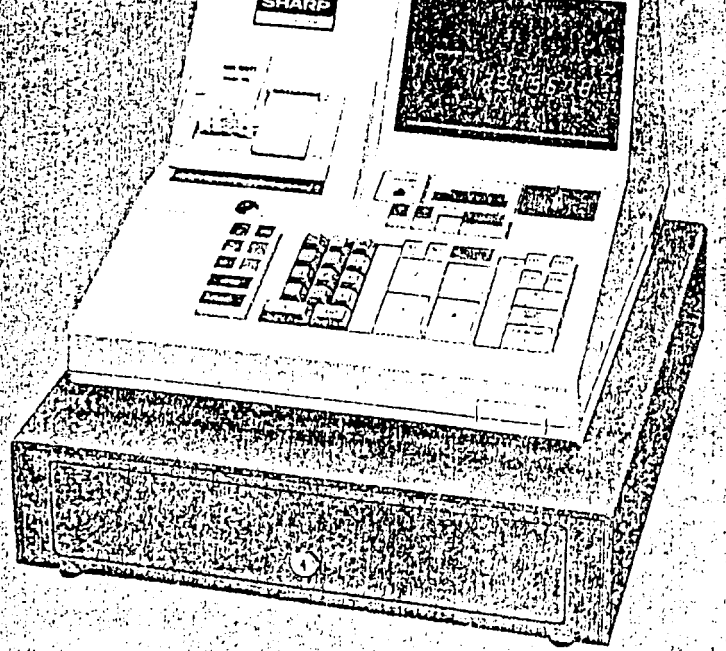
### Options

- Department expansion (4-12) A maximum of 99 PLUs/Sub-departments
- Periodic reports



The highly sophisticated ECR that provides a great deal of flexibility.

4 departments



Keyboard illustrations include optional keys.

APPENDIX M - OPTIONS FOR ACCESSING COLD STORAGE

Two options for acquiring adequate freezer space for the proposed business venture were investigated: 1) enter into a long-term lease for space in an existing facility; and 2) purchase and construct a freezer unit.

Option 1:

Three potential businesses with freezer space for lease were identified: Burns Meats Ltd.; Echo Bay Mines Ltd.; and Treeshin Heating and Cooling.

Burns Meats Ltd.:

Discussions with Dave Muirhead revealed that Burns Meats Ltd. would be prepared to lease up to **400 Sq. ft.** of space to North Country Foods. Burns Meats Ltd. usually leases storage space at a cost of \$.45 per pound invoiced every 2.5 months. Mr. Muirhead would be willing to negotiate a more favorable lease agreement for a long-term tenant. There are, however, a number of impediments with respect to accessing long term space from Burns Meats: 1) two times each year (fall and spring) Burns increases inventory in response to Mackenzie River freeze up and break up (utilizing virtually the entire freezer area); 2) uninspected meat and inspected meat cannot be stored together, a physical boundary must be erected between the two.

Echo Bay Mines Ltd.:

Echo Bay Mines Ltd. has a 8'x 15' walk-in freezer in their Yellowknife hanger. A representative of Echo Bay Mines, Richard Rozestraten, stated that his company would not be willing to enter into a long term lease agreement for space in this facility.

Treeshin Heating and Cooling:

**Treeshin Heating and Cooling Ltd. own a cold storage complex in Yellowknife consisting of 4000 sq. ft. of freezer space and 4000 Sq. ft. of refrigeration space.** The entire facility is currently leased, the lease will expire on March 31st, 1987. Discussions with Nick Treeshin, the owner, revealed that the current tenant will not have first option to renew **this lease.** Mr. Treeshin stated that he would be willing to lease a portion of this facility to North Country Foods. Rental rates for 1000 sq. ft. are \$1500. per month triple net.

Option 2:

A cost estimate was received from Flemming Peddler Ltd. with regard to purchasing a large freezer unit. The freezer would either be placed in an existing building or outside.

Flemming Peddler Co.  
Frank Gawley  
306 244 5539

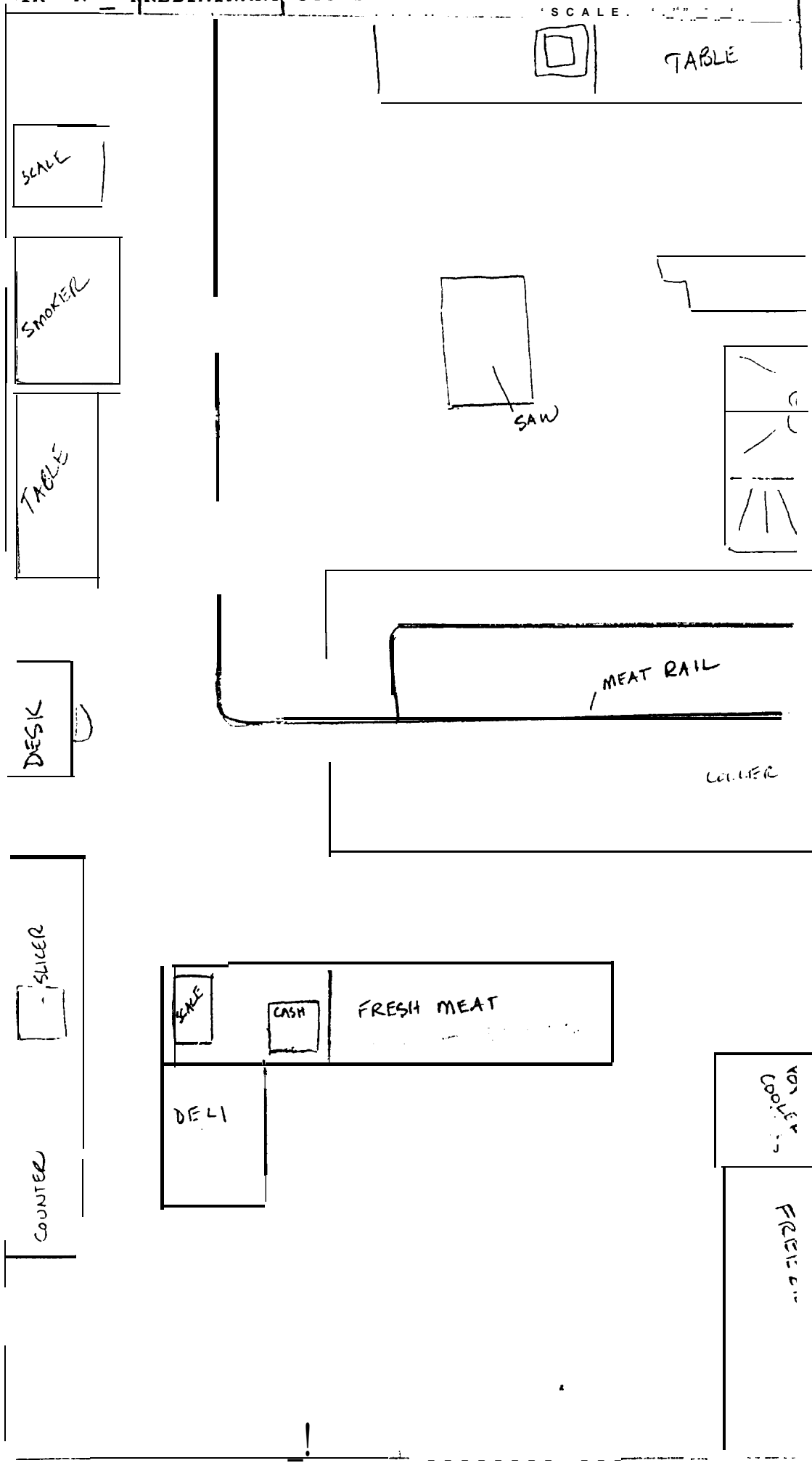
A cost estimate was obtained from Flemming Peddler for an installed 25 ft. x 32 ft. x 15ft. (750 sq. ft) freezer unit complete with a pallet door. Mr. Gawley recommended that the unit be placed in an existing building.

Freezer Unit

- 25 ft. x 32 ft. x 15 ft. (interior area - 750 sq. ft.)
- pallet door
- 1/8" steel plate for floor (to accommodate heavy traffic)
- 2 5hp condensing units (with five year warranty)
- turn key installation

Total price \$51,840.

—Lutra—



MEAT GRINDER

- SINK

MEAT RAIL

COOLER

Scale  
1/4" = 1'

SCALE

SMOKER

TABLE

DESK

- SLICER

COUNTER

SCALE

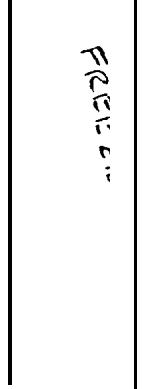
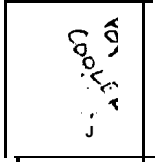
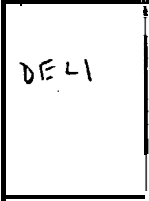
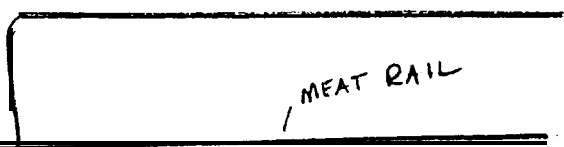
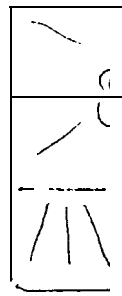
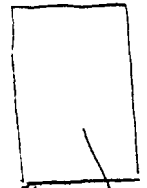
CASH

FRESH MEAT

DELI

COOLER

FREEZER



APPENDIX O - FINANCING PROGRAMS

FEDERAL BUSINESS DEVELOPMENT BANK (FDBD)

\*FDBD will loan money to limited companies.

\*FDBD requires a demonstration of commitment by shareholders either through a proven "management track record," security backing for the loan, an equity position of at least 20% and a demonstration of loan repayment.

\*The bank has much the same guidelines as other charter banks but, is however, generally considered to be a final resort for businesses which have been refused by other chartered institutions.

\*Loan rates are variable depending on the term of the loan. The bank has both variable and fixed rates. Interest is calculated on a base rate plus a variance which may range from 0-2%. The base rate is currently 11.75%.

Special ARDA

\*The program is available through the Dept. of Regional Industrial Expansion. (DRIE)

\*Grants are available for up to 50% of the capital cost and/or working capital for a commercial venture or, \$30,000. for each work-year generated by a proposed business. The lower of these two figures is considered for funding. (It is noteworthy that the proposed business would be eligible for assistance of \$105,000. based on 3.5 work-years of employment created.)

\*Special ARDA's equity requirement is 10% of the fixed -and working capital "cost of the project.

\*The ceiling per applicant for annual SARDA contributions is \$250,000.

\*Applications will be reviewed at the regional G.N.W.T. Business Service Centre and a recommendation for funding made by review committee in Yellowknife. Applications will be assessed on their financial capability to manage debt financing requirements, demonstrated business need, and jobs created.

\*Funds are released as follows: advance of 50% on request by applicant at such time as the letter of offer is signed and returned to SARDA, with 50% balance payable 30 days after completion and opening of business venture. The ARDA committee may recommend a 10% holdback for three years if the application for funding is based on job creation.

—Lutra—

## BUSINESS LOAN FUND

\*BLF is administered by the Dept. of Economic Development and Tourism, GNWT.

\*A maximum of \$500,000. per venture is available to limited companies, sole proprietors, and partnerships.

\*BLF requires a demonstration of commitment to loan repayment, a security position vis-a-vis collateral, demonstration of management capability and an equity contribution of 15-20% of the amount borrowed.

\*BLF's current interest rate is 2% above prime on a term loan of up to 15 years. Generally loans are negotiated for a 5-10 year term.

## ECONOMIC DEVELOPMENT AGREEMENT

\*The Domestic Market sub-agreement contributes funds to new or expanding business in the N.W.T. Contributions range from up to 30-40% of the eligible costs of the project.

\*Participants must demonstrate that the business will carry debt financing and contribute 10% equity to the project.

\*The term of the EDA program was completed in March' 1986 and a replacement program is currently being developed. Funds remain available in the current agreement until March 1987..