

Background

The British Columbia salmon farming industry is a dynamic new growth industry in the province which has expanded extensively since 1985. Development of successful husbandry practices and integration with appropriate technologies have allowed B.C. entrepreneurs to increase production from 100 metric tons in 1985 to 6 000 metric tons in 1988. Production for 1989 is estimated at 14 500 metric tons. While production in B.C. has been growing at a rapid rate, so has production from other salmon-producing countries. This has resulted in an oversupply in world markets and a decline in the price of farmed salmon from all countries of origin (see Appendix A).

In view of the general decline in world prices for farmed salmon due to oversupply (see Appendix B), an inefficient marketing and distribution system in B.C., profit taking in the distribution system, and a disincentive to develop new markets and maintain or increase prices, a group of independent salmon farmers joined together in February 1989 to explore ways and means to co-operate in lowering costs of production and increasing sales prices through co-operative selling. The members of the group were:

<i>FARM</i>	<i>REPRESENTATIVE</i>
Kanish Aquafarms Ltd.	Don Tillapaugh
Norent Inc.	Kjell Aasen
Quality Seafarms Ltd.	Keith Ware
Quartz Bay Seafarms Ltd.	Derek Sharpe
Conville Point Seafarms	Paul Tate
RSR Seafarms Ltd.	Rolf Aunet
Saltstream Engineering Ltd.	Rob Smeal

Together these seven companies produce in excess of 2 000 metric tons annually which is a significant volume to support marketing and sales efforts.

