

Freshwater Fish Marketing Corporation

the few importers in the United States, then taking upwards of 90 per cent of exports. The commission also concluded that the fisherman was the one who was being penalized most directly, and of course he was penalized in his pocketbook as a result of this situation.

To counter this problem, the commission's principal recommendation was the establishment, under federal legislation, of a freshwater fish marketing board. The McIvor commission's recommendations were studied extensively by the federal-provincial prairie fisheries committee, which reported to the freshwater fisheries ministers on April 21, 1967. Their report basically endorsed the commission's report. The outcome of all this study was the Freshwater Fish Marketing Act.

The basic philosophy underlying the legislation was that returns to freshwater fishermen could best be increased through the establishment of a single selling desk with the exclusive right to market and trade in fish interprovincially and internationally.

The corporation was therefore obliged to purchase all fish listed in the schedule to the act which was offered for sale to it by licensed fishermen. It was contemplated in the legislation that the corporation would set initial prices for each species, by grade, at the opening of each season and distribute to fishermen in a final payment any additional earnings obtained through marketing of the catch.

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Also, the corporation has the power to make loans for working capital on a seasonal basis to persons engaged in fishing for commercial purposes in a participating province and in the Northwest Territories. The magnitude and complexity of the production and marketing programs which faced the newly-established Freshwater Fish Marketing Corporation were considerable. The geographic area served by the corporation covers over 1.5 million square miles, most of it in a remote area, with very limited transportation and communication facilities, as hon. members know.

The approximately 3,500 fishermen who were the primary suppliers to the corporation were thinly scattered throughout this vast territory. They represented several ethnic groups, with many language dialects, which further compounded communication problems. Facilities for receiving, handling, packing and caring for a highly perishable product were in very many cases primitive and/or unsuitable generally. Processing plants designed and equipped to prepare modern frozen foods to serve in a highly competitive twentieth century marketplace were largely non-existent. During its first year of operation, the Freshwater Fish Marketing Corporation was confronted with a mercury contamination problem which presented difficulties of staggering dimension in the Canadian industry.

The principle of sharing the high and the low of the market on a seasonal basis with all fishermen was not generally practised prior to the establishment of the corporation. It was quite common for a few seasonal entrepreneurs who might not necessarily depend upon fishing for their main income and were conveniently located in respect to major markets to hire

and outfit fishermen for low wages and short terms. The lakes would be fished during peak periods of demand. While this was quite lucrative for the entrepreneur, the fishermen failed to share the largesse. Furthermore, the proximity of these choice markets created a situation whereby the great majority of fishermen struggling to earn a livelihood from limited resources in the more remote unsettled areas generally were excluded from sharing the benefits of the very important high market price periods.

Upon its inception the Freshwater Fish Marketing Corporation was faced with the task of largely reconstructing a fragmented and neglected industry, an industry that had exploited the lakes and species which were marketable in the whole fresh or frozen form with little or no attention given to product development or market management. In its efforts to rectify this situation, the Freshwater Fish Marketing Corporation set out to implement policies aimed at attaining the objectives as defined in the act. The major operational objectives were:

1. To bring about a smooth program of transition assuring as little disruption to fishermen as possible.
2. To develop and implement a uniform pricing system to fishermen.
3. To initiate the concept of single desk selling.
4. To devise a network of private and/or co-operative agents to serve fishermen at the production level.
5. To initiate at all levels a program of quality control.
6. To study and initiate, in co-operation with agents, plans for expanding and upgrading receiving and handling facilities at the production level.
7. To investigate all existing avenues that might be economically utilized to provide adequate facilities to process fish particularly the so-called "rough" varieties into convenience foods, institutional items and new products while concurrently attempting to develop markets for same.

In order to design a uniform pricing system for fishermen prior to the commencement of each season, the Freshwater Fish Marketing Corporation prepared objectives of total production, percentages of the total that are to be filleted, how much will be frozen, how much will be sold fresh, and an estimate of the sales value of each segment. In this manner an estimated sales return f.o.b. point of delivery is arrived at. From this is deducted the estimated costs of packing, processing, freezing, administration, etc., thereby arriving at a price to fishermen for loose fish f.o.b. designated point of delivery. From this loose fish price are deducted transportation costs from lakeside to the corporation, thereby establishing a price to fishermen at the lake. This assures fishermen regardless of their location that they will receive a price related to market. At the same time it does not penalize the fisherman who is closer to the delivery point for transportation costs from remote lakes. This method of uniform pricing is complex because of the numerous lakes involved and the complexities of transportation. There are something like 250 lakes involved.

The principle of single desk selling has been initiated by the corporation consistent with provisions of the legislation. Previously prices for fresh fish were extremely erratic. As might be expected, high prices were in effect when production was minimal, while during periods of peak production prices reflected the oversupply of product. However, through adherence