

How Mi'kmaq Became 50 Per Cent Owners of a Global Seafood Corporation

It was a billion-dollar deal that launched a tsunami of international media coverage: A coalition of Mi'kmaq First Nation communities are now 50% owners of Halifax-based Clearwater Seafoods. Clearwater booked over \$600 million in sales in 2019.

“We want our communities to be self-sufficient,” says Chief Terry Paul of the Membertou First Nation in Cape Breton, who, along with Miawpukek First Nation in Newfoundland and Labrador, led a coalition of five other Mi'kmaq First Nations. “We’re in a better position when we are owners,” said Paul.

Owning 50% of a corporation of Clearwater’s size required finding \$250 million to buy the shares. The coalition presented a strong business case to the First Nations Finance Authority and obtained a 30-year loan. That case was built through months of hard work and countless Zoom meetings with lawyers, accountants and consultants says Paul. “There was something like 35 people on one of those zoom meetings.”

It all started more than 25 years ago with a personal relationship between Paul and Clearwater’s founders. “They liked how I thought. I liked how they did things — very professional and using the best science,” he says.

Membertou harvesters have long been selling lobsters and snow crab to Clearwater. Paul, on behalf of Mi'kmaq communities, had also long been after the company to sell one or more of their deep-water, offshore fishing licences. Early in 2020 Clearwater agreed to sell two offshore lobsters licences to Membertou.

The coalition of Mi'kmaq communities to purchase the Clearwater shares was another pivotal step forward.

“It wasn’t easy” getting the 13 Mi'kmaq communities in Nova Scotia and Miawpukek in Newfoundland to agree on everything, including how to share the proceeds he says. It took a number of “really good, thorough discussions about our plans” before everyone was on board. One key was to make sure all communities benefitted no matter their size or involvement. “We all want to make progress together,” he says.

A few months later there were even more discussions, this time about an ambitious plan to buy Clearwater. The company owns 21 vessels, has six processing facilities in Atlantic Canada and owns many fishing licences in Canada, Argentina and the United Kingdom.

After a number of information sessions and meetings with all 14 Mi'kmaq communities, seven agreed to join the coalition to make the Clearwater purchase. Some



Membertou fishing vessel. Photo Credit: Membertou Corporate

of the others were understandably concerned about the \$250-million long-term debt says Paul. “There’s always risk but this is a very well-calculated one.”

In the end having a good vision of what ownership could mean for the Mi’kmaq was key to getting the seven communities on board said Paul. “For the Mi’kmaq to continue to benefit from and share in these kinds of economic opportunities.”

Finding a corporate partner for the other half of Clearwater’s shares was a challenge. One major reason was the Mi’kmaq coalition’s insistence that they eventually wanted 100% ownership. “Everyone walked away when they heard that,” said Paul. This wasn’t just a business deal for the Mi’kmaq, it was to be their future for the long term. “We’re in here for the rest of time,” he says.

A major Canadian food specialty and distribution company, Premium Brands of British Columbia, ended up agreeing to be their partner and offer the Mi’kmaq first right of refusal should Premium Brands wish to sell its shares.

Premium Brands President and CEO, George Paleologou, said the company was “... very pleased to be playing a role in this historic opportunity to significantly enhance First Nations’ participation in Canada’s east coast commercial fisheries,” in a press release.

Clearwater Seafood CEO Ian Smith told CBC News that the purchase will “...create greater opportunity and greater prosperity for Indigenous and non-Indigenous communities here at home, right here in Atlantic Canada.”

The deal also means the Mi’kmaq will have full ownership of Clearwater’s offshore fishing licences, which allow the harvest of lobster, scallop, crab and clams in a massive tract of ocean offshore of Nova Scotia known as LFA 41. While the current Clearwater management and staff remain in place, the coalition plans to integrate more community members into the company’s ranks.

Paul’s advice to other First Nation communities is to look for opportunities to get into the world of private business. And, to have the ambition and attitude to become independent. Membertou has its own corporate division and is the very first Indigenous

government in Canada and in the world to be receive an International Organization of Standards (ISO) 9001 certification. That, and being ranked as one of Canada’s best managed companies, has given them credibility in the business world he says.

“Get into the private world,” Paul advises. “Get your funding there. That’s where all the money is.”

Best Practise:

First Nation-to-First Nation Partnerships and Shared Priorities



Chief Terry Paul (2020). Photo Credit: Membertou Corporate

