

**KITASOO/XAIXAIS**

**FISHERIES VISION**

# KITASOO/XAIXAIS TERRITORY



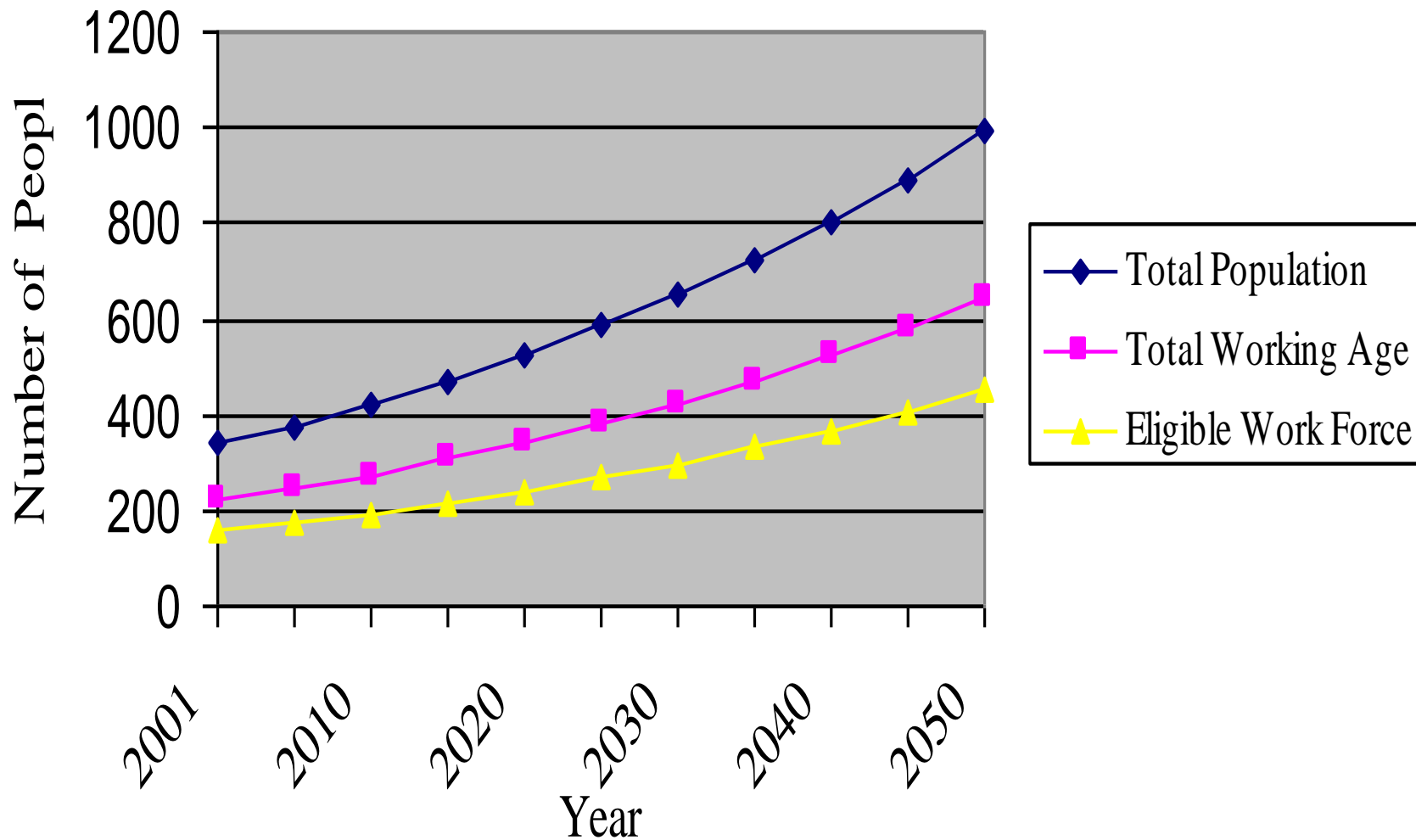


# KITASOO ECONOMIC MODEL

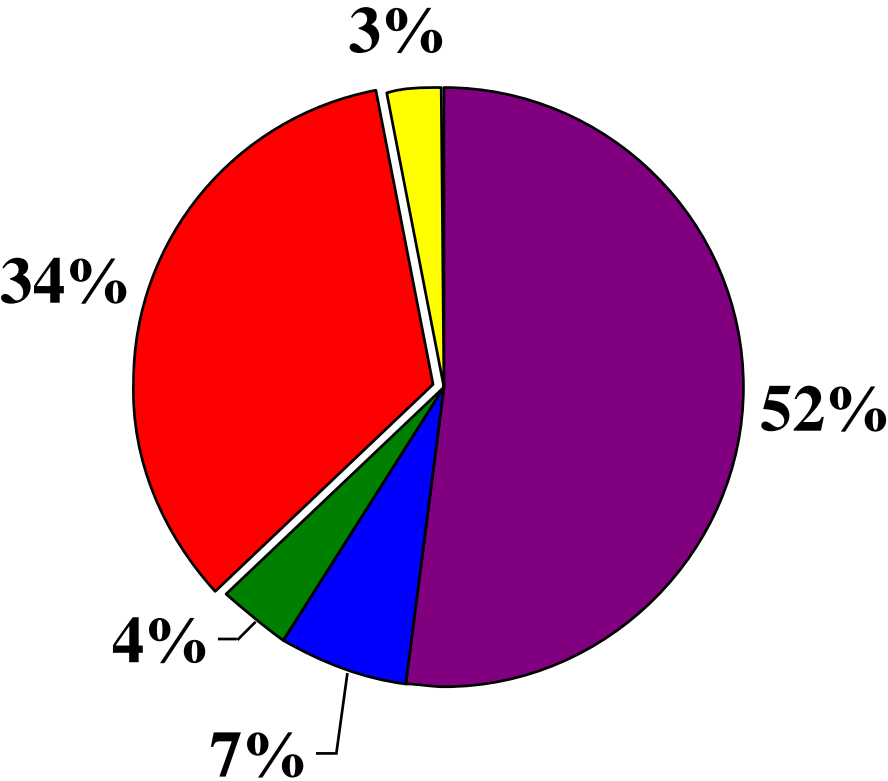
## *Kitasoo Vision*



Figure 2: Population and employment growth curve for Klemtu



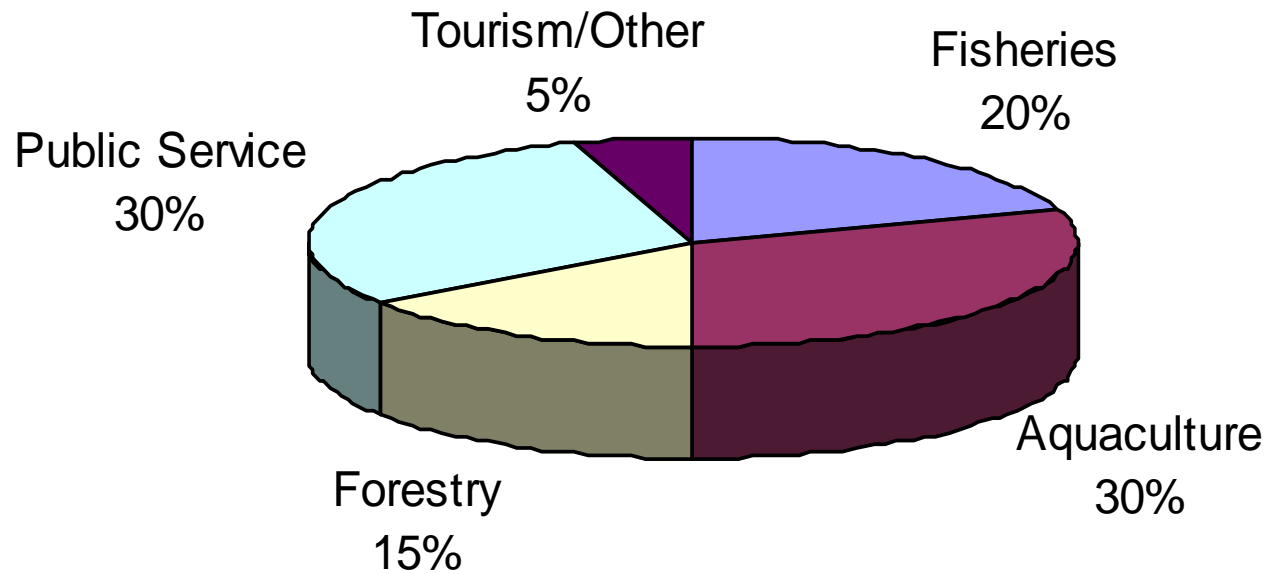
# Employment by Sector, Klemtu 2010



- Aquaculture**
- Wild Fisheries**
- Forestry**
- Public Service**
- Tourism/Other**

Aquaculture accounts for half of the Klemtu local economy.

## Desired percentage of the work force by sector.



# Fish Economy in Klemtu

- Kitasoo Seafoods L.P.
- Kitasoo Aqua Farms Ltd



# Kitasoo Seafoods LP

- Long history since 1920's with JH Todd/BC Packers
  - Wild salmon/Halibut/Herring
- New fish plant plant in 1985 (minimal govt funding) - \$800K
- Access and partnerships always key to viability
  - 1979 – 1 Band SOK + 1 ASN/ personal 12 HGN + 12 AGN
  - 1985 – sold seine to build fish plant
  - 1986 - Pioneers in sea cuke fishery (6 licences in late 80's)
  - 1987 >– process SOK
  - 1988 - Red urchin experiment
  - 1989 – wild salmon processing/geoduck custom processing
  - 1991 – farmed salmon processing
  - 1995 – 2010 ATP program (herring SN/GN, red urchin, SOK, halibut, rockfish, salmon GN/SN)
  - 1995 - partnership with Palladin Seafoods – Sea cucumber
  - 1998 – purchase seiner –Alexis Jane
  - 1998 - Mifflin Plan

# Kitasoo Seafoods LP

## **2000 – 2010**

- Developed into custom processors – built second plant
- Farmed salmon ( 35 workers @\$900K)
- Sea cucumber (8 weeks X 15 workers @ - \$100K)
- SOK – (5 weeks @10 people)
- Salmon seine (new license - Kitasoo crew sell to Canfisco)-CASHFLOW
- Herring seine/GN (lease to Canfisco) (CASHFLOW)
- Halibut/rockfish (lease to other FN's) (CASHFLOW)
- Red urchin (lease + diver opportunity) (CASHFLOW)

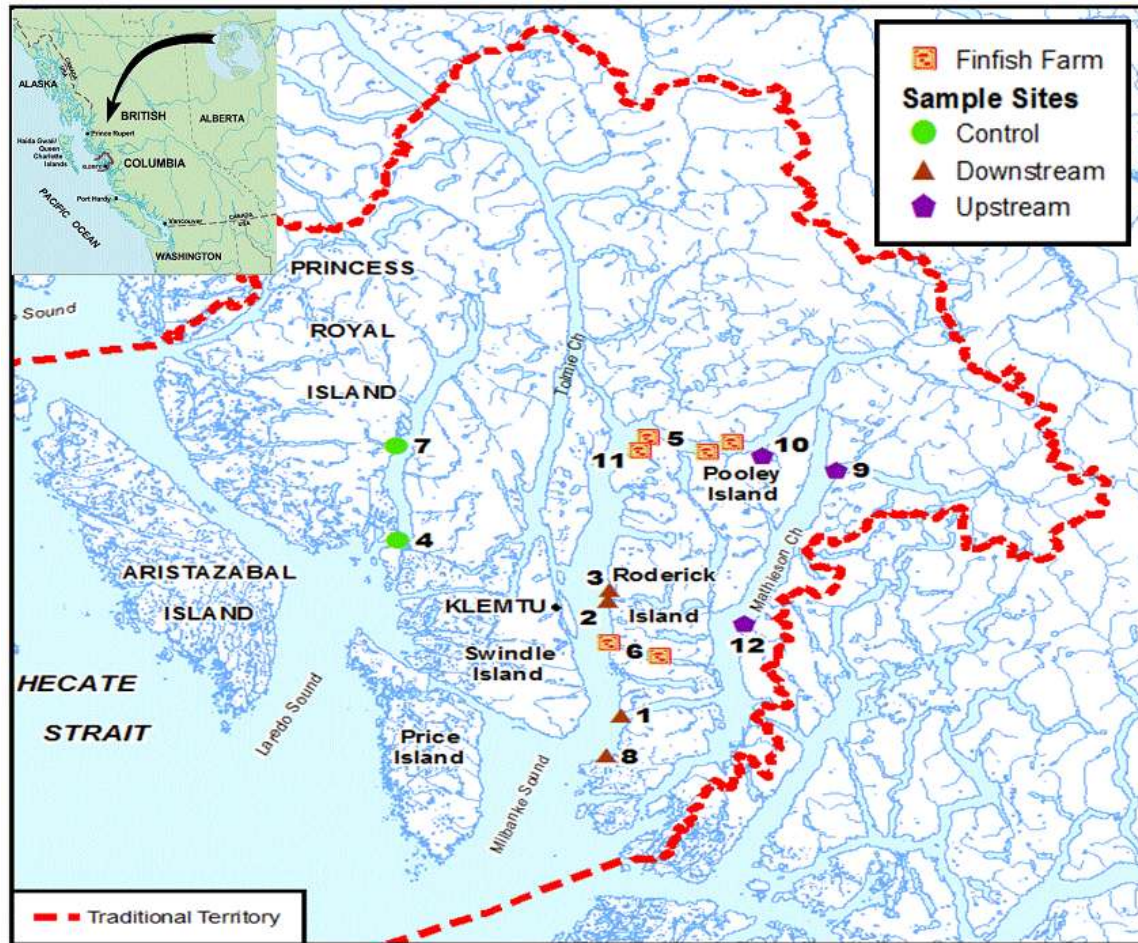
## **Beyond 2010**

- Maintain our base (\$2.5M)
- Expand cold storage in new storage building
- Kitasoo Freight Co.
- Gearing up for prawns 8 Weeks X 10 people @2 licences
- Halibut quota on Alexis Jane (40,000 lbs.)
- Wild salmon again/Sardines possible
- Target \$500K increase/year through this decade (\$7.5M by 2020)

# KLEMTU - SWINDLE ISLAND



# Aquaculture in KX Territory



# Kitasoo Aquafarms Ltd

- Holds 6 tenures
- 10 year Agreement with MHC
- Kitasoo has all harvesting processing rights
- Majority of farm workers from Klemtu
- Subject to Kitasoo Environmental Monitoring
- 60 FTE's – \$1.6M wages
- Currently developing shellfish farming opportunities

# Aaaaaaa..... INFRASTRUCTURE



Costs of ownership:

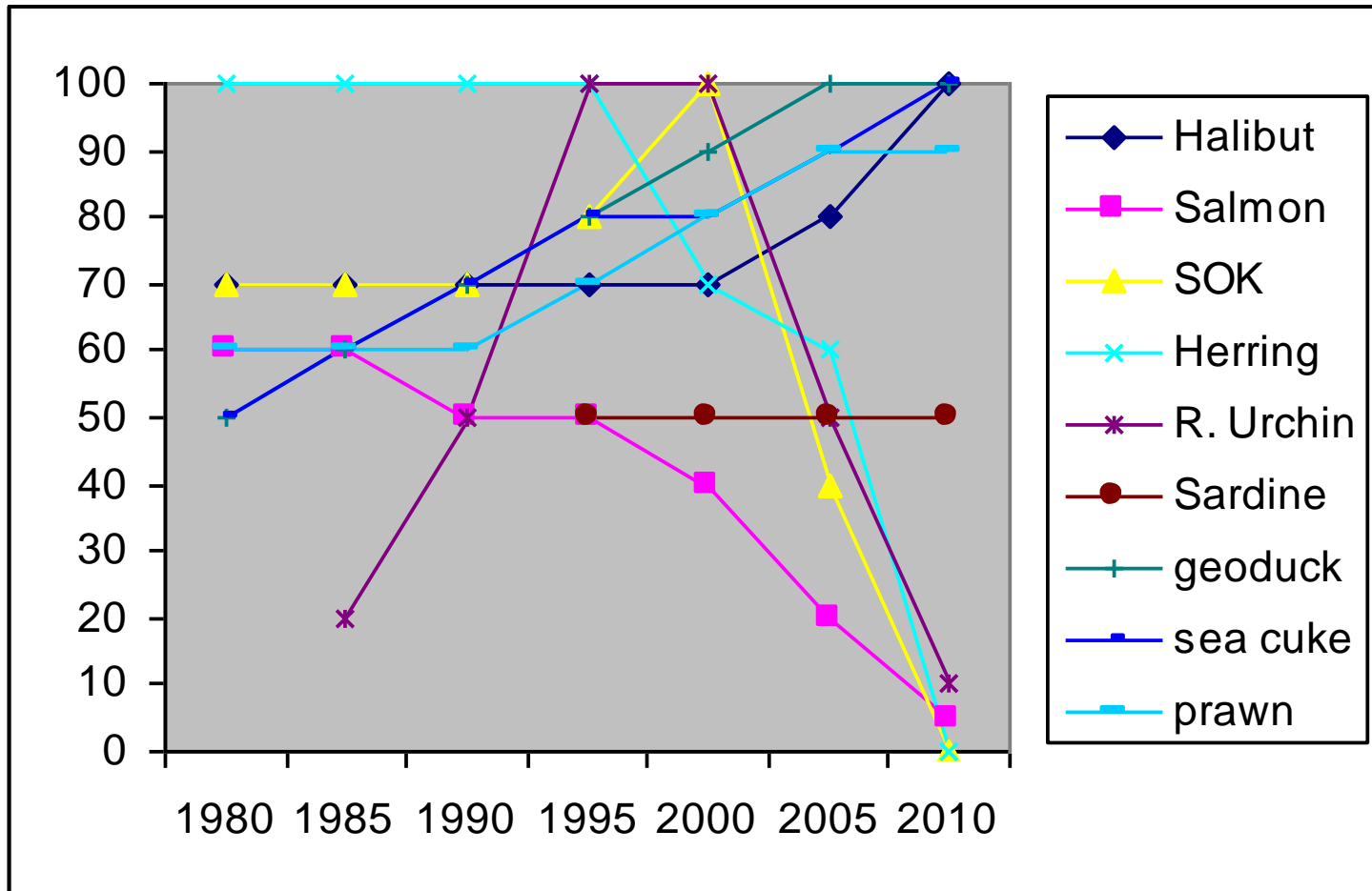
Vessels \$150,000/yr.

PROCESSING PLANT - \$250,000/YR.

# Challenges/Needs For Success in Seafood Business

- Diversified ACCESS (Variety of Licenses)
- Proper Infrastructure (vessels and plant)
- Need good anchor / cash cow
- Strong and Stable Management
- Strong Cash Flow (Cant rely on Gov't)
- Partnerships (Build Capacity and Reduce risk)
- Well Developed Human Resources
- Risk Adverse (Lease vs. Operate)
- Always look for Opportunities

# EXPECT CHANGING TIDES IN THE FISHING INDUSTRY



# NEEDS FROM PICFI (PHASE II)

- More \$ - Our Future Harvest ( 33% or \$333M for north)
- Access to high valued species (expansion or compensated distribution)
- Fair regional distribution (allocation formulas)
- Co-management of program (joint boards and committees)
- Flexibility in acquisition (Allowance to leverage)
- Permanent license transfers (not tied to agreements)
- FN License Bank (long term FN trading house)
- Flexible Fishing Opportunities (opportunities to fish locally)

