

## What We Heard

*“We will know that we are successful when we see the benefits to the community.”*

### Getting to Know Commercial Fishing Enterprises

- Participants included managers of commercial fishing enterprises from both coastal and inland locations, as well as enterprises associated with aquatic resource and oceans management groups.
- Participants each view their enterprise as closely aligned to the community fishing priorities of their member nations and, in some cases, marine use plans. Some participants report that they manage Aboriginal Fisheries Strategy (Allocation Transfer Program) licences as well as licences brokered through the Pacific commercial program.
- Collaboration is a shared priority amongst participants because it has advanced the success of their enterprises. For example, collaboration has enabled some enterprises to sell their own fish and to move into value-added production and marketing ventures. *“We found by working together, we could get 10 times more by selling our own fish. We also worked together to build our product and customer base – as well as our brand.”*
- Participants see the value of the Pacific commercial fisheries program, even if they think benefits need to be significantly increased at the community level. For example, the program was credited for business start-ups, trained harvesters, fisheries assets, value-added equipment, joint venture initiatives, research initiatives and diversification. *“Thanks to [the program], we completed a dual-frequency identification sonar project to count the salmon going upstream this past year, so we could add value to our salmon.”*

### Improving the Pacific Integrated Commercial Fisheries Initiative

*“We thought the program would be an opportunity to manage fish the way they should be managed, but that hasn’t been happening.”*

- One participant had been involved in the working group that produced the 2004 *Our Place at the Table* report. While he noted that progress had been made through the program, he was disappointed that *“some of the same issues are still around.”*
- Participants had a lot to say about where the program has gone wrong; particularly, as it relates to the lack of First Nations’ access to licences and quota.
  - One participant quantified the need as three to five times more access than present, including access to high-value fisheries. Others agreed with this estimate, recalling that *Our Place at the Table* recommended the program be funded to acquire a 50 per cent share of all commercial fisheries.

- Participants view the department's policy to buy licences as a part of the problem because this process takes too long. *"Any valuable resources are impossible to buy without immediate cash. Our purchase of halibut had to be made within three days at a cost of \$1.2 million and we were competing against foreign buyers."*
- The individual transferable quota policy was considered to be another part of the problem; especially, as it results in private and foreign control of Canadian fisheries and costly leasing practices. *"We were told we had to lease the licence we bought back to non-Indigenous fish harvesters for years. No one in the community is fishing this licence."*
- Licensing rules were identified as a third part of the problem. For example, almost every participant said they had an undesirable vessel because they had to be purchased with the licence. *"We have a lot of vessels that we don't need or they are the wrong length for our licence due to length restrictions."* One participant said this prevented the purchase of desired vessels or made the option less viable. Another talked about the impact of ongoing maintenance costs.
- Participants have several recommendations to resolve the licence and access issues:
  - They support licensing reform, especially to deal with the links and marriage rules, as well as vessel length and age restrictions. *"The time it takes to work within the rules is unbelievable. There is a lot of resistance with the Department's management and industry, but the policy issues must be fixed."*
  - They think the Minister should use his discretionary powers, as he has in Atlantic Canada for surf clam and snow crab, to create communal licences at no cost to the community. *"It's perfectly within the Minister's power to create communal licences that are non-sellable."*
  - They want to see creative solutions piloted, such as building a licence bank so licences could be bought in bulk or allowing multi-year purchase agreements to acquire high-value licences. One participant thought incentives, such as tax breaks for licence relinquishments, could also be offered to large licence holders.
- Resolving licence and access issues are critically important for First Nations. As one participant stated: *"Access is a linkage between [the Pacific commercial fisheries program] and the reconciliation and Treaty process. [The Department] didn't look at this when they started the program."*
- A few participants believe there is inequity between the Pacific and the Atlantic commercial fisheries programs in terms of funding, policies, and benefits to coastal communities. For example:
  - One participant noted several instances in which Atlantic First Nations received more funding to acquire licences and to diversify their operations. *"More than \$1 billion was put into their fishery and it is showing in their communities."* Another said that First Nations in Atlantic Canada have told him that they receive their program funding in May or June.
  - The Pacific fishery lacks an owner/operator protection policy, which is a stronghold in Atlantic Canada. *"The Minister said it was the 'law of the land' so it*

*should be in the Pacific, too. Both Indigenous and non-Indigenous fish harvesters need it.”*

- One participant also thought that data on benefits to community, which was featured in the *Marshall Ten Years Later* report, was not being collected, assessed or reported in the Pacific. *“We thought the Indigenous Program Review process would establish the data to be able to evaluate the impact of [this program].”* However, another participant pointed out that a report done in 2011 did consider some of this data for coastal communities.

## **Improving Program Administration**

*“It blows my mind how much funding is unavailable and it takes six to eight months to get access to what is available.”*

- Participants agree that funding received through the program arrives too late in the year; most often in late autumn, but sometimes as late as December or January. This creates cash management issues for enterprises and very little time to best spend the money before the end of March. *“I don’t get the cash flow timeline. We can’t build staff or capacity because of the uncertainty. We would love to receive funding in the first quarter: we could get our proposals in during the last quarter to do so.”*
- Program application and reporting requirements are also a burden for participants. More than one noted the need to have easier access to the program. Several also suggested that the Department be more clear about funding eligibilities in program guidelines to save time and effort. *“The [business development team] said our proposal was a subsidy so it couldn’t be funded, but we can’t find the policy telling us that.”*
  - One participant thought that program guidelines should be adjusted to bring in diversification elements and to allow for proposals to be submitted for more than one ‘theme’, such as diversification and business development. At present, this practice is considered to be ‘stacking’ and therefore not allowed. Another participant thought the program, in general, should have fewer restrictions.
- While the business development team and third-party evaluator are valued by enterprise managers, some participants think the team need to be more knowledgeable about the different kinds of fisheries. *“I spend 95 per cent of my time feeding the [program] machine. I would prefer to spend more time building my enterprise.”*
  - Participants recommend that this could be resolved by ensuring the program is designed for both freshwater (inland) and marine (coastal) fisheries. *“We need to establish some clear criteria for inland fisheries in terms of what is eligible and what is not. The process is largely focussed on marine fisheries and large commercial development – evaluators don’t understand our fisheries – and it becomes a big issue when we’re developing proposals.”*
  - Another recommended that enterprises be open to involving the business development team more in their business. *“We realized that we had two choices: divorce the [business development team] or invite them into our tent. We did the former and they became our strongest advocates.”*

- One participant thought efficiencies could also be gained if the Department made use of (or became involved in) community-based marine use plans developed with the Province of British Columbia because they list the community's priorities. *"Fisheries and economic development activities, such as fish processing, are important parts of marine planning. While [the Department]'s involvement is limited in designing these plans, it may be an opportunity to support First Nations fisheries development."*
- Participants want data, information, lessons learned, and industry intelligence to be shared across commercial fishing enterprise. They also want to collaborate in business. For example, one participant thought 'harvest' and 'marketing' nations should work more closely to leverage the catch across established local markets. However, the commercial fishing enterprise hub was not once mentioned. *"We always talk about collaboration with other enterprises, but it has yet to happen."*

## **Identifying Enterprise Needs, Milestones and Success Factors**

### **Needs**

*"We need long-term access commitments and licence ownership, not annual handholding."*

- The top priority for the majority of participants is additional and significant access to both licences and quota. Other common priorities included: certainty of program funding; easy access to the program and clear understanding of eligibilities; support for organizational development (e.g., vision, strategy, business plan and governance structure); partnerships and collaboration with communities; access to capital and capacity to support full-time staff and required equipment; and local control and success at the harvester level. *"We need clarification on what is eligible, more of what we can do (not what we can't). It would be nice to see some examples on the table and to see what might work for multi-year funding."*
  - Several participants saw the benefit of having a logistics person on their team. *"Our full-time logistics persons helps the enterprise after the fish are landed – for transport, icing, processing, branding and marketing."* One also stressed the value of a 'chain of custody' staff member to manage traceability.
  - A few participants noted the importance of continued funding to support training and maintain operations, including through vessel maintenance. Another thought the program's business model should be integrated with other federal programs.

### **Milestones**

- Participants listed a range of milestones for commercial fishing enterprises: from organizational competency to broadening operations along the value chain to ensured supply for markets to engaging and mentoring youth.

### **Success factors**

*"The future is not to be subsidized by government. I think we all can agree to that. But the way it's portrayed has to be reframed so it's an incentive; something to be achieved."*

- Participants define success as having community fish harvesters who are involved, and can sustain themselves, in the fishery. A few participants noted that this meant a

fishery in traditional territories. Collaborative relationships, partnerships, and the support of the community are also viewed as success factors.

- More than one participant considered success in terms of profits being made that remained in the community. This includes profits from value-added products. *“We’re not looking for successful commercial fishing enterprises. The earnings of individual fishing businesses, social enterprises, that’s what’s successful.”*

## **Meeting Industry Priorities, including through Partnerships**

### **Diversification**

*“How far can you diversify before it’s not funded by [the program]? How far can we go?”*

- Participants view diversification on multiple levels: from vertical diversification through the value-chain to increasing capital within the business to accessing and fishing more species. More than one participant is interested in diversifying specifically into processing. *“We used to have partnerships with processing plants, but they say they can’t do this now because we’re in competition with them.”*
- Several participants have experience diversifying their business, including with funding secured through the Pacific Commercial Fisheries Diversification Initiative. One credited departmental officials for the approval of their application: *“The creative energy of the Department made the difference. They came up with ideas that were not thought of by the reviewer to get our project underway.”* Another is using the funding to look at closed containment aquaculture in pot-hole lakes (those with no inlets or outlets) to serve both food fishery and economic needs. *“This is a traditional practice and considered sustainable.”*
- One participant was not able to access funds through the Commercial Fisheries Diversification Initiative despite apply. *“We went through so many stages to get approval, but it was wasted effort. In the end, we were told our project was ineligible.”* Another did not apply because he thought the funding guidelines were too unclear.

### **Marketing and Market Access**

*“Markets love our fish, our branding, and our story.”*

- Most participants are looking at local markets for their products at present, as well as regional markets (British Columbia), pending supply. Some have successfully developed and extended their markets by diversifying into value-added products, while others have developed close market relationships with local restaurants and their communities. The export market was only being considered (in the far future) by one participant.
- There is interest in trade amongst co-op or other enterprise partners to help support the supply to developed markets. One participant is also currently involved in a market access project to find commodity markets for their value-added products.
- The desire to support member communities and their fisheries is primary for participants. Even those with well-developed marketing plans have a built in ‘firewall’

to ensure that they are the only ones to profit on their brand and value-added products.

- One lesson learned by a participant was to develop a model and an agreement with member communities for harvesters to work together, sell together and market together to resolve the problems that were being caused by external brokers. Another lesson learned was to keep an open mind to working with industry as many have developed 'win-win' partnerships to advance their priorities.

### **Access to Capital**

*“Access to capital is needed if businesses are to move beyond government-led programs.”*

- Participants agree that access to capital is an important issue to address. The notion of a trust fund or block funding is supported by some, although it was noted that this would may need a change in the program's policy to bring in diversification elements.
- One participant is able to access capital through the Canadian Co-op Developers Institute when they are not able to buy their own fish. The risk for this loan is covered by the federal government. Another is able to access some funding through their economic development program.

*“We're working on the assumption of what may sustain our cash flow, but we can't assume. We've learned that. It's not the way it works.”*

- Participants are clear, however, that they are not where they need to be to be able to secure financing because they do not own the licence, they lack access to a lot of resources, and fisheries assets and small revenues are not sufficient to amass capital. *“It would be a very quick conversation with a banks in terms of getting access to financing as a typical business.”*

### **Future Training Plans**

*“It's important to create the jobs first and then train. Training first does not make sense.”*

- Participants stress the importance of local training, rather than 'top-down' training from Ottawa or Vancouver, to keep it relevant to specific fisheries and to reduce costs. While they thought the fish harvester training curriculum handout covered much of the required training, it did not reflect the need for fishery-specific gear types or other fishery-specific needs. Training for vessel maintenance and upkeep, as well as net mending, were also missing from the list. *“Harvesters need to know all of the systems on the boat: hydraulics, refrigeration, as well as electrical and plumbing.”*
  - One participant has a training collaborative and has partnered with industry to deliver specialized fishery training. Several participants noted the need for dive fishery training to be added to the list.
- Many participants are interested in mentoring to advance careers down progression paths. This is especially important at the business management level to understand regulations, monitoring, standards, insurance, legal issues, governance and finance. *“It would be great to have someone open up to us – industry experts who are not guarded and who would want to partner with us. It's equally important to train*

*business managers to cross-pollinate knowledge across our enterprises.”* A few participants also noted the need for training in conflict resolution.

- Other careers noted included logistic managers, price engineers, supply chain engineers, processing plant technicians, truck drivers, appliance repair technicians and other jobs along the fishery value-chain. There was also support to train harvesters to do their own catch records so they could avoid paying a third party to do so.
- One participant wanted to take the training package they developed for a Didson technician and be able to offer it to other communities. Other participants supported developing other jobs for fish harvesters to do in the off-season to be able to keep them involved in the fishery. At the same time, they wanted to see fishery monitors trained to monitor the environment and on-land species during the non-fishery season to keep them employed year round. *“We need to develop certainty for those who want to fish or do monitoring seasonally that there is something else for them to do during the off-season.”*
- Some enterprises had high staff turnover to start but this is now stabilizing. *“If we branch out to other species, we will need more training.”*