



Arctic Development
Library

***Baffin Arctic Food Development Strategy -
Section 2***

Type of Study: Plans/strategies

Date of Report: 1989

Author: Baffin Arctic Foods Committee

Catalogue Number: 2-3-26

BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY

SECTION 2 BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY

FEBRUARY 28, 1989

BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY

1. BACKGROUND

In the past five years growing market demand and producer interest for an Arctic food industry, has necessitated that the Government respond by implementing a long term development plan. This plan has been completed and includes the following:

- Resource assessments were made on all species with commercial potential and quotes set for: caribou, muskox, narwhal, arctic char, shrimp and provisional quotes set for scallops and Greenland halibut.
- Freezer/processing facilities were constructed in each Baffin community (excluding Iqaluit) under Special ARDA funding in 1986, and are now owned by the community Hunter's & Trapper's Associations.
- Test fishing projects were undertaken in 1955, 1986, 1987 and 1988 in winter and summer char fisheries, winter halibut and a summer scallop fishery. Two processing facilities have received provisional DFO approval, and a scallop boat was funded for two Pangnirtung fishermen.
- The department of Economic Development and Tourism has undertaken preliminary test marketing and promotion including test brand packaging, posters advertisements and the production of a logo.
- Producer training programs have been tested under funding from government to introduce the skills required to harvest, process, and price Arctic food on a commercial basis.
- A market survey was conducted in Iqaluit in July 1987 among industry and institutional consumers that confirmed the growing demand and product standards of the Northern consumers.
- A study to assess community interest and prefeasibility of various seal products has been undertaken in four regions of the Northwest Territories by the Inuit Tapirsat of Canada. This along with

studies of seal oil utilization and seal meat recipe development have indicated that there is interest and development potential utilizing the seal.

The complexity of developing this industry with respect to the numerous government agencies and interest groups that are associated with renewable resource harvesting necessitated the formation of an Baffin Arctic Foods Committee (formerly Inter-settlement Trade Committee) in 1986. This committee is chaired by the Ass't. Regional Director and includes the Regional Sup't. of Renewable Resources, Regional Sup't. of Economic Development & Tourism, the Executive Director of the Baffin Regional Council (represents the interest of both the Baffin Regional Council and Baffin Regional Hunter's & Trapper's Committee) and the District Manager of Department of Fisheries and Oceans. Fundamentally the committee oversees strategic planning in the region's Arctic food industry, but as well oversees inter-departmental co-ordination, provides program direction and profiles the industry throughout the Region and Territories.

The committee has entered the third and final phase of developing a Baffin Arctic Food industry, notably the planning and implementation of a business strategy.

The committee hired an Arctic Foods Development Officer whose primary responsibility was to develop a viable production strategy and implement this program over a period of two years. The market development for the Arctic food industry is a responsibility of the department of Economic Development and Tourism.

In order for the Arctic food industry to succeed, primary producers must be made aware of opportunities, and they must acquire the skills necessary to produce quality products for the market. Producers must learn about distribution networks, and businesses must be started in those communities where opportunities present greatest potential for viability.

The following business strategy developed by the Arctic Foods Development Officer examines such issues as security of supply, seasonality, value-added processing, pricing, incentive, positioning, distribution systems, business administration, and priorities for development within the region. The success of the Arctic food industry

throughout the Northwest Territories hinges on the producers providing equality, economical product. It is critical therefore that producers address the very competitive and stringent standards of this industry.

The Baffin Arctic Food Industry has the potential to develop and expand to utilize products to the maximum limit of the sustainable harvest. This is consistent with the Executive Council goals of community economic development, renewable resource development, end import replacement. There is some difficulty in estimating the potential value of the industry due to the current high costs of harvesting and inefficiencies in processing. The export market is as yet unproven for this seasonal and exotic industry. Seafood products face stiff competition from the government subsidized industry in Greenland. Long term growth can be expected in all products as the harvesting, processing and marketing efficiency are developed and refined to ensure a competitive marketing position.

AFDO is a specialist position specifically to co-ordinate the development of the Arctic foods industry through the design and delivery of programs to improve Arctic food production systems, quality control and distribution and the development of an Inter-community market system. Some of the programs undertaken include:

- Assisting in the establishment of new viable business for the production of Arctic food;
- Co-ordinating training programs in food preparation, including product storage, butchering techniques, packaging and presentation;
- Establishing food distribution networks;
- Encouraging sound business practices including, inventory control, accounts payables and receivables;
- Encouraging processing equipment control and management;

The AFDO has promoted with producers concepts of consumer expectation" in terms of product quality, presentation and supply consistency as well as response time given the constraints of seasonal production.

The AFDO has responded to Arctic Food Industry initiatives from all of the Baffin communities where they have reflected the priorities of the strategic plan.

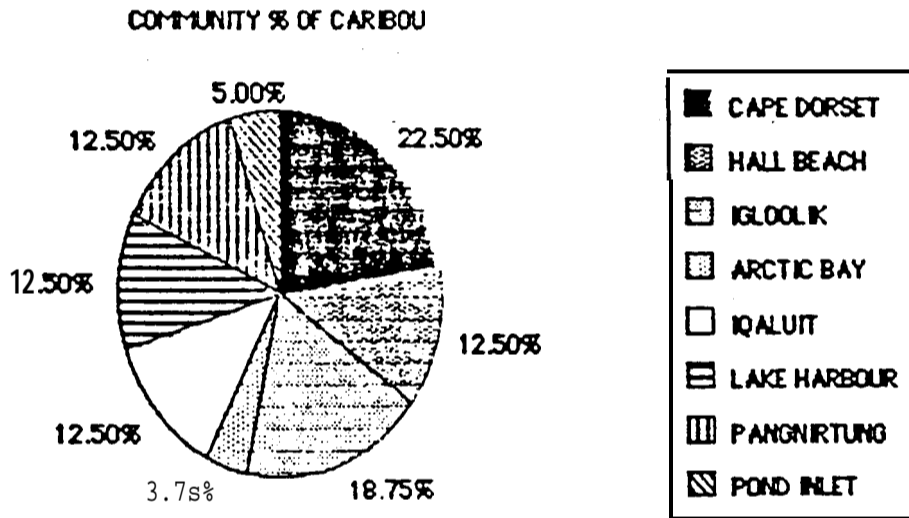
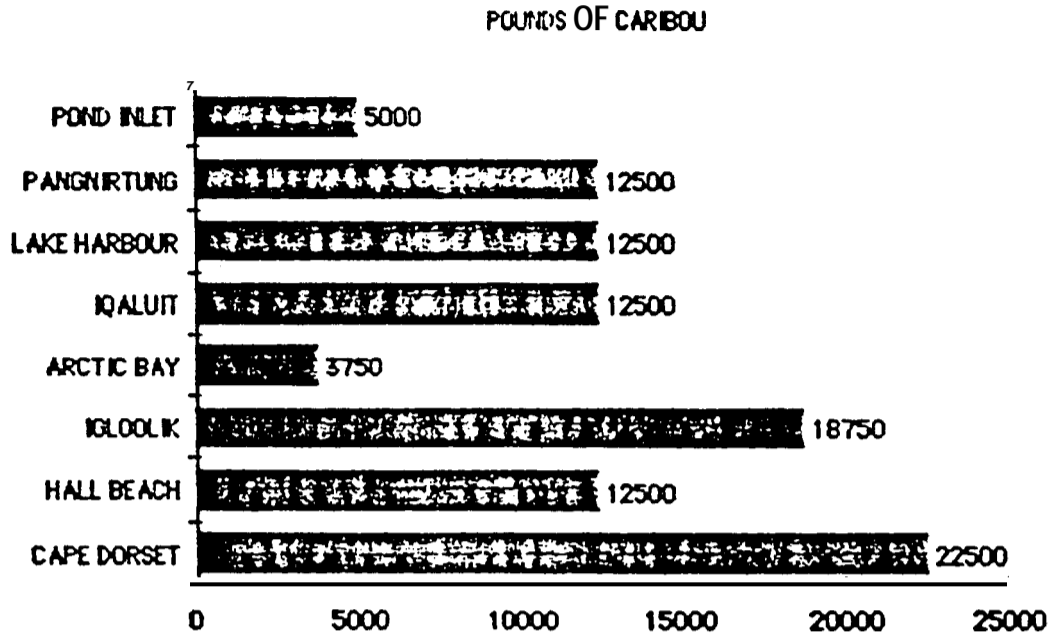
The Baffin Arctic Food Industry has made a thrust into the domestic market with the Department of Economic Development and Tourism continuing its research into external markets. A limited demand currently exists for some products such as smoked caribou, and the both internal and external markets will be accessed whenever possible. The industry recognizes the constraints on external market access such as federal inspection, licensing, price competitiveness, and limited supply.

A preliminary research paper was prepared in July of 1987 revealing that there is good market potential in Iqaluit for Arctic food products. " There are, however, problems with distribution and availability of processed product in the quantities required at the time required by various businesses.

After the first year of the two year planned life of the AFDO position there has been progress in improving product quality, security of supply, competitive pricing, industry standard packaging, and increased produce awareness of market expectations. Above all, this project has recognized that the establishment of an economically viable centralized distribution centre is critical to the evolution of the industry in this region and to the development of further Arctic food business opportunities.

2. HARVESTING CAPACITY

HARVEST POTENTIAL OF SOME ARCTIC FOOD SPECIES CARIBOU

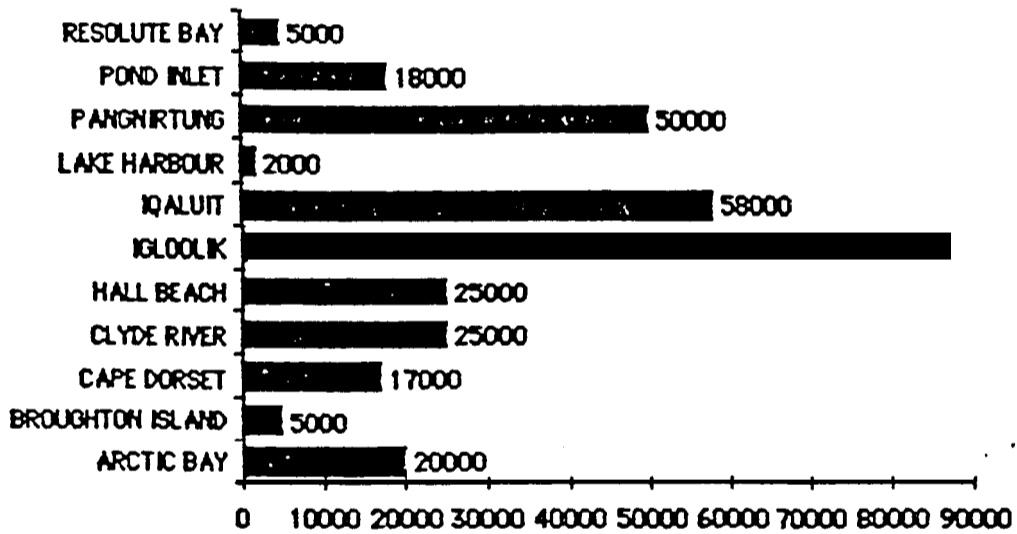


POTENTIAL VALUE TO HUNTERS OF CARIBOU MEAT

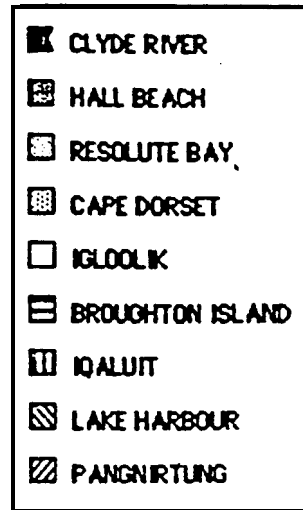
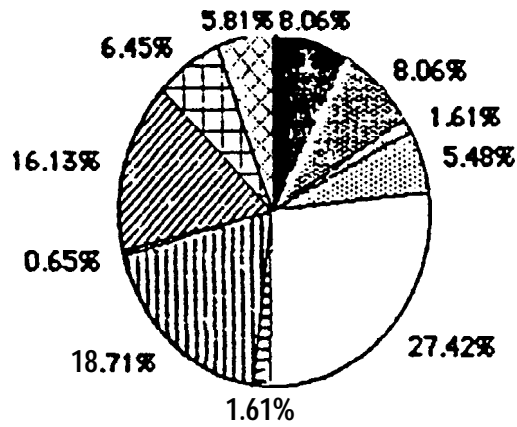
COMMUNITY	SPORT MEAT CARCASS				\$/LB	TOTAL MEAT VALUE
	QUOTA	USE	USE	WT		
ARCTIC BAY	50	20	30	3000	125	3750.00
BROUGHTON ISLAND	0	0	0	0	125	0.00
CAPE DORSET	200	20	180	18000	125	22500.00
CLYDE RIVER	0	0	0	0	125	0.00
GRISE FIORD	0	0	0	0	125	0.00
HALLBEACH	00	0	100	10000	125	12500.00
IGLOOLIK	50	0	150	15000	125	18750.00
IQUALUIT	00	0	100	10000	1.25	12500.00
LAKE HARBOUR	00	0	100	10000	1.25	12500.00
PANGNIRTUNG	100	0	100	10000	1.25	12500.00
POND INLET	50	10	40	4000	125	5000.00
RESOLUTE BAY	0	0	0	0	125	0.00
SANIKILUAQ	0	0	0	0	12s	0.00
	<u>850</u>	<u>50</u>	<u>800</u>	<u>80000</u>		<u>100000.00</u>

ARCTIC CHAR

POUNDS OF ARCTIC CHAR



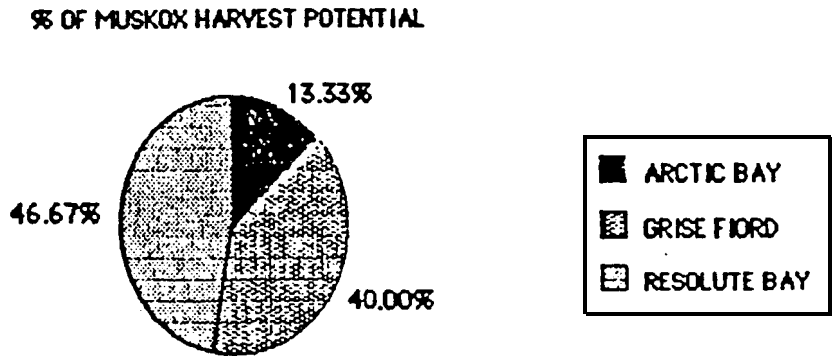
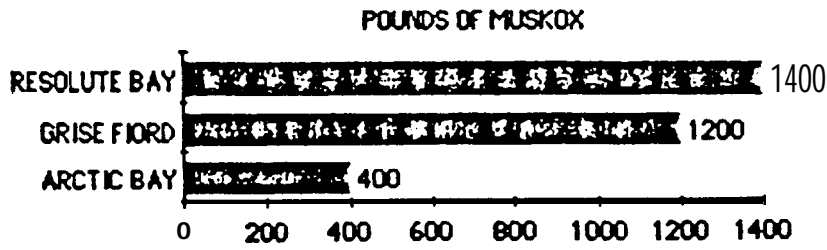
COMMUNITY % OF ARCTIC CHAR



POTENTIAL VALUE TO FISHERMEN OF ARCTIC CHAR

COMMUNITY	QUOTA	S/LB	VALUE
ARCTIC BAY	20000	125	25000.00
BROUGHTON ISLAND	5000	125	6250.00
CAPE DORSET	17000	125	21250.00
CLYDERIVER	25000	125	31250.00
GRISEFIORD	0	125	0.00
HALLBEACH	25000	125	31250.00
IGLOOLIK	85000	125	106250.00
IQALUIT	58000	1.25	72500.00
LAKE HARBOUR	2000	2.5	2500.00
PANGNIRTUNG	50000	.25	62500.00
PONDINLET	18000	2.5	22500.00
RESOLUTE BAY	5000	2.5	6250.00
SAN IKILUAQ	0	2.5	0.00
	310000		387500.00

MUSKOX



POTENTIAL VALUE TO HUNTERS OF MUSKOXMEAT

COMMUNITY	QUOTA	DOMESTIC USE	COMMERCIAL USE	CARCASS WT	\$/LB MEAT	TOTAL VALUE
ARCTIC BAY	4	2	2	400	2.00	800.00
BROUGHTON ISLAND	0	0	0	0	2.00	0.00
CAPE DORSET	0	0	0	0	2.00	0.00
CLYDE RIVER	0	0	0	0	2.00	0.00
GRISE FIORD	24	18	6	1200	2.00	2400.00
HALLBEACH	0	0	0	0	2.00	0.00
IGLOOLIK	0	0	0	0	2.00	0.00
IQUALUIT	0	0	0	0	2.00	0.00
LAKE HARBOUR	0	0	0	0	2.00	0.00
POND INLET	0	0	0	0	2.00	0.00
RESOLUTE BAY	19	12	7	1400	2.00	2800.00
SANIKILUAQ	0	0	0	0	2.00	0.00
	<u>47</u>	<u>32</u>	<u>15</u>	<u>3000</u>		<u>6000.00</u>

POTENTIAL VALUE TO FISHERMEN OF SCALLOPS

COMMUNITY	QUOTA	\$/LB	VALUE
ARCTIC BAY	0	0.00	0.00
BROUGHTON ISLAND	0	0.00	0.00
CAPE DORSET	0	0.00	0.00
CLYDE RIVER	0	0.00	0.00
GRISE FIORD	0	0.00	0.00
HALL BEACH	0	0.00	0.00
IGLOOLIK	0	0.00	0.00
IQALUIT	0	0.00	0.00
LAKE HARBOUR	0	0.00	0.00
PANGNIRTUNG	2200	6.50	143000.00
POND INLET	0	0.00	0.00
RESOLUTE BAY	0	0.00	0.00
SANIKILUAQ	0	0.00	0.00
	<u>22000</u>		<u>143000.00</u>

Weight indicated is for scallop meat

Prices average received in 1988 by the producer for scallop meat

POTENTIAL VALUE TO FISHERMEN OF BAFFIN TURBOT

COMMUNITY	QUOTA	\$/LB	VALUE
ARCTIC BAY	0	0.00	0.00
BROUGHTON ISLAND	0	0.00	0.00
CAPE DORSET	0	0.00	0.00
CLYDE RIVER	0	0.00	0.00
GRISE FIORD	0	0.00	0.00
HALL BEACH	0	0.00	0.00
IGLOOLIK	0	0.00	0.00
IQALUIT	0	0.00	0.00
LAKE HARBOUR	0	0.00	0.00
PANGNIRTUNG	40000	.70	28000.00
POND INLET	0	0.00	0.00
RESOLUTE BAY	0	0.00	0.00
SANIKILUAQ	0	0.00	0.00
	<u>40000</u>		<u>28000.00</u>

POTENTIAL COMMERCIAL VALUE OF SEALS

In the past two years there has been an aggressive effort in analyzing the potential economic benefits of utilizing the seal for commercial purposes. A study including field testing of rendered seal blubber as a heating fuel was undertaken by Arctic Co-operatives Ltd. at Pelly Bay.

After some modifications, they were successful in burning seal oil in a conventional furnace. There is a considerable amount of research and equipment development required before this potential can be fully developed and applied on a broad basis in the Baffin region, Seal skins played a major role in providing cash income to the hunter until the world market for seal skins was destroyed by 1982 through the efforts of Green Peace and other animal rights organizations. The Inuit Tapirsot of Canada is playing a co-ordinating role in attempting to undo the damage to the Inuit economy and to find alternate methods of commercially utilizing the seal. A strategy for the Inuit sealing economy has been prepared in co-operation with regional organizations concerned with the commercial utilization of renewable resources. In the case of Baffin region, their section of the strategy was contracted to the Baffin Regional Hunters and Trappers Committee and supervised by the arctic foods development officer. The recommendations contained in the 'Strategy For The Sealing Economy, Baffin Region Report' include:

- Wait for further research and development of seal oil before considering it as a viable heating fuel
- A pilot project in small scale, low technology tanning should be undertaken in Broughton Island with Minnguq sewing group acting as proponent. Funding proposal are being prepared to undertake the seal skin tanning project at Broughton Island.
- That further recipe refinement be undertaken on the best products developed and identified by Science Systems Research and Development in their "Report on the Processing of Ringed Seal Meat" and that a market test of these seal meat products be undertaken in Iqaluit.

A proposal has been submitted for the market test of seal meat products. Amarak Country Food Store Ltd. has been identified as the proponent for this project. The success of this market test could have a very positive effect on the value added processing proposed for the distribution centre and also adds a new product line for wholesale and retail sales. It is not possible to quantify the sales potential or the associated costs of seal meat products at this time, therefore these products have not been included in one of the projects contained in this strategy. Considering the response received when Science Systems Research and Development presented their products for taste testing there is every reason to believe that there is market potential for value added seal meat products.

3. SEASONALITY

The most frequent complaint heard from all consumers but most specifically from the restaurant trade is the lack of consistent supply of products.

A lack of working capital at the harvester and processor levels make it difficult for them to do anything but sell their product as quickly as possible at the going price at that time. This price is often lower than it would be after the harvesting season. In order to address the problem of seasonality the issues of proper preparation for longer term storage with the processors and the need for working capital to hold large inventories must be addressed.

Further training in better packaging, double glazing of fish, blast freezing and vacuum packing will all help extend the shelf life of products. The need for working capital can be addressed from two perspectives. One would be to arrange lines of credit inventory loans and/or grants to those processors who may wish to hold inventory to extend the product availability period. The weaknesses in this method are that this target group generally have a poor concept of business administration and financial management and would probably use the inventory funds for capital purchases or improvements during the period when the funds were not needed for inventory. After one such cycle the working capital would no longer exist. The second perspective would be the establishment of a central distribution facility with the capacity to prepare products for long term storage when necessary and management expertise to handle the working capital. This concept is discussed further later in this report.

There is also merit to researching methods of harvest in other seasons to extend to harvesting season for various products. The live trapping of Arctic Char during the summer would be an example of this concept. It could be assumed that this method could help alleviate the seasonality problem but it will not eliminate it.

4. TRANSPORTATION COSTS

Transportation costs add significantly to the cost of Arctic foods when viewed from the inter-settlement, inter-regional or export perspectives. First Air have made available a space available special commodity rate that has helped significantly. This was originally developed for the shipment of fish but has been expanded by the airline to include meat

and some other products. Copy of the **First Air** rates is included in the **table below**.

There is currently in force a subsidy for **inter settlement** shipment of fish called "**G.N.W.T. Commercial Fisheries Assistance Program For Inter settlement Trade In Fish**". Assistance is equal to **50%** of the transportation costs of the freight to the consuming community. When this subsidy is coupled with the **First Air special** rate, the cost of transporting fish drops dramatically. There would be considerable merit if the Government of the Northwest **Territories** would follow **First Air's** lead and consider extending this subsidy to include **all** Arctic food products.

FIRST AIR SPECIAL SPACE AVAILABLE INTERSETTLEMENT RATES

BETWEEN:	AND:	RATE PER KG:
Broughton Island	Cape Dorset	1.22 (A)
Broughton Island	Clyde River	0.74 (A)
Broughton Island	Coral Harbour	1.28 (A)
Broughton Island	Lake Harbour	1.10(A)
Broughton Island	Pangnirtung	0.60 (A)
Broughton Island	Pond Inlet	0.85 (A)
Broughton Island	Iqaluit	0.90 (A)
Cape Dorset	Iqaluit	0.74 (A)
Cape Dorset	Clyde River	1.22 (A)
Cape Dorset	Coral Harbour	0.74 (A)
Cape Dorset	Lake Harbour	0.85 (A)
Cape Dorset	Pangnirtung	0.98 (A)
Cape Dorset	Pond Inlet	1.34 (A)
Clyde River	Lake Harbour	1.10(A)
Clyde River	Pangnirtung	0.85 (A)
Clyde River	Pond Inlet	0.74 (A)
Clyde River	Iqaluit	1.04 (A)
Coral Harbour	Iqaluit	1.04 (A)
Coral Harbour	Clyde River	1.33 (A)
Coral Harbour	Lake Harbour	0.90 (A)
Coral Harbour	Pangnirtung	1.05 (A)
Coral Harbour	Pond Inlet	1.38 (A)
Hall Beach	Yellowknife via Igloolik	1.10
Igloolik	Pond Inlet	0.83
Igloolik	Yellowknife	1.00
Igloolik	Iqaluit	0.65
Igloolik	Ottawa via Iqaluit	0.80
Igloolik	Boston via Iqaluit & Ottawa	1.10
Igloolik	Hall Beach	0.53
Iqaluit	Yellowknife	1.50
Lake Harbour	Iqaluit	0.54 (A)
Lake Harbour	Pangnirtung	1.10 (A)
Pangnirtung	Pond Inlet	0.98 (A)
Pangnirtung	Yellowknife via Iqaluit	2.00
Pangnirtung	Iqaluit	0.60 (A)
Pond Inlet	Iqaluit	1.10(A)
Pelly Bay	Hall Beach	0.70
Pelly Bay	Repulse Bay	0.64
Repulse Bay	Hall Beach	0.70

5. TRAINING REQUIREMENTS

BUSINESS ADMINISTRATION

One of the greatest problems feting the entrepreneur or smell business in the north is a lack of formal training and experience for the administration of their business. It has been a perennial issue with the hunter's and trapper's associations and other small businesses involved in arctic food production and processing. Good secretary managers look at their job with the HTA as entry level and often take bookkeeping training while employed by the HTA. If they show a aptitude for this type of work they are offered a better paid full time job with a store, the hamlet office or the government. The result is a regular turn over of office staffer the HTA eventually being stuck with a person unsuited for the job but who has no further possibility of advancement.

From the perspective of the individual moving through these steps toward permanent well paid employment there is nothing wrong with the process. From the perspective of small business trying to succeed it is a very difficult situation. Without regular access to timely financial reports a small business cannot function efficiently, make reasonable financial decisions or know when corrective action is required.

Since this is a problem common to all communities and to many small businesses it is essential that a good regular training system be put into place that contain regularly in the areas of bookkeeping and business administration. I would recommend that Arctic College take a more aggressive role and include the following in their efforts to combat this problem:

1. Develop a competency based set of training modules that cover all of the general areas of business administration and include specific modules on some of the more common business activities. Examples might be modules on the estimating and tendering processes for small construction companies. Modules on merchandising, inventory control etc. for small retail businesses.
2. Have 011 training materials available in Inuktitut.
3. Utilize distance training methods that could include teleconferencing, lectures on video tape and computers

4. Ensure that adult education centres in all communities have instructors with appropriate skills, have the training materials and view this area as a training priority.

MEAT AND FISH PROCESSING

Basic training programs in meat and fish processing have been delivered in various settlements in the region over the past four years. Although these courses have been adequate to make an entry into the meat and fish processing business there will be a need for more courses at both entry level and for more advanced types of training as the arctic food industry grows. In the past either the Arctic Food Development Officer or the Supervisor of Renewable Resource Development have developed the training outline and brought in a southern expert to act as the trainer. The imported experts have been effective in instructing their class. They are expensive and there have not been many structured training materials left behind for future training courses. Training would also be more effective if delivered in the first language (often the only language) of the trainees.

I would recommend that Arctic College become more involved in this type of technical training. The following steps would be useful in developing and improving this training:

1. Develop curricula for meat cutting, fish processing and various value added processes related to arctic food products.
2. Have all training materials available in Inuktitut.
3. Utilize distance training methods that could include teleconferencing, lectures and demonstrations on video tape and computers
4. Ensure that Northern people with instructional skills and fluency in Inuktitut are trained as meat cutting and fish processing trainers.
5. Explore the possibility of establishing an apprenticeship program in meat cutting.

6. MARKETING STRATEGY

LOCAL SALES

At the local level every community has an active informal shoring of domestically harvested arctic foods. This generally covers the needs of the local Inuit population for these products during the season of harvest. Local sales of arctic foods therefore should focus on three areas. The first area is holding inventory beyond the harvest season and selling it to the Inuit population. The second area is value added processing of arctic food products to enhance the variety or convenience to the consumer. This should be of interest to the entire local population. The third area is basic cutting and packaging to make the product available and more convenient to the non-Inuit population. They would find this attractive from the nutritional and economic perspectives. There is real value to local dining rooms and restaurants in promoting arctic foods to tourists.

In many communities the HTAs have established a small store with their association offices. This has been reasonably successful and has operated without government assistance beyond the Renewable Resources grants given to HTAs to operate their association. Part of this grant is often used to pay staff costs. Small amounts of arctic food are retailed in this way. Processors of arctic food should focus on expanding the local market through encouraging retail sales in the Northern Store Ltd. stores, co-operative stores and other retail stores.

ACTIONS TO EXPAND LOCAL MARKET

1. Development of new products
2. Fair wholesale prices to allow retailers a reasonable profit
3. Institutional price to restaurants etc.
4. Development of value added processing
5. Attractive packaging materials
6. Professional looking cuts and preparation
7. Radio talks on products available and ways to prepare
8. Promotion in regional news papers
9. Sales aids such as recipe cards, labels, in store taste tests
10. Better displays in retail stores

REGIONAL

At the regional level there is an active intersettlement trade in arctic foods. Settlements buy from each other those products that are not harvested locally. The bulk of arctic food products flow from the settlements to Iqaluit. There are several reasons for this. Amarak HTA Store has been the largest retailer of arctic foods for many years. There are now two other Iqaluit stores retailing arctic foods. There are four Iqaluit restaurants that offer arctic foods on their menus. Iqaluit has the largest population. Half of whom are non-Inuit and not hunters. Many of the Inuit resident in Iqaluit are employed in the wage economy and don't have time to hunt. There are government institutions serving arctic foods.

ACTIONS TO EXPAND REGIONAL MARKETS

1. Development of new products
2. Fair wholesale prices to allow retailers a reasonable profit
3. Institutional price to restaurants and government institutions.
4. Development of value added processing
5. Attractive packaging materials
6. Professional looking cuts and preparation
7. Radio talks on products available and ways to prepare
8. Promotion in regional news papers
9. Sales aids such as recipe cards, labels, in store taste tests
10. Better displays in retail stores

INTERREGIONAL

The interregional market has primarily consisted of products shipped to Yellowknife from the Baffin Region. As the other regions continue to expand their ability to process arctic foods there will be a diminishing opportunity to sell basic products interregionally with the exception of those products that are not harvested in the other regions. Baffin region scallops, turbot, and shrimp will continue to grow in demand in most other regions. Value added processing will continue to create interregional interest. Imagination and product quality will play a role in interregional sales of value added products.

ACTIONS TO EXPAND INTERREGIONAL MARKETS

- 1. Development of new products**
- 2. Fair wholesale prices to allow retailers a reasonable profit**
- 3. Development of value added processing**
- 4. Attractive packaging materials**
- 5. Professional looking cuts and preparation**
- 6. Promotion in news papers and magazines**
- 7. Aggressive sales activity in largest potential markets**
- 8. Telephone sales activity to secondary potential markets**
- 9. Freight subsidy for shipment of arctic food meat products similar to existing subsidy for fish products**

EXPORT

The export market will be limited to fish products in the foreseeable future. With temporary certification of some freezer/processing plants available to process arctic char, turbot and scallops, there is an opportunity to export these products into the eastern Canadian market. There is an opportunity to export Arctic Char to Freshwater Fish Marketing Corporation when economical transportation links can be made. Smoked arctic char from Iqaluit Enterprises Ltd. appears to be in very good demand as an export product. This could create a value added opportunity for two or three communities to ship filleted arctic char to Iqaluit Enterprises Ltd. for further processing.

ACTIONS TO EXPAND INTERREGIONAL MARKETS

- 1. Training in fish processing and filleting techniques in three or four communities**
- 2. Attractive packaging materials**
- 3. Development of value added products from smoked arctic Char**
- 4. Promotion in news papers and magazines**
- 5. Aggressive sales activity in largest potential markets**

7. THE ROLE OF AMAROK COUNTRY FOOD STORE LTD.

Review of the concerns of local consumers of arctic foods indicate a desire for these products to be available on a stable year around basis at consistent prices. The AmoroK Hunters and Trappers Association have always felt that they were not treated fairly when freezer/processing facilities were provided to all other communities in the region for both domestic and commercial use. Analysis of the viability of a distribution centre shows that the probability of financial success for this operation and for the other functions of AmoroK HTA is increased by expanding into a multifunctional operation that provides meat processing, value added processing, wholesale distribution and retail sales. Various costs split among the functions are lower than they would be with each function operating as an autonomous business. A multifunctional operation would also require the resources to pay a competent and experienced manager that wages required to attract and keep him. This would solve AmoroKs' problem of getting and keeping good management. The following narrative and spreadsheets analysis each function of the proposed operation.

MEAT PROCESSING

There is a commercial quota of 100 caribou available to Iqaluit hunters. It is an expressed desire of AmoroK Hunters And Trappers Association to once again own a processing/freezer facility. They feel that there is added economy and efficiency in having their own facility. Earlier attempts to make arrangements with other operators of meat cutting facilities have not been successful. They are currently having meat cut at Bye the Sea Restaurant but only consider this a temporary measure. The spread sheet analysis shows the revenue and expenditures related to this department

VALUE ADDED PROCESSING

As can be seen in the in the spreadsheet analysis there is value added processing required for the products of local hunting as well as product that requires further value added processing from some of the other settlements.

PRICING

Analysis has been done of the cost impact of having a distribution centre handle arctic food and take a mark up of 25% on the processor price. Comparison has also been done between the Iqaluit price of beef compared to caribou handled through this system.

VOLUMES

Details of volumes are given in the assumptions relating to each table. Generally it is assumed that 811 caribou harvested locally would receive some processing and storage in this facility. The value added processing is based on the Iqaluit quota of caribou and further processing of meat ground in some other settlements. Since Iqaluit has the only commercial size smoker it is expected that this facility could be rented to smoke various products. Half or less of most products are assumed to move through the distribution facility. The major market focus of the distribution centre would be the local dining room and institutional markets along with wholesale sales to local retailers. Marketing would also focus on other restaurants in the region and interregional wholesale sales.

The retail sales volumes estimated for Amorok store are based on volumes achieved during the periods of best management of the store and the assumption that aggressive marketing and the many new and different products will expand the 10C01 and tourist market.

IQUALUIT CONSOLIDATED PROFIT LOSS

	MEAT PROCESSING	VALUE ADDED PROCESSING	DISTRIBUTION	RETAIL	TOTAL
REVENUE					
CARIBOU-	29225	50025	155100	50000	284350
CHAR	37575	0	136500	50000	224075
SCALLOPS	0	0	23250	6000	29250
TURBOT	0	0	20000	10000	30000
MUKTUK	0	0	26750	25000	51750
MUSKOX	0	0	18000	5000	23000
HARDWARE	0	0	0	60000	60000
CRAFTS	0	0	0	60000	60000
TOTAL REVENUE	66800	50025	379600	266000	762425
COST OF GOODS SOLD					
CARIBOU	21070	40020	123600	37500	222190
CHAR	30060	0	110019	37500	177579
SCALLOPS	0	0	18740	4500	23240
TURBOT	0	0	16250	7500	23750
MUKTUK	0	0	22500	18750	41250
MUSKOX	0	0	14391	3750	18141
HARDWARE	0	0	0	45000	45000
CRAFTS	0	0	0	45000	45000
TOTAL CGS	51130	40020	305500	199500	596150
GROSS MARGIN	15670	10005	74100	66500	166275
EXPENSES					
WAGES	4500	3750	37335	18750	75000
BENEFITS	450	375	3734	1875	7500
TELEPHONE	180	150	1493	750	3000
POSTAGE	36	30	299	150	600
OFFICE SUPPLIES	72	60	597	300	1200
ADVERTISING	300	250	2489	1250	5000
PROFESSIONAL FEES	900	750	7467	3750	15000
REPAIR & MAINTENANCE	180	150	1493	750	3000
GAS & OIL	180	150	1493	750	3000
LICENSES	30	25	249	125	500
INSURANCE	144	120	1195	600	2400
PACKAGING MATERIAL	72	60	600	300	1200
FREEZERUM	1020	850	8463	4250	17000
LINE OF CREDIT INTEREST	813	0	10684	3387	13549
TOTAL EXPENSES	8877	6720	77591	36987	147949
OPERATING PROFIT	6793	3285	-3491	29513	36100
OTHER INCOME	0	0	0	0	0
NET PROFIT	6793	3285	-3491	29513	36100

ARCTIC FOOD DISTRIBUTION CENTRE

STATEMENT OF INCOME AND EXPENSE
FIRST YEAR OPERATION

REVENUE	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
CARIBOU	12925	12925	12925	12925	12925	12925	12925	12925	12925	12925	12925	12925	155100
CHAR	10920	10920	10920	10920	10920	12285	12285	12285	12285	11370	10920	10470	136500
SCALLOPS	0	0	0	0	0	0	3875	3875	3875	3875	3875	3875	23250
TURBOT	1600	1600	1600	1600	1600	1600	1800	1800	1800	1800	1600	1600	20000
MUKTUK	0	0	0	0	0	2675	5350	5350	5350	5350	2675	0	26750
MUSKOX	0	0	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	18000
TOTAL REVENUE	25445	25445	27245	27245	27245	31285	38035	38035	38035	37120	33795	30670	379600
COST OF GOODS SOLD	20350	20350	21850	21850	21850	25200	30738	30738	30738	29998	27225	24615	305500
GROSS PROFIT	5095	5095	5395	5395	5395	6085	7298	7298	7298	7123	6570	6055	74100
EXPENSES	3111	3111	3111	3111	3111	3111	3111	3111	3111	3111	3111	3111	37335
WAGES	3111	3111	3111	3111	3111	3111	3111	3111	3111	3111	3111	3111	37335
BENEFITS	311	311	311	311	311	311	311	311	311	311	311	311	3734
TELEPHONE	124	124	124	124	124	124	124	124	124	124	124	124	1493
POSTAGE	25	25	25	25	25	25	25	25	25	25	25	25	299
OFFICE SUPPLIES	50	50	50	50	50	50	50	50	50	50	50	50	597
ADVERTISING	207	207	207	207	207	207	207	207	207	207	207	207	2409
OFFICE RENTAL	622	622	622	622	622	622	622	622	622	622	622	622	7467
REPAIR & MAIN.	124	124	124	124	124	124	124	124	124	124	124	124	1493
GAS & OIL	124	124	124	124	124	124	124	124	124	124	124	124	1493
LICENSES	21	21	21	21	21	21	21	21	21	21	21	21	249
INSURANCE	100	100	100	100	100	100	100	100	100	100	100	100	1195
PACKAGING MATERIAL	50	50	50	50	50	50	50	50	50	50	50	50	600
FREEZER O&M	705	705	705	705	705	705	705	705	705	705	705	705	8463
LINE OF CREDIT INTEREST	0	254	507	877	1134	1724	1482	1348	1214	1054	704	386	10684
LOAN PAYMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	5576	5828	6081	6451	6708	7298	7056	6922	6788	6628	6278	5960	77591
SUB TOTAL	-481	-733	-686	-1056	-1313	-1213	241	375	509	495	292	95	-3491
OTHER INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0
NET PROFIT	-481	-733	-686	-1056	-1313	-1213	241	375	509	495	292	95	-3491

ARCTIC FOOD DISTRIBUTION CENTRE

	INVENTORY ON HAND											
	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
PURCHASES	42079	42079	53579	43840	72424	4500	19250	19250	17000	0	0	10250
SALES AT COST	20350	20350	21850	21850	21850	25200	30738	30738	30738	29998	27225	24615
INVENTORY FORWARD	0	21729	43458	75186	97176	147750	127050	115562	104075	90338	60340	33115
INVENTORY ON HAND	21729	43458	75186	97176	147750	127050	115562	104075	90338	60340	33115	18750

	CASH FLOW											
BANK BAL FORWARD	0	790	-1172	-1585	-2131	-3018	-2531	-2802	-2939	-3692	-4200	-4683
REVENUE	25445	25445	27245	27245	27245	31285	38035	38035	38035	38035	37120	30670
LINE OF CREDIT	20000	17500	29000	19500	51000	-19000	-12000	-12000	-15000	-31000	-28000	-15000
PURCHASES	42079	42079	53579	43840	72424	4500	19250	19250	17000		0	10250
EXPENSES	5576	5828	6081	6451	6708	7298	7056	6922	6788	662:	6278	5960
OTHER INCOME	3000	3000	3000	3000	0	0	0	0	0	0		0
MONTHEND BANK BAL	790	-1172	-1585	-2131	-3018	-2531	-2802	-2939	-3692	-4200	-4681	-5224

ARCTIC FOOD DISTRIBUTION CENTRE

PRODUCT SALES & PURCHASES													
CARIBOU	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOY	DEC	TOTAL
PRODUCER PRICE	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
PURCHASE QUANT	5000	5000	5000	5000	5000	7500	0 0	0	0	0	0	2500	30000
CARIBOU PURCHASES	20500	20500	20500	20500	20500	30750	0 0	0	0	0	0	10250	123000
WHOLESALE PRICE	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17
WHOLESALE SALES	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000
CARIBOU SALES	0	0	0	0	0	0	0	0	0	0	0	0	0
SCALLOPS	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOY	DEC	TOTAL
PRODUCER PRICE	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
PURCHASE QUANTITY	0	0	0	0	0	0	2000	2000	2000	0	0	0	6000
SCALLOP PURCHASES	0	0	0	0	0	0	0	0	0	0	0	0	0
WHOLESALE PRICE	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
LB WHOLESALE SALES	0	0	0	0	0	0	500	500	500	500	500	500	3000
SCALLOP SALES	0	0	0	0	0	0	0	0	0	0	0	0	0
TURBOT	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOY	DEC	TOTAL
PRODUCER PRICE	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
PURCHASE QUANTITY	1000	1000	3000	0	0	0	0	0	0	0	0	0	5000
TURBOT PURCHASES	0	0	0	0	0	0	0	0	0	0	0	0	0
WHOLESALE PRICE	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
LB WHOLESALE SALES	400	400	400	400	400	400	450	450	450	450	400	400	5000
TURBOT SALES	0	0	0	0	0	0	0	0	0	0	0	0	0
MUKTUK	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOY	DEC	TOTAL
PRODUCER PRICE	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
PURCHASE QUANTITY	0	0	0	0	0	1000	1500	1500	1000	0	0	0	5000
MUKTUK PURCHASES	0	0	0	0	0	0	0	0	0	0	0	0	0
WHOLESALE PRICE	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35
LB WHOLESALE SALES	0	0	0	0	0	500	1000	1000	1000	1000	500	0	5000
MUKTUK SALES	0	0	0	0	0	2675	5350	5350	5350	3350	2675	0	26750

ARCTIC FOOD DISTRIBUTION CENTRE

	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOY	DEC	TOTAL		
MUSKOX															
PRODUCER PRICE	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5	0 0
PURCHASE QUANTITY	0	0	1 0 0	0 0 1	0 0	0 1 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	3000	
MUSKOX PURCHASES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
WHOLESALE PRICE	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	
LB WHOLESALE SALES	0	0	300	300	300	300	300	300	300	300	300	300	300	3000	
MUSKOX SALES ,	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
ROUND CHAR															
PRODUCER PRICE RD	1.80	1.80	1.80	1,80	1.80	1.80	1.80	1,80	1.80	1.80	1.80	1.80	1.80	1.80	
PURCHASE QUANTITY	1666	1666	1666	1668	3334	0	0	0	0	0	0	0	0	10000	
ROUND CHAR PURCHASES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
WHOLESALE PRICE	2,35	2,35	2.35	2.35	2.35	2.35	2.35	2,35	2.35	2.35	2.35	2.35	2.35	2.35	
LB WHOLESALE SALES	800	800	800	800	900	900	900	900	900	800	800	800	800	10000	
ROUND CHAR SALES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
GLAZED CHAR															
PRODUCER PRICE	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2,80	2.80	2.00	2.80	2.80	2,80	
PURCHASE QUANTITY	3333	3333	3333	3333	6668	0	0	0	0	0	0	0	0	20000	
GLAZED CHAR PURCHASE	9332	9332	9332	9332	18670	0	0	0	0	0	0	0	0	56000	
WHOLESALE PRICE	3.40	3.40	3.40	3,40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3,40	
LB WHOLESALE SALES	1600	1600	1600	1600	1600	1800	1800	1800	1800	1600	1600	1600	1600	20000	
GLAZED CHAR SALES	5440	5440	5440	5440	5440	6120	6120	6120	6120	5440	5440	5440	5440	68000	
CHAR FILLETS															
PRODUCER PRICE	3.60	3.60	3.60	3.60	3.60	3,60	3,60	3.60	3.60	3.60	3.60	3.60	3.60	3,60	
PURCHASE QUANTITY	1666	1666	1666	1668	3334	0	0	0	0	0	0	0	0	1 0000	
FILLET PURCHASES	5998	5998	5998	6005	12002	0	0	0	0	0	0	0	0	36000	
WHOLESALE PRICE	4,50	4.50	4,50	4.50	4,50	4,50	4,50	4.50	4.50	4.50	4,50	4,50	4,50	4,50	
LB WHOLESALE SALES	800	800	800	800	800	900	900	900	900	900	800	700	800	10000	
FILLET SALES	3600	3600	3600	3600	3600	4050	4050	4050	4050	4050	3600	3150	3600	45000	

8. CORPORATE STRUCTURE

This proposal assumes that Amorok Country Food Store Ltd. will enter into a joint venture with another company with the management expertise to develop and manage successfully the various departments outlined in this proposal. The equity position of Amorok in this joint venture would be 75% ownership. Both partners would make contributions in proportion to their equity position.

If Amorok Country Foods Store Ltd. did not wish to proceed with this proposal then another proponent active in the Arctic food business would be sought to launch the business.

See Appendix I

9. ROLE OF THE ARCTIC FOOD DEVELOPMENT OFFICER IN 1989/90

TRAINING

SEAL SKIN TANNING

A pilot project in small scale, low technology tanning is proposed in Broughton Island with Minnguq sewing group acting as proponent. With the philosophy of total utilization of the seal, there is merit in the Arctic Food Development Officer playing a role in the pilot project to ensure success and that the preparation and handling of the meat is considered in the tanning project.

*now amended
from [unclear]*

SEAL MEAT PRODUCTS

A proposal has been submitted for the market test of seal meat products. Amorok Country Food Store Ltd. has been identified as the proponent for this project. The success of this market test could have a very positive effect on the value added processing proposed for the distribution centre and also adds a new product line for wholesale and retail sales. Planning and northern co-ordination of the market test are Arctic Food Development Officer activities.

Further development of these products into the regular harvesting, processing and marketing systems of arctic foods would logically follow from a successful market test of seal products and would also fall within the mandate of the Arctic Food Development Officer.

BUSINESS ADMINISTRATION

The concern with proper business administration of harvesters, processors and distributors of arctic food products has been included in the job description of arctic food development officer in the past. In this year the emphasis would be on creating a formalized training structure through Arctic College to address this issue in a way that

would make the training possible on a regular basis when required and would address the following issues:

1. Develop a competency based set of training modules that cover all of the general areas of business administration and include specific modules on some of the more common business activities. Examples might be modules on the estimating and tendering processes for small construction companies. Modules on merchandising, inventory control etc. for small retail businesses.
2. Have 011 training materials available in Inuktitut.
3. Utilize distance training methods that could include teleconferencing, lectures on video tape and computers
4. Ensure that adult education centres in all communities have instructors with appropriate skills, have the training materials and view this area as a training priority.

MEAT AND FISH PROCESSING

Basic training programs in meat and fish processing have been delivered in various settlements in the region over the past four years. Although these courses have been adequate to make an entry into the meat and fish processing business there will be a need for more courses at both entry level and for more advanced types of training as the arctic food industry grows. In the past either the Arctic Food Development Officer or the Supervisor of Renewable Resource Development have developed the training outline and brought in a southern expert to act as the trainer. The imported experts have been effective in instructing their class. They are expensive and there have not been many structured training materials left behind for future training courses. Training would also be more effective if delivered in the first language (often the only language) of the trainees. In this year the emphasis would be on creating a formalized training structure through Arctic College to address this issue in a way that would make the training possible on a regular basis when required and would address the following issues:

1. Develop curricula for meat cutting, fish processing and various value added processes related to arctic food products.

2. Have all training materials available in Inuktitut.
3. Utilize distance training methods that could include teleconferencing, lectures and demonstrations on video tape and computers
4. Ensure that Northern people with instructional skills and fluency in Inuktitut are trained as meat cutting and fish processing trainers.
5. Explore the possibility of establishing an apprenticeship program in meat cutting.

VALUE ADDED PROCESSING

Work has been done in the past three years to start the development of value added processing. This work has indicated that the skills to do value added processing can be redeveloped at the community level when the volumes are sufficient for financial viability. Market acceptance of all value added products has been excellent. Now these skills have to be developed in more communities and those products that require greater investments in equipment have to be centralized with product flowing to the central location for final value added processing. New products are expanding the need for further development, market testing and associated training. The area of quick preparation products such as frozen foods and dinners has not yet been addressed in terms of the training requirements. There is a need for training in all producing communities in the area of processing to increase shelf life to begin the process of expanding the time products could be available. The arctic food development officer should continue this work.

NEW PRODUCT DEVELOPMENT

TANNING

A pilot project in small scale, low technology tanning should be undertaken in Broughton Island with Minnguq sewing group acting as proponent. Funding proposals are being prepared to undertake the seal skin tanning project at Broughton Island. Baffin Regional hunters and Trappers Committee and the Arctic Food Development Officer have a role to play in this project because of its implications for hunters and for the use of the seal meat for commercial purposes.

SEAL MEAT PRODUCTS

A proposal has been submitted for the market test of seal meat products. Amarok Country Food Store Ltd. has been identified as the proponent for this project. The success of this market test could have a very positive effect on the value added processing proposed for the distribution centre and also adds a new product line for wholesale and retail sales. It is not possible to quantify the sales potential or associated costs of seal meat products at this time, therefore these products have not been included in one of the projects contained in this strategy. Considering the response received when Science Systems Research and Development presented their products for taste testing there is every reason to believe that there is market potential for value added seal meat products.

VALUE ADDED PROCESSES

Work has been done in the past three years to start the development of value added processing. Market acceptance of all value added products has been excellent. Now these products have to be developed in more communities and those products that require greater investments in equipment have to be centralized with product flowing to the central location for final value added processing. New products are expending the need for further development, market testing and associated training. The area of quick preparation products such as frozen foods and dinners has not yet been addressed. The arctic food development officer should continue this work.

MARKET EXPANSION

As indicated early in this report there is further work to be done in the expansion of markets at the local, regional, interregional and export levels. This work should be shared by the Department of Economic Development and Tourism and the arctic food development officer. The items listed below should be considered priorities in the expansion of markets;

1. Development of new products
2. Fair wholesale prices to allow retailers a reasonable profit
3. Institutional price to restaurants etc.
4. Development of value added processing
5. Attractive packaging materials
6. Professional looking cuts and preparation
7. Radio talks on products available and ways to prepare

8. Promotion in regional news papers
9. Sales aids such as recipe cards, labels, in store taste tests
10. Better displays in retail stores

DISTRIBUTION CENTRE

The following steps are necessary for the implementation of the distribution centre concept within a one year period. The arctic food development officer has a lead role to play in this development

1. Complete proposal
2. Consultation with Amaroq Hunters and Trappers Association
Consultation with B.R.H.T.C., B.R.C. and B.R.I.A.
3. Review and support of Baffin Arctic Food Committee
Review and support of regional departments of Renewable Resources and Economic Development
4. Approval of funding agencies
5. Complete material lists
6. Ownership structuring
Incorporation
7. Complete tendering process
Place orders and arrange shipping
8. Incorporation complete
9. Company hires project manager
10. Existing buildings relocated
Site work complete
All construction materials delivered to dock
11. Construction material delivered to site
12. Building erection

13. Negotiated management agreement

14. Building completed

1 S. Equipment operational

16. Inventory in place

17. Grand opening

MANAGEMENT BY OBJECTIVES

With the many objectives set out above for this year in the areas of training, new product development, market expansion and a distribution centre there will be a need for priorities to be reestablished. The Boffin Arctic Food Committee will set the priorities and assign the tasks within the framework of the management by objectives process. They will also monitor progress and evaluate the performance of the arctic food development officer.

BUDGET FOR 1989/90
FOR
ARCTIC FOOD DEVELOPMENT OFFICER
MARCH 1, 1989 TO FEBRUARY 28, 1990

Wages & Allowance	55,845.00
Benefits	6,701.00
Telephone	3,744.00
Office Rental	3,744.00
Computer Rental	2,486.00
Supplies & software	1,040.00
Interpreting & Translation	1,040.00
Typing Services	2,496.00
Administration	6,240.00
Travel Expenses	18,? 20.00
Total Estimate	104,562.00

how amended
Russell

10. EXPECTATIONS FROM GOVERNMENT

- A) Support for the second year of funding for the Arctic Food Development Officer.
- B) Government support in the form of a grant and/or loan for the construction of processing room/freezer storage/new retail space. Construction costs are estimated at \$300,000.00.
- C) Working capital of up to \$140,000.00 will be required to purchase sufficient product during the harvest seasons to ensure continuity of supply.
- D) Expansion of the freight subsidy to include transportation of all Arctic food products will help make these products competitive with southern import products without dramatically reducing the benefits to harvesters and processors.
- E) The status of O&M costs for all freezers in the N.W.T. is uncertain due to the continuing lack of a freezer policy by the Gov't of N.W.T.. The ability to estimate the viability of the distribution centre is hampered by the lack of this policy or knowing if this proposed facility will receive O&M funding.
- F) The territorial government has indicated that it will be passing legislation creating meat inspection regulations. This move in setting industry standards is necessary and important for the protection of consumers.

BAFFIN REGION
ARCTIC FOOD DEVELOPMENT OFFICER

MANAGEMENT BY OBJECTIVES
FOR 1988/89

ARCTIC FOOD DEVELOPMENT OFFICER

OBJECTIVES IN ED A CONTRACT

WORK UNDERTAKEN BY ARCTIC FOOD DEVELOPMENT OFFICER

ARCTIC FOOD DEVELOPMENT COMMITTEE OBJECTIVES

<p>DEVELOPMENT OF AN ARCTIC FOOD STRATEGY <i>DEVELOPMENT & IMPLEMENTATION OF A PRODUCTION STRATEGY</i></p>	<p>RESEARCHED AND WROTE THE B.A. IN ARCTIC FOOD STRATEGY RESEARCHED AND WROTE THE B.A. IN ARCTIC FOOD STRATEGY</p>
<p>IDENTIFICATION OF BUSINESS OPPORTUNITIES IN THE VARIOUS SECTORS INCLUDING THE EXPANSION OF EXISTING ENTERPRISES AND FEASIBILITY ASSESSMENT <i>ESTABLISHING FOOD DISTRIBUTION NETWORKS; RESPOND TO ARCTIC FOOD INITIATIVES FROM ALL BAYTIN COMMUNITIES WHERE THEY REFLECT PRIORITIES OF THE STRATEGIC PLAN FURTHER IMPLEMENTATION TO INCREASE AWARENESS AND STRENGTHEN INTERSETTLEMENT TRADE. STIMULATE RETAILER AWARENESS AND CO-ORDINATE DEVELOPMENT OF RECIPES FOR DISTRIBUTION TO THE FOOD INDUSTRY</i></p>	<p>RESEARCHED AND WROTE THE B.A. IN ARCTIC FOOD STRATEGY RESEARCHED AND DRAFTED A BUSINESS PLAN FOR AMAROK HT A TO EXPAND INTO A DISTRIBUTION CENTRE WITH PROCESSING CAPACITY ASSISTED ANY PRODUCERS WITH PROBLEM SOLVING AND DEVELOPMENT INITIATIVES WHEN REQUESTED I.E. TRAINING, EQUIPMENT REPAIR & SOURCES GAVE INTERVIEWS TO MEDIA ON THIS, VERBAL TO VARIOUS PRODUCERS AND CONSUMERS ON MARKET SOURCES AND REQUIREMENTS WORKED IN MARKETING THROUGH ASSISTING WITH SALES, PRODUCT DEMONSTRATIONS, ETC. RECIPES WERE DEVELOPED AND DISTRIBUTED TO HOTELS AND RETAILERS IN THE REGION</p>

RESULTS ACHIEVED

SEE APPENDIX A - SECTION 2- BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY

SEE APPENDIX A - SECTION 2-BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY

SEE APPENDIX A - SECTION 1- BAFFIN ARCTIC FOOD BUSINESS PLAN PAGE 5

SEE APPENDIX A - SECTION 2- BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY PAGES 19 TO 25
AN E.D.A. FUNDING PROPOSAL WILL BE FORCOMING FOR THE EXPANSION OF THE PANGNIRTUNG
PROCESSING FACILITY

SEE APPENDIX A - SECTION 1 BAFFIN ARCTIC FOOD BUSINESS PLAN
E.D.A. FUNDING PROPOSAL WILL BE DEVELOPED

SEE APPENDIX B - I.C.H.R.S. TRAINING PROPOSAL

THIS PROPOSAL WAS FUNDED AND ALL TRAINING COMPLETD AS PROPOSED

C.B.C. RADIO: 3 INTERVIEWS ON DEVELOPMENT OF INDUSTRY

NUNATSIAQ NEWS : INTERVIEWED FOR BUSINESS SUPPLEMENT ON
DEVELOPMENT OF ARCTIC FOOD

UP HERE & UP AND AWAY: INTERVIEWED FOR STORIES ON THE
DEVELOPMENT OF ARCTIC FOOD IN BAFF IN REGION

SEE APPENDIX C - SERVICE CONTRACT FOR IN STORE DEMONSTRATIONS
DEMONSTRATIONS WERE HELD N THE BAY & AT TOONIK TYME

SEE APPENDIX D -10 ARCTIC FOOD RECIPES

DISTRIBUTED TO HOTELS, DINING ROOMS AND PUBLIC

ARCTIC FOOD DEVELOPMENT OFFICER

OBJECTIVES IN EDA CONTRACT

ARCTIC FOOD DEVELOPMENT COMMITTEE OBJECTIVES

WORK UNDERTAKEN BY ARCTIC FOOD DEVELOPMENT OFFICER

<p>- ASSESSMENT OF HUMAN RESOURCE REQUIREMENTS</p> <p><i>PROMOTE THE DEVELOPMENT OF THE ARCTIC FOOD INDUSTRY BY CO-ORDINATING TRAINING PROGRAMS IN FOOD PREPARATION, INCLUDING PRODUCT STORAGE, BUTCHERING TECHNIQUES, PACKAGING AND PRESENTATION</i></p>	<p>RESEARCHED AND WRITING THE BUSINESS PLAN FOR AMAROK HTA TO EXPAND INTO A DISTRIBUTION CENTRE WITH PROCESSING CAPACITY</p> <p>HELD MEAT CUTTER TRAINING COURSES IN ARCTIC BAY, IGLOOLIK, LAKE HARBOUR, RESOLUTE BAY/GRISE FIORD, CLYDE RIVER, HALL BEACH.</p> <p>SCRIPTED AND SUPERVISED THE PRODUCTION OF MEAT CUTTER TRAINING VIDEO BY I.B.C.</p> <p>DELIVERED SEVERAL LECTURES AT ARCTIC COLLEGE ARCTIC DEVELOPMENT AND MARKETING.</p> <p>DISCUSSED AND PROMOTED WITH ARCTIC COLLEGE THE CONCEPT OF THE COLLEGE PRODUCING APPROPRIATE CURRICULA AND TRAINING MATERIALS AS WELL AS TRAINING INSTRUCTORS TO DELIVER COURSES AS AND WHEN REQUIRED IN ALL AREAS OF ARCTIC FOOD PRODUCING AND PROCESSING.</p> <p>WORKED ON THE DESIGN AND FEASIBILITY OF A DISTRIBUTION CENTRE LOCATED IN IQALUIT.</p> <p>SAT ON THE ARCTIC COLLEGE ADVISORY BOARD ON FISHERIES TRAINING.</p> <p>WORKED ON VALUE ADDED PRODUCT DEVELOPMENT AS PART OF TRAINING COURSES</p>
---	--

RESULTS ACHIEVED

SEE APPENDIX A - BUSINESS PLAN PAGES 6-7
DEVELOPMENT STRATEGY PAGES 26,27,28

SEE APPENDIX E - INCOMPLETE DRAFT OF AN EDA PROPOSAL FOR THE
DEVELOPMENT OF AMAROK COUNTRY FOOD STORE LTD.

SEE APPENDIX B - I.C.H.R.S. TRAINING PROPOSAL

THIS PROPOSAL WAS FUNDED AND ALL TRAINING COMPLETED AS PROPOSED, A FUNDING PROPOSAL TO EDA
FOR FURTHER TRAINING INITIATIVES IN 1989/90 WILL BE FORTHCOMING

SEE APPENDIX F - SCRIPT LETTER FOR TRAINING VIDEO

SEE APPENDIX G - PARTLY EDITED COPY OF VIDEO PRESENTLY BEING COMPLETED BY I.B.C.

ENVIRONMENTAL TECH. CLASS - ARCTIC FOOD COMMERCIAL DEVELOPMENT AND COMMERCIAL QUOTAS

BUSINESS ADMIN. CLASS - ARCTIC FOOD DEVELOPMENT AND MARKETING

BATES COLLEGE - DEVELOPMENT OF COMMERCIAL USE OF ARCTIC FOOD

DISCUSSIONS WITH PAUL WOLFE, CONSULTANT ON FISHERIES TRAINING DEVELOPMENT

DISCUSSIONS WITH BRUCE RIGBY, CHAIR, ENVIRONMENTAL TECH. PROGRAM

DISCUSSIONS WITH RON RYAN, CHAIR, BUSINESS ADMIN. PROGRAM

RAISED CONCEPT WITH FISHERIES ADVISORY COMMITTEE

A FUNDING PROPOSAL WILL BE FORTHCOMING IN THIS AREA

SEE APPENDIX A - SECTION 2- BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY PAGES 19 TO 26

APPENDIX E

SEE APPENDIX H - STRUCTURE AND FUNCTION OF THE ADVISORY COMMITTEE - FISHERIES TRAINING

AND A TRAINING OUTLINE

SEE APPENDIX B - I.C.H.R.S., TRAINING PROPOSAL

ARCTIC FOOD DEVELOPMENT OFFICER

OBJECTIVES IN ED A CONTRACT

ARCTIC FOOD DEVELOPMENT COMMITTEE OBJECTIVES

WORK UNDERTAKEN BY ARCTIC FOOD DEVELOPMENT OFFICER

<p>PRIORITIZATION AND SCHEDULING OF IDENTIFIED FEASIBLE BUSINESS OPPORTUNITIES</p>	<p>RESEARCHED AND WROTE THE BAFFIN ARCTIC FOOD STRATEGY</p>
<p>PREPARATION OF DETAILED ACTION PLAN WITH TIME FRAMES FOR EACH PRIORITIZED FEASIBLE BUSINESS OPPORTUNITY <i>PROMOTE THE DEVELOPMENT OF THE ARCTIC FOOD INDUSTRY BY: ASSISTING IN THE ESTABLISHMENT OF NEW VIABLE BUSINESS FOR THE PRODUCTION OF murk. m,"</i></p>	<p>RESEARCHED AND WROTE THE BAFFIN ARCTIC FOOD STRATEGY WORKED ON THE DESIGN AND FEASIBILITY OF A DISTRIBUTION CENTRE LOCATED IN IQALUIT.</p>
<p>-ASSESSMENT OF EXISTING INFRASTRUCTURE AND TRANSPORTATION NETWORKS <i>CO-ORDINATE THE DEVELOPMENT OF THE INDUSTRY THROUGH THE DESIGN AND DELIVERY OF PROGRAMS TO IMPROVE ARCTIC FOOD PRODUCTION SYSTEMS, QUALITY CONTROL AND DISTRIBUTION AND THE DEVELOPMENT OF AN INTER-COMMUNITY MARKET SYSTEM ENCOURAGING SOUND BUSINESS PRACTICES INCLUDING COSTING, m u m ? ' L w m , ACCOUNTS FA YABLES M m r f i ' m e ;"</i> <i>ENCOURAGING PROCESSING EQUIPMENT CONTROL AND MANAGEMENT</i></p>	<p>RESEARCHED AND WROTE THE BAFFIN ARCTIC FOOD STRATEGY RESEARCHED AND DRAFTED A BUSINESS PLAN FOR AMAROK HTA TO EXPAND INTO A DISTRIBUTION CENTRE WITH PROCESSING CAPACITY DISCUSSED WITH VARIOUS HTAS - ADMINISTRATION, BOOKKEEPING AND PRODUCTION PROBLEMS WHEN THEY ASKED AND WHEN REQUIRED. PROVIDED MANAGEMENT ADVISE TO THE AMAROK HTA IN THE OPERATION OF THEIR COUNTRY FOOD STORE AND TO IQALUIT ENTERPRISES ON THE EXPANSION AND OPERATION OF THEIR PROCESS NO FACILITY AND ASSISTED IQALUIT ENTERPRISES LTD. PURCHASED AND DISTRIBUTED STRAPPING EQUIPMENT AND SHIPPING BOXES FOR FISH & MEAT ASSISTED VARIOUS PROCESSORS IN SOURCING SUPPLES AND EQUIPMENT.</p>

ARCTIC FOOD DEVELOPMENT OFFICER

OBJECTIVES IN EDA CONTRACT

ARCTIC FOOD DEVELOPMENT COMMITTEE OBJECTIVES

WORK UNDERTAKEN BY ARCTIC FOOD DEVELOPMENT OFFICER

<p>PREP AR AT ION OF IMPLEMENTATION STRATEGY FOR THE SELECTED BUSINESS OPPORTUNITIES INCLUDING:</p>	<p>RESEARCHED AND WROTE THE BAFFIN ARCTIC FOOD STRATEGY</p>
<p>-RECOMMENDATIONS ON CORPORATE OR ORGANIZATIONAL STRUCTURE</p>	<p>RESEARCHED AND WROTE THE BAFFIN ARCTIC FOOD STRATEGY</p>
<p>-ASSESSMENT OF SOURCES OF FINANCING</p>	<p>RESEARCHED AND WROTE THE BAFFIN ARCTIC FOOD STRATEGY</p>
<p>ASSESSMENT OF EXISTING MUNICIPAL POLICIES OR PROGRAMS AND BUSINESS ACTIVITIES AND RECOMMENDATIONS ON POLICES OR PROGRAMS THAT COULD BE IMPLEMENTED AND WHICH WOULD BENEFIT NEW OR EXPANDED BUSINESS.</p>	<p>RESEARCHED AND WROTE THE BAFFIN ARCTIC FOOD STRATEGY</p>
<p><i>CO-ORDINATE THE DEVELOPMENT OF THE INDUSTRY THROUGH THE DESIGN AND DELIVERY OF PROGRAMS TO IMPROVE ARCTIC FOOD PRODUCTION SYSTEMS, QUALITY CONTROL AND DISTRIBUTION AND THE DEVELOPMENT OF AN INTER-COMMUNITY MARKET SYSTEM</i></p>	<p>RESEARCHED AND DRAFTED A BUSINESS PLAN FOR AMAROK HTA TO EXPAND INTO A DISTRIBUTION CENTRE WITH PROCESSING CAPACITY SAT ON THE ARCTIC COLLEGE ADVISORY BOARD ON FISHERIES TRAINING.</p>

RESULTS ACHIEVED

SEE APPENDIX A - SECTION 2- BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY PAGES 19 TO 26

SEE APPENDIX A - BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY PAGE 26

ASSISTED IN SOURCING FUNDS FROM E.D.A., I.C.H.R.S., SERVICE CONTRACTS FROM DEPT OF RENEWABLE RESOURCES AND ECONOMIC DEVELOPMENT & TOURISM

SEE APPENDIX A - SECTION 2- BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY PAGE 32

SEE APPENDIX A - SECTION 2- BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY PAGES 19 TO 26

SEE APPENDIX H - STRUCTURE AND FUNCTION OF THE ADVISORY COMMITTEE - FISHERIES TRAINING AND A TRAINING OUTLINE

MANAGEMENT BY OBJECTIVES 1988/89

ARCTIC **FOOD DEVELOPMENT OFFICER**

OBJECTIVES M EDA CONTRACT

ARCTIC FOOD DEVELOPMENT COMMITTEE OBJECTIVES

WORK **UNDERTAKEN** BY ARCTIC **FOOD DEVELOPMENT OFFICER**

<p><i>OTHER</i></p>	<p>CO-ORDINATED THE BAFFIN REGION PORTION OF THE I.T.C. SEALING STRATEGY REPORT.</p> <p>FINISHED PAPER WORK OF SPECIAL ARDA AND MINOR DETAILS ON CONSTRUCTION OF THREE HTA FREEZER/PROCESSING ROOMS</p>
---------------------	---

RESULTS ACHIEVED

HIKED REGIONAL CONSULTANT, DIRECTED HIS WORK & CONTROLLED EXPENDITURES WITHIN CONTRACTED LIMITS

COMPLETED FINAL ACCOUNTING AND DOCUMENTATION FOR YELLOWKNIFE

COMPLETED MINOR WORK REQUIRED ON PLUMBING AND ELECTRICAL N GRISE FIORD, CLYDE RIVER AND HALL BEACH

BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY

REPORT
OF THE
ARCTIC FOOD DEVELOPMENT OFFICER
FEBRUARY 28, 1989

SECTION 1: **BAFFIN** ARCTIC FOOD BUSINESS PLAN **SUMMARY**

SECTION 2: **BAFFIN** ARCTIC FOOD **DEVELOPMENT** STRATEGY

BAFFIN ARCTIC FOOD DEVELOPMENT STRATEGY

**SECTION 1
BAFFIN ARCTIC FOOD
BUSINESS PLAN SUMMARY**

FEBRUARY 28, 1989

BAFFIN ARCTIC FOOD BUSINESS PLAN

BACKGROUND

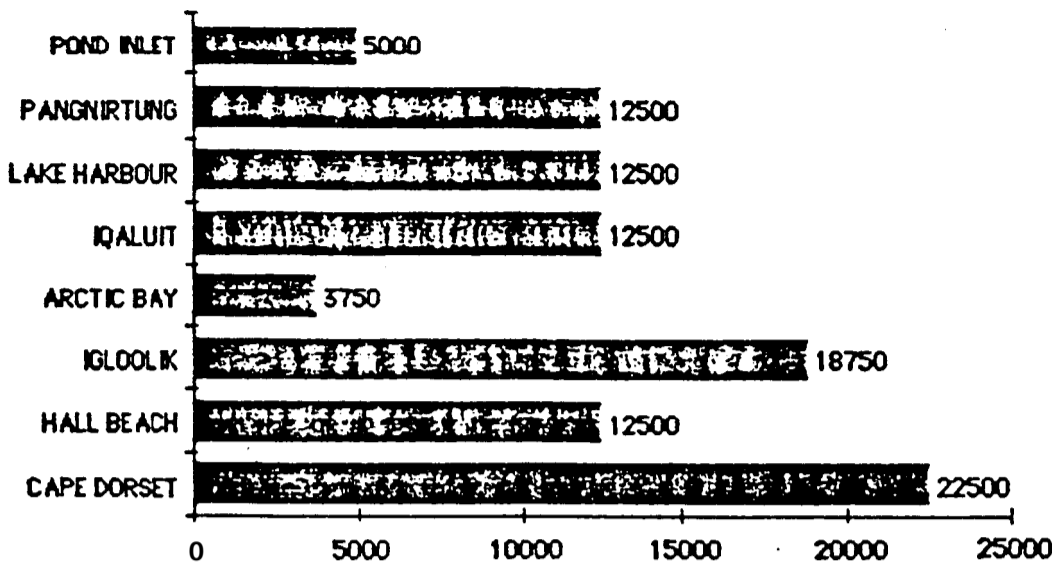
In the past five years growing market demand and producer interest for an Arctic food industry, has necessitated that the Government respond by implementing a long term development plan. This plan has been completed and includes the following:

- Resource assessments were made on all species with commercial potential and quotas set.
- Freezer/processing facilities were constructed in each Baffin community (excluding Iqaluit).
- Test fishing projects were undertaken
- Preliminary test marketing and promotion
- Producer training programs have been tested to introduce the skills required to harvest, process, and price Arctic food on a commercial basis.
- A market survey was conducted in Iqaluit in 1967 that confirmed the growing demand and product standards of the Northern consumers.
- Studies to assess community interest and prefeasibility of venous seal products have been undertaken.
- The formation of a Baffin Arctic Foods Committee
- Hired an Arctic Foods Development Officer whose primary responsibility was to develop a viable production strategy and implement this program over a period of two years. Some of the programs undertaken include:
 - Assisting in the establishment of new viable businesses for the production of Arctic food;
 - Co-ordinating training programs in food preparation, including product storage, butchering techniques, packaging and presentation;
 - Establishing food distribution networks
 - Encouraging sound business practices including, inventory control, accounts payables and receivables;
 - Encouraging processing equipment control and management;

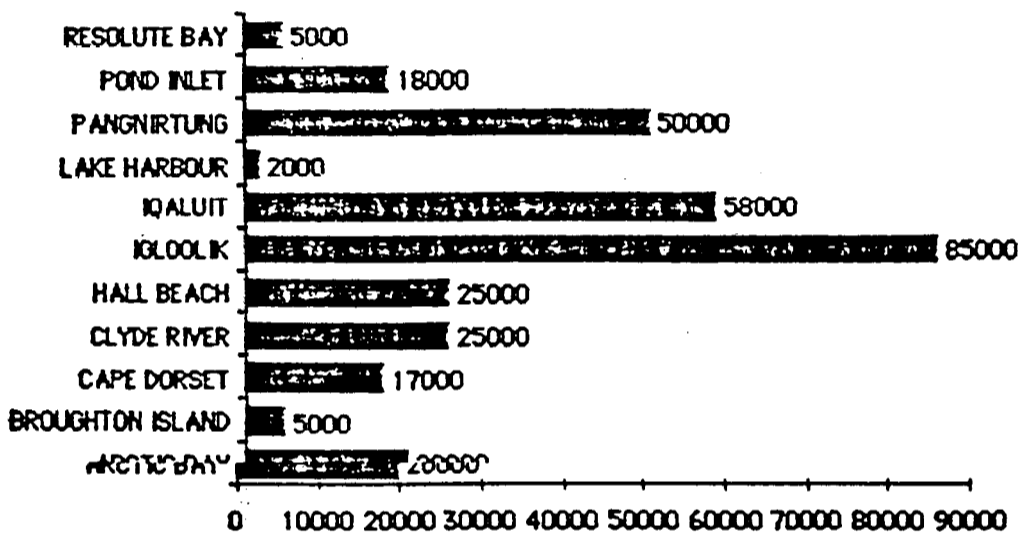
After the first year of the two year planned life of the AFDO position there has been progress in improving product quality, security of supply, competitive pricing, industry standard packaging, and increased producer awareness of market expectations. Above all, this project has recognized that the establishment of an economically viable centralized distribution centre is critical to the evolution of the industry in this region and to the development of further Arctic food business opportunities.

HARVEST POTENTIAL OF SOME ARCTIC FOOD SPECIES

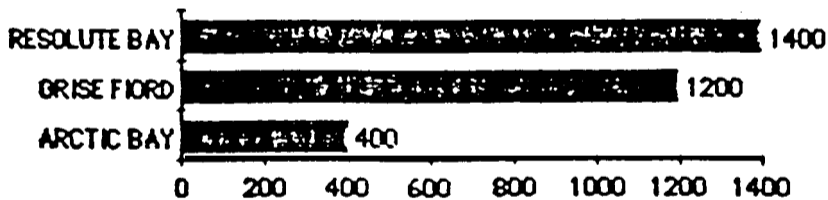
POUNDS OF CARIBOU



POUNDS OF ARCTIC CHAR



POUNDS OF MUSKOX



SEASONALITY

The most frequent complaint heard from all consumers but most specifically from the restaurant trade is the lack of consistent supply of products.

A lack of working capital at the harvester and processor levels make it difficult for them to do anything but sell their product as quickly as possible at the going price at that time. In order to address the problem of seasonality the issues of proper preparation for longer term storage and the need for working capital to hold large inventories must be addressed.

Research is necessary into methods of harvest in other seasons to extend the harvesting season for various products. This method could help alleviate the seasonality problem but it will not eliminate it.

TRANSPORTATION COSTS

Transportation costs add significantly to the cost of Arctic food. There is currently in force a subsidy for inter-settlement shipment of fish called "G.N.W.T. Commercial Fisheries Assistance Program For Inter-settlement Trade In Fish". Assistance is equal to 50% of the transportation costs of the freight to the consuming community. This program should be extended to include all Arctic food products.

BUSINESS ADMINISTRATION

One of the greatest problems facing the entrepreneur or small business in the north is a lack of formal training and experience in the administration of their business. Since this is a problem common to all communities and to many small businesses it is essential that Arctic College put into place a good training system that include the following:

1. A competence based set of training modules that cover all of the general areas of business administration and include specific modules on some of the more common business activities.
2. All training materials available in Inuktitut.
3. Utilize distance training methods that could include teleconferencing, lectures on video tape and computers
4. Ensure that adult education centres in all communities have instructors with appropriate skills, have the training materials and view this area as a training priority.

MEAT AND FISH PROCESSING

Basic training programs in meat and fish processing have been delivered in various settlements. There will be a need for more courses at both entry level and advanced training. Arctic College should take a lead role in this technical training. The following steps are necessary:

1. Develop Curricula for meat cutting, fish processing and various value added processes related to arctic food products.
2. Have all training materials available in Inuktitut.
3. Utilize distance training methods that could include teleconferencing, lectures and demonstrations on video tape and computers
4. Ensure that Northern people with instructional skills and fluency in inuktitut are trained as meat cutting and fish processing trainers.
5. Explore the possibility of establishing an apprenticeship program in Arctic food processing.

MARKETING STRATEGY

ACTIONS TO EXPAND LOCAL AND REGIONAL MARKETS

1. Development of new products
2. A distribution centre with fair wholesale prices
3. Institutional prices to restaurants and government institutions
4. Development of value added processing
5. Attractive packaging materials
6. Professional looking cuts and preparation
7. Radio talks on products available and preparation methods
8. Promotion in regional news papers
9. Sales aids such as recipe cards, labels, in store taste tests
10. Better displays in retail stores

ACTIONS TO EXPAND INTERREGIONAL MARKETS

All of the activities to expand the local and regional markets as well as:

1. Promotion in territorial news papers and magazines
2. Aggressive sales activity in largest potential markets
3. Telephone sales activity to secondary potential markets
4. Freight subsidy for shipment of arctic food meat products similar to existing subsidy for fish products.

ACTIONS TO EXPAND EXPORT MARKETS

All of the activities to expand the other markets as well as:

1. Development of value added products from smoked arctic chor
2. Promotion in national news papers and magazines
3. Aggressive sales activity in largest potential markets

JOB DESCRIPTION FOR ARCTIC FOOD DEVELOPMENT OFFICER

- 1.0 INCREASE COMMERCIAL AVAILABILITY AND QUALITY OF ARCTIC FOODS IN THE BAFFIN REGION.**
 - 1.1 With Arctic College develop on Advanced Arctic Food Processing and Business Training Program (including the production of a bilingual instructors manual and accompanying video).**
 - 1.2 Facilitate the implementation of at least 6 community training programs which explore commercial harvesting and processing alternatives (eg. coordinated local harvests).**
 - 1.3 Produce and distribute a basic bilingual instructional manual for producers on site dressing, processing, packaging, pricing and marketing by commercial species.**
- 2.0 ASSIST IN THE CONTINUING DEVELOPMENT OF ARCTIC FOOD PROCESSING INFRASTRUCTURE.**
 - 2.1 Assist in planning of new retail/distribution facility specifically in the coordination of equipment purchases, material shipment, and in the tendering process for construction.**
 - 2.2 Assist Pongnirtung HTA in the planning and financing of expansion to community processor/freezer facility.**
- 3.0 ASSIST IN DEVELOPMENT OF VALUE ADDED ARCTIC FOOD PRODUCTS.**
 - 3.1 Facilitate funding applications by producers in developing identified alternative commercial food products.**

BUDGET FOR 1989/90
FOR
ARCTIC FOOD DEVELOPMENT OFFICER

EXPENSE	E.D.A.	B.R.C.	TOTAL
Wages & Allowance	55,845.00	0.00	55,845.00
Benefits	6,701.00	0.00	6,701.00
Telephone	2,000.00	1,744.00	3,744.00
Office Rental	6,000.00	0.00	6,000.00
Computer Rental	1,800.00	600.00	2,400.00
Supplies & Software	0.00	1,040.00	1,040.00
Interpreting & Translation	0.00	1,040.00	1,040.00
Typing Services	0.00	2,496.00	2,496.00
Administration	0.00	6,240.00	6,240.00
Travel Expenses	12,000.00	0.00	12,000.00
<i>Training Supplies Aid</i>	<i>25,000.00</i>		<i>25,000.00</i>
Total Expense	84,346.00	13,160.00	97,506.00
	# 109,346.00	13,160	122,506.00
INCOME			
EDA Contribution	84,346.00	0.00	84,346.00
Baffin Regional Council	0.00	13,160.00	13,160.00
Total Expense	84,346.00	13,160.00	97,506.00

NOTES:

Computer 1800.00 600.00
 B.R.C. requires 1,800.00 to recover purchase price of the computer used by A.F.D.O.

Telephone 2,000.00 1,744.00
 The telephone is essential to the A.F.D.O. and his communication with the settlements in the region. This budget item was split to recognize the fact that the E.D.A. Committee refused to fund the telephone costs last year and to assist them in overcoming this reluctance.