



Sipekne'katik Fisheries Business Plan

2022/2023

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Sipekne'katik First Nation
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Executive Summary

1. *Company Information*

- a. **Business Name** Sipekne'katik Fisheries
- b. **Address** 337 Meadow Drive, Indian Brook First Nation,
N.S., B0N 2H0
- c. **Phone** (902) 758-4571
- d. **Contact Person** John Peter-Paul
- e. **Business Structure** First Nation owned and operated

- f. **Banking Information** Available upon request
Bank
Address
Phone Fax 902-758-1046
Contact
Title

- g. **Original Start Date / Anticipated Start Date**

Initiated 2001.

h. **Business Concept**

Sipekne'katik Fisheries is owned and operated by the Sipekne'katik First Nation. They own fishery access which is partially fished using band owned vessels and leased on season basis, to be fished by a third party vessel owner/operator. Typically the Band is paid a lease fee, and there is a requirement for the leasers to provide employment to band members for each license leased. This varies for fishery to fishery.

i. **Business Operations (facilities, equipment, etc.)**

Sipekne'katik Fisheries owns communal commercial fishing licences and quota, and the management of the operations is based on the community of Sipekne'katik First Nation. Of the species that are leased out to other parties, Sipekne'katik band members may work on those vessels and earned a gross share, but the vessels and gear are owned privately.

The Band recently had a purchased fishing vessel built to operate in its lobster, snow crab, and may be outfitted for scallop fisheries.

j. Number of Employees

While there are a number of fishers in the actual list who are potential available to go fishing, the reality is there are only about 40+ men and women available to go fishing, and 2 shore based staff member (the commercial fishery manager, and fleet/shop manager). This however does not capture the administrative, financial, senior Band management support given to the fishery from the resources already existing at the Band office. With assistance from Department of Fisheries and Oceans, there is a program that has 3 employees, who are guardians.

k. Management Team Background and Experiences

Acting Commercial Fishery Manager, (John Peter-Paul) reports directly to the Director of Operations/Administration and the Chief and Council, as does the Band controller who manages the financial operation of the fishery.

l. Enterprise Governance Structure

The Commercial Fishery Manager takes direction directly from the Director of Operations/Administration and the Chief and Council, and it is the Commercial Fishery Manager's responsibility to implement their direction and decisions. The commercial fishery manager follows the Band HR policy and regulation when dealing with fishery employees.

m. Market Niche

As a primary access holder, Sipekne'katik Fisheries targets regional harvesters to lease out their access to, who are willing to meet the Band criteria (condition of vessel, past history of clean harvesting practices, financially stable) as a potential access leaser, and can pay the prevailing industry lease rates.

SFN looks to do business with leasers who have good physical assets and track record within the industry.

When leasing out licences to other parties, Sipekne'katik First Nation looks for the highest lease price and also for other strategic advantages available (i.e. additional employment for band members, prompt payment in full, etc.).

The Band got back into the industry as active participants (owner and operating four vessels to harvest their own fishery access with their own Band member fishers as Captains and Crews).

n. Customer Base

Clients are typically vessel owners who are looking for additional access to harvest, and can be located usually near the ports where fishing for that particular fishery is based. These leasers are locally regionally based and have a track record in the industry.

m. Business Success

Sipekne'katik First Nation has a small base of assets upon which it should be able to generate a profit for the band, although to fully realise demand from the Band members for access to a moderate livelihood from the fishery, the Band will need much more fishery access, understanding and support.

Sipekne'katik First Nation realises there are many challenges both internally and externally surrounding its fishing enterprise, and recognises the AICFI program may assist the fishing enterprise in that regard.

It is believed that through the business plan development process and via the interaction with the AICFI Business Development Team, that some of these issues can be realised and addressed. This CFE sees opportunities for growth in fisheries they have access in via becoming owner operators. It is hoped that AICFI support in this area in the future will enable the Band to purchase a new vessel to harvest some of the Band's fishery access, and assist in a lobster pound, wharf and storefront.

In addition, improved policy and procedures will help to outline what is expected of the fishers, the fishery management, and the Chief and Council. It is hoped these will also capture and formalise processes that reduce the risk of ambiguity with respect to how the fishery is managed.

2. **2018 Audit for the year ending March 31, 2022 (Under Review)**

Schedule #11

SIPEKNE'KATIK
FISHERIES
CONSOLIDATED SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Lobster	\$ 1,904,000	\$ 2,109,859	\$ 1,809,587
Snow crab	825,000	881,795	881,981
Department of Fisheries and Oceans (AICFI)	-	583,391	342,009
Lobster - leases	260,000	347,000	321,500
Scallops	135,000	117,020	197,400
Swordfish	35,000	5,856	33,845
Other	10,000	978	18,570
	3,169,000	4,045,899	3,604,892
Expenditures			
Band owned boats - Lobster	887,700	1,256,033	947,551
Band owned boat - Snow Crab	230,600	202,091	195,248
Community member disbursements	310,000	431,204	314,550
Wages and benefits - Lobster	258,000	150,120	195,377
AICFI wages	141,300	134,144	101,977
Fisheries building	24,100	90,995	26,977
Traps, buoys, ropes	-	64,724	13,279
Travel	15,000	51,427	32,294
Office and supplies	11,800	29,541	14,004
Professional development	4,000	24,475	33,813
Food Fisheries	-	13,642	14,264
Bank charges and interest on long term debt	500	9,944	1,393
Swordfish expenses	7,500	8,161	22,350
Employee testing	2,000	1,713	2,077
Weir	200,000	1,623	-
Vehicle rental	-	548	3,125
	2,092,500	2,470,385	1,918,279
Surplus	\$ 1,076,500	\$ 1,575,514	\$ 1,686,613

Business Plan

1) *Business Description*

- a. **Type of fisheries business** Primary Seafood Access Owner
- b. **Business Structure** Communal
- c. **Ownership** First Nation Government Owned
100% by the Sipekne'katik First
Nation Band
- d. **Products or services**

The product portfolio is dictated by the different types of fishery access the Band owns. Listed below is a complete list of fishery access the Band owns. While we will speak about all the various access, it should be clearly understand that many of the licenses have little or no commercial value at this time.

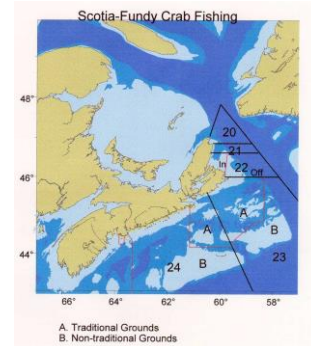
License #	Species	Type	Area
309866	Ground fish	Trawl	EA
110307	Lobster	Trap	32
109828	Lobster	Trap	33
110122	Lobster	Trap	33
109594	Lobster	Trap	34
109890	Lobster	Trap	34
109991	Lobster	Trap	34
110228	Lobster	Trap	34
111648	Lobster	Trap	34
111657	Lobster	Trap	34
111832	Lobster	Trap	34
112154	Lobster	Trap	34
142247	Lobster	Trap	34
109757	Lobster	Trap	35
109927	Lobster	Trap	35
112317	Lobster	Trap	35
107538	Scallop	Dredge	Full Bay
303701	Snow Crab	Trap	24
108295	Swordfish	Longline, Spear	
309468	Tuna	Longline	

Snow Crab



Located in snow crab fishing area CRA 24 (see map), the fishing zone extends from Arichat to Sheet Harbor, N.S. This snow crab biomass is characterised as a rich fishing area, with reasonable stable biomass, and catch rates. In fact the Band owns 2.956% of the overall TAC for this fishery and in 2021 that translated into 220,000 lbs.

Snow crab in itself is typically and consistently high margin fishery meaning it can be very lucrative, 5 years out of 7 (many commercial crustacean and bi-value fisheries tend to run in cycles of about 7 years). That said, with a season that opens in late April and finishes in August, the high catch rates are usually seen in May and early June and taper off quickly. This means it is paramount for a harvester to ensure his vessel is aggressively catching product at the beginning of the season so his per pound harvesting costs remain low.



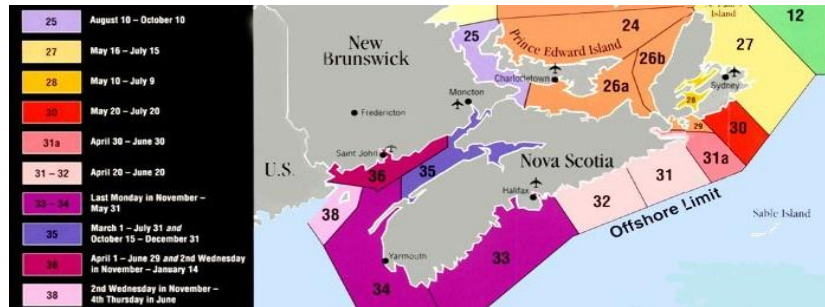
The Band has become active participants in the fishery, with the new vessel, and seven band members who are employed for the season. The Band has improved employment opportunities for band members as well as offer them a valid career path.

Lobster



Lobster is another species Sipekne'katik is heavily vested in and has access to all over south western Nova Scotia, including LFA 33, 34, & 35. Typically landings in LFA 33 are much lower than in LFA 34, and 35 and this is not seen as

commercially viable for the Band to consider operating in. Hence it leases out its licenses in this area. In fact, it currently leases out its lobster licenses for a fixed lease fee, with a Band member employment (usually 1 or 2 Band members per license). This year, we will be fishing a total of 4 licenses.



While it is expected the Band will continue to lease access out to other vessel owner operators, this year 5 to 9 LFA 34 licenses will be leased out. Under the direction of Chief and Council, the 4 vessels will fish in LFA 34... The band will continue to fish the three licenses in LFA 35.

As mentioned previously, catch rates are much higher in LFA 34 and LFA 35 than in LFA 33. Typically current average port landings (we say average because many ports are different throughout the LFA's) in LFA 33 are between 25,000 and 45,000 lbs, in LFA 34 and LFA 35 combined are in the vicinity of 300,000 pound or more. Lobster catches make for a profitable year.

Ground fish



Sipekne'katik's ground fish license in Scotia Fundy is leased out on a yearly basis. It is a very small quote holding of product for fishing off Nova Scotia. For reference here are the quota amounts from 2013:

Species	Fishing Zone	Kilos
Cod	4X, 5Y	455
Flounder	4X, 5Y	1,786
Haddock	4X, 5Y	2,854
Pollock	4VW	2,001
Pollock	4X, 5	10,092
Redfish	UNIT 3	5,066

As one can see this amount of quota is very small and the Band will continue to lease it out each year, to other harvesters looking for quota.

Scallop



SFN has 1 full bay scallop licenses which is leased with employment rider for Band members should they wish to pursue that fishery. This full bay license equals approximately 1% of the total TAC for the inshore scallop fishery in south-west Nova. Typically we are paid a lease rate that is based on a per-pound of TAC in any given year. On average, that equates to about 20,000 lbs. The Band now has a contract with a buyer to \$ 4.25 per pound in 2020/21.

The Band may have an interest to actively pursue becoming a self-harvester in this fishery at this time as although it can be a lucrative fishery if you are successful, it can also be very costly to make mistakes in. The new vessel will have to be outfitted for the draggers and members to be properly trained in this fishery. Additionally, most vessel that are successful need two fish two full licenses each season (~2% of the TAC) and the Band only have one.

Swordfish and Tuna



The minor access the Band owns is currently leased out to other swordfishes in the Scotia Fundy region, and is leased for a fee each year. It is not a fishery the Band wishes to become involved in nor do they have enough access to specifically target a vessel towards it. The tuna tags the Band owns is attached to the swordfish license to account for any potential by-catch the vessel may encounter. The past year, the band did not fish or lease this license. The band does have a tendering process and there was not a bid in place.

Herring, Mackerel, Gaspereau, Clams

The Band does have access to these commercial licenses but they are usually only used for bait or handed out to Band members to fish when asked, as they have little commercial value. The herring and mackerel licenses are bait licenses attached to the lobster access, the gaspereau is uneconomical to fish, and the clam licenses are hand tool licenses, which get access from time to time by Band members. This is not expected to change in the near future.

Sea Urchin



In the past, urchin was a strong fishery, but changes to the harvesting regulations and biomass failures made this uneconomical to harvest or closed the fisheries. However, these fisheries have been left to fallow and the Band had leased this license for a fee. This license was not fished, as there was no bids in the tendering process.

e. Business logo

The fishery enterprise has no independent logo to symbolise their business activity; they use the band logo as shown below:



2) Business and Industry Market Analysis

a. Industry Sector

This commercial fishery enterprise operates in the inshore fishery resource sector as an access owner and leaser. The main commercial species this Band is actively involved in are snow crab, lobster, scallop, swordfish and ground fish. Typically the Band will lease some access to inshore owner operators who are already active participants in the existing fishery. Lease fees, contracts and arrangements will vary by species and fishing zone and may be based on per pound rates (if it is an enterprise allocation fishery) or a lump sum (if it is a license fishery). Fee values typically change from season to season.

b. History of the Industry

The Mi'kmaq has been fishing the coast of what is now known as Atlantic Canada for the last 5000 years. In 1999 the Supreme Court of Canada upheld in the Marshall case, the Mi'kmaq people had a right to a moderate and commercial fishery. This opened up many opportunities for the Mi'kmaq people as the Federal Government, in an attempt to temporarily address the fishing rights issue with the Mi'kmaq people of the Maritimes, dispersed commercial fishing rights among the various communities. As a result the Sipekne'katik First Nation (SFN) operates and assists Sipekne'katik Fisheries to exercise their right to harvest certain species in the Atlantic fishery.

Working in line with the Netukulimk conservation measures surrounding their fishery, licenses and quota holdings, Sipekne'katik first nation has sought to provide employment for its members and be profitable to help insure there are physical resources available to harvest their fisheries in the future.

The process of receiving fishery access and assets did nothing to address the fact that Sipekne'katik had limited experience in harvesting the species we now had access to nor managing a harvesting fleet of vessels. Nor did our new entrants have the decades of at-sea experience our non-native competitors had.

c. Direct and Indirect Competition

Whether they are live or fresh, all species fished are subjected to commodity pricing on the day, and this relates to the value of the lease fees being paid to the Band and also the earning potential of Band members on lease vessels.

In both the lobster and crab fishery, the greatest competition comes from all the other fishers chasing the same creature around Atlantic Canada and the New England waters of the USA.

Lobster fished during the spring/summer months face competition from many other LFA areas that are open at the same time. There has been a movement to better stagger LFA openings/seasons to assist in the marketing of lobsters, but for quality, species recruitment, and practical reasons (other fisheries opening, weather), there is still a great deal of overlap of landings from the various LFA's.

Although it is potentially feasible that First Nation communities fish outside the designated seasons, most if not all First Nations have agreed to fish their commercial licenses in conjunction with the existing commercial fishery as any deviation from this agreement could cause major social upheavals in the ports where the lobster are fished now (problems with non-native fishermen). Hence the Band requires all leased licenses be operated in a manner that conforms to confirm to the fishery act, all fishery regulations, and Transport Canada requirements.

As this Band current operates mainly as a lease fishery, the Band has very few competitors in the market. Those competitors would be other First Nations leasing fishery access in the same species in the same zone, and other non-native access holders who chose to lease their access out to be fished.

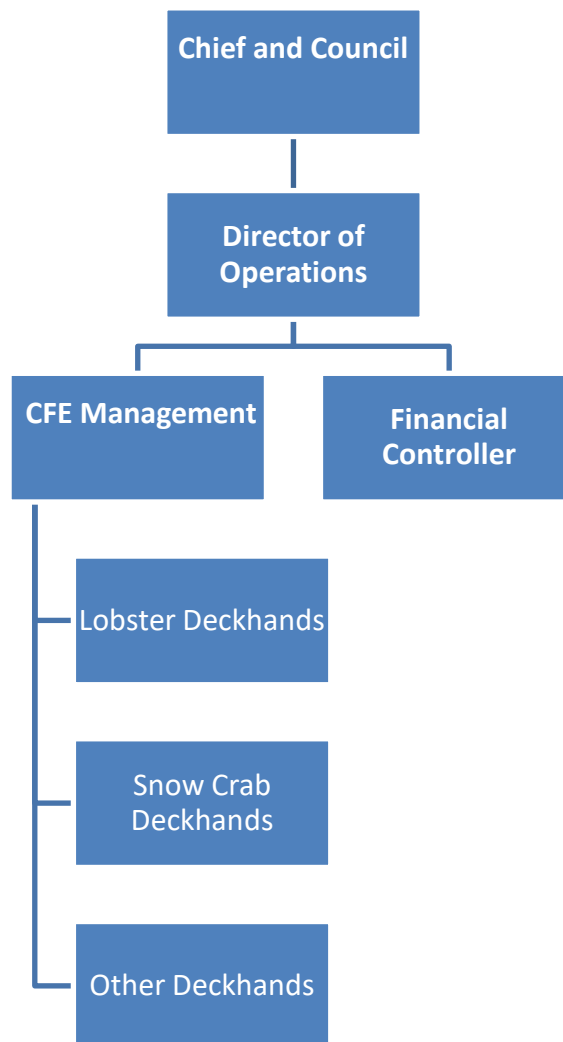
Indirectly, the value of the leases for fishery access is determined by the ability of a third party harvested to make money from it. This then typically relates to the ability of the harvester to land a volume of product from the lease, and the value of that product when it hits the dock. Hence when landings are high and the wharf price is high, the lease relates typically go up (as do the earning of the band fisher aboard those vessels). As they go down, so does the lease value. Typically lease fees are agreed prior to the start of the fishing season, and remain fixed until the next season.

3) Enterprise Governance Structure

All fishery assets are owned by the Sipekne'katik First Nation, but managed via Sipekne'katik Fisheries. The Band may set goals and objectives like profit, strategic direction, or employment levels, but typically it remains the status quo.

John Peter-Paul, the acting commercial fisheries manager reports to the Band's Director of Operations, and then the Chief and Council. John Peter-Paul manages the overall fishery assets of Sipekne'katik First Nation and works with the administrative staff (finance and legal) ensuring a well-functioning business.

The line of reporting is seen below:



4) **Operational Plan**

a. **Location & Description of Business Assets and Staff**

i. Onshore Facilities

The fishery access is scattered from Cape Breton to Yarmouth, NS, and it is actioned from the various ports in the different fishing zones. It should be noted the Band now has its own fishery building which houses the offices of the Commercial Fisheries Manager, Fleet/shop Manager, and three guardians. The band is looking at options to buy a wharf, a pound, start a retail store.

ii. Vessels

As part of a 2021-22 AICFI application the Band had a purchased a vessel which will fish its snow crab access, LFA 35 and LFA 34 lobster license. A detailed marine survey is available upon request (it's too large of a document to be included here), but a list of the general vessel specifications is outlined further on.



iii. Gear

Currently the Band owns snow crab and lobster gear to go along with the newly purchased vessel, as this was the band's contribution to the agreement.

iv. Licenses

SHUBENACADIE FIREST NATION				
Species	License Type	License Subtype	License Id	License Area Description
ALEWIVES/GASPEREAU	CC NON-VESSEL BASED LIMITED		142709	
CLAMS, UNSPECIFIED	CC NON-VESSEL BASED LIMITED		120941	CLAM HARVEST AREA- 1
			120942	CLAM HARVEST AREA- 1
			121686	CLAM 1-IARVEST AREA- 5
			122083	CLAM HARVEST AREA- 1
CRAB, SNOW	CC VESSEL BASED LIMITED		303701	CRAB FISHING AREA -24
GROUND FISH, UNSPECIFIED	CC ENTERPRISE ALLOCATION	INSHORE	309866	NAFO DIVISION - 4VN NAFO DIVISION - 4V5 NAFO DIVISION -
HERRING/MACKEREL	CC BAIT		142563	
			142564	
			142565	
			142566	
			142567	
			142568	
			142569	
			142570	
			142571	
LOBSTER	CC VESSEL BASED LIMITED	CATEGORY A	109594	LOBSTER FISHING AREA -34
		CATEGORY A	109757	LOBSTER FISHING AREA -35
		PARTNERSHIP A	109828	LOBSTER FISHING AREA -33
		CATEGORY A	109890	LOBSTER FISHING AREA -34
		CATEGORY A	109927	LOBSTER FISHING AREA -35
		CATEGORY A	109991	LOBSTER FISHING AREA -34
		PARTNERSHIP A	110122	LOBSTER FISHING AREA -33
LOBSTER		CATEGORY A	110228	LOBSTER FISHING AREA -34
		CATEGORY A	110307	LOBSTER FISHING AREA- 32
		CATEGORYA	111648	LOBSTER FISHING AREA- 34
		CATEGORY A	111657	LOBSTER FISHING AREA -34
		PARTNERSHIPA	111832	LOBSTER FISHING AREA-34
		CATEGORYA	112154	LOBSTER FISHING AREA- 34
		CATEGORY A	112317	LOBSTER FISHING AREA -35
		PARTNERSHIPA	142247	LOBSTER FISHING AREA- 34
SCALLOP, SEA	CC VESSEL BASED LIMITED	FULL BAY OF FUNDY SCALLOP	107538	SCALLOP FISHING AREA (BAY OF FUNDY) - 281 SCALLOP FISHING SCALLOP FISHING AREA - 29B SCALLOP FISHING AREA - 29C
SEA URCHINS	CC VESSEL BASED LIMITED		109523	HALIFAX COUNTY EAST OF PENNANT POINT
			109538	HALIFAX COUNTY EAST OF PENNANT POINT
SWORDFISH	CC VESSEL BASED LIMITED		108295	NAFO DIVISION - 3L NAFO DIVISION - 3M NAFO DIVISION - 3N
TUNA, RESTRICTED	CC VESSEL BASED LIMITED		309468	

iii. On-shore management, administration and other support staff

Person	Title	Description
Stuart Knockwood	Director of Administration	Responsible for all of the Band commercial business units and physical operations
John Peter-Paul	Commercial Fishery Manager/ FMS Clerk	Responsible for the day to day management of the commercial fishery, daily office procedures, FMS and record keeping
Monica Becket	Financial Controller	Operates as the fishery and Band financial controller
John Peter Paul	Fleet/Shop Manager	Responsible for the upkeep on vessels, and vehicles

iv. Captains and crew members

While the Band has a long list of members who have had fisher training or actively fish under the lease agreements which can be view in the Appendix. However, the Band will operate their three vessels in the future in the lobster and snow crab fisheries, it is intended but not guaranteed, that these fishers would form the base of the rotating crew:

Robert Sack	Seth Maloney	Shane Howe	Trey Sack
Duane Googoo	Ryan Sack	Wekatesk Levi	Matt Knockwood
Lance Bernard	Randy Sack	Roderick Marble	Levi Francis-Toney
Carmen Michael	Jimmy Nevin Jr	Scott Sack	Logan Howe
Gavin Michael	Colton Willis	Greg Labrador	Dakota KKnockwood
Troy Michael	Michael Yach	Keyan Sack	Kerry Brooks
Jerry Augustine.	Roman Sack	Patrick Paul	Ivan Knockwood
Kyle Tuplin	Alan Bernard	Leon Michael	Ashton Paul
Duncan McDonald	Wayne MacDonald	Daniel McDonald	Jordan Chasse
Leon Robinson	Dallas Knockwood	Greg Paul	Jamie Lee Gehue
Ekian Julian	Stephen Peter Paul	Mikey Willis	Thomas Howe
Cheryl Maloney	Zachary Maloney	Benjamin McDonald	Corbin Nevin
Jared Paul	Keigan Sack	George Syliboy	Jerry Maloney

b. Data Collection and Use for Management

With the new mandate from Chief and Council to run the fishery in a more professional, businesslike manner and hiring of a new Commercial Fishery Manager, this issue is being addressed. Initially there is improved financial control, improvement to the structure and content of the lease contracts, improved proceeds to capture what vessels are fishing what access with which fishermen (Band members or not). Also the commercial fishery manager is working with the TAC to address fisher training needs and HR is reviewing the policies and procedures to address past issues related to tracking the fishers and their earnings.

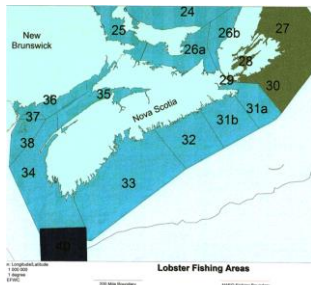
In addition to this the fishery is using the FMS system to better track fishers, their activity, vessels that fish Band access, and access usage. With the aid of the FMS it has helped with reports when Chief and Council have requested them. As Commercial Fishery Manager, McDonald also enters the information.

c. Harvesting Plan and Fishing Strategies:

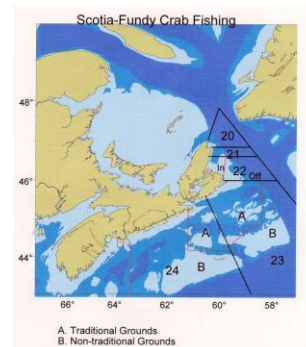
The vessel purchased targets the snow crab access, one of the three LFA 35 lobster licenses and one of the nine LFA 34 licenses. Both the lobster and snow crab fisheries are heavily regulated so there is little flexibility in terms of varying seasons, catch limits, sizes, or markets. As First Nations have agreed to abide by existing commercial regulations and policies, any harvesting plan in terms of timing will be severely restricted.

The lobster season is set out and only varies a day or two each year depending on what was agreed to at the LFA advisory meetings. In LFA 34 by far the biggest catches are when the season opens until Christmas, then catches typically taper off. By April or early May, many fishers have tied up the vessels as it is uneconomical to fish. This fits nicely with the start of the CFA 24 snow crab season (March), however it will take a week at least for the vessel to be made ready for fishing snow crab, but typically that isn't a problem as the weather in the first few weeks of April is usually so foul, fishing is limited. Also typically catch rates usually start to take off towards the end of April and during May and June.

Snow crab season in CFA 24 is also a summer fishery running from March until September. The areas to be fished and the amount to be caught are all agreed to by a committee prior to the start of the season.



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The management would meet with the Captain to review how and when to best fish the snow crab quotas within the existing regulatory framework and timeframe (season). The Captain would be responsible for the catching of the lobster and crab quota and ensuring it gets to the dockside buyer in prime condition. At present the Band usually contracts a buyer.

The Captain would be responsible for rotating the crew through the vessel in accordance with the guidelines outlined by the fishery manager. The fishery manager will be responsible for insuring the crew are certified and ready to fish.

As previously stated, both lobster and crab is fished in designated areas even within their own fishing zones. Crab generally is found in very specific deep holes within the specific CFA and most traps are set in 90-120 fathoms of water. During the season they are moved around to avoid the instance of white-shelled crab and to increase catches, as crabs can be very mobile.

Lobster similarly is fished in waters of 3-100 fathoms, with heavy landings early in the season. As the water warms, lobsters move inshore to prepare to moult and gear is often set very near shore in very shallow water. As with any shellfish that is harvested by trap, atmospheric and environmental conditions (weather, water temperature, full moon, tidal flow, current, etc.) all play a role in how gear is set.

d. Annual Work Plan:

Stated above, gives a good outline of the timelines and work schedule the fishery operate its own vessels. Added to this, in addition when the vessel is finished the season, it is then looked over by a marine mechanic to correct any deficiencies noticed, and also those identified by the Captain. Typically a month prior to the start of the season, or after the finish of a fishing season, the crew will tend their gear to make ready for the next season. Once the gear is repaired and stowed, the crew will not come back until before the start of the next season. In most cases this is unpaid work and considered part of their duties as a fisher. Also so is any upgrading of fisher licenses, credentials or certificates needed by the fishers.

Remembering that this Band is mainly a lease based fishery, typically two months prior to the start of any fishing season, the Band will start to organise the lease arrangements with third party owner operators and get its vessel ready for fishing. Fees will be agreed and contracts signed; fishers will be allocated available positions resulting.

Whereas the Band now has three vessels, the Band will fish the Snow Crab license and three LFA 35 licences.

e. Major Suppliers

As the Band is mostly a lease fishery and operates four vessels it currently only uses a handful of vendors, those being the ones used by the dockside buyers. While the Band pays for these services, it does not pay the buyers for arranging them as this is a free service provided by the buyers.

With regards to license leasers, the Band does put a tender for the request for proposals. There is a deadline that needs to be met, once the tenders are open, it is then recommended by the Chief and Council as to who will receive a license with conditions of one or two band members are employed with each license.

Licences, Permits, and Insurance

- i. As mentioned previous we can see a list of the Band's fishing access. All permits, insurance contracts, certificates, licenses related to the vessel are available upon request. They are not included in this business plan as the documents then become too cumbersome.
- ii. Captain and Crew qualifications

A full list of past Band members who have taken fisher training or participated in the fishery in the past is available from the commercial fishery manager. Currently the fishery manager is working with the TAC to produce a training plan for the band fishers to identify what fisher have what credentials and certifications, and what is going to be needed going forward.

It is fully intended to always use existing Captains and crew to fish the new vessel.

- i. Vessel licences and insurance

NAME / OFFICIAL NO:	<i>Treaty Defender</i> / 835009
YEAR BUILT:	2010 / Registered in Yarmouth, NS
LENGTH OVERALL:	15.16 meters / 49.7 feet
REGISTERED BREADTH:	6.67 meters / 21.9 feet
DRAFT:	1.8 meters / 6.0 feet aft approx.
GROSS / NET TONS:	57.03 / 42.77

BUILDERS:

Hull # 097 by Gorham's Marine 2000 Inc., Pubnico, NS. Finished by Yarmouth Boat works Ltd, in Yarmouth, NS.

NAME / OFFICIAL NO: *Mama Ain't Happy /826557*
YEAR BUILT: 2004 / Registered in Yarmouth, NS
LENGTH OVERALL: 13.7 meters / 44.9 feet
REGISTERED BREADTH: 6.74 meters / 22.1 feet
DRAFT: 1.8 meters / 6 feet aft approx.
GROSS/NET TONS: 42.82 / 32.12

BUILDERS:

Hull #59 by Goreham's Marine in Wood Harbour, NS. Hull finished by Carmark Marine in Argyle, NS

NAME / OFFICIAL NO: *Chief Reg Maloney /840932*
YEAR BUILT: 2017 / Registered in Yarmouth, NS
LENGTH OVERALL: 14.88 meters / 44.78 feet
REGISTERED BREADTH: 8.02 meters / 27.83 feet
DRAFT: 3.03 meters / 6.89 feet aft approx.
GROSS/NET TONS: 57.85 / 43.39

BUILDERS:

West Head Boat Builders, Aylward Fiberglass incorporated, Sandy Point, NS

The vessel insurance contract, vessel marine survey, and Transport Canada certificate are all available upon request.

NAME / OFFICIAL NO: *Chief John Knockwood/839766*
YEAR BUILT: 2015 / Registered in Halifax, NS
LENGTH OVERALL: 14.92meters / 44.78 feet
REGISTERED BREADTH: 8.08 meters / 26.5 feet
DRAFT: 3.03 meters / 6.89 feet aft approx.
GROSS/NET TONS: 59.60 GT/ 44.70 NT

BUILDERS:

"Grizzly" hull by Wedgeport Boats in Wedgeport, NS, Finished by Snyder's Shipyard in Dayspring, NS

The vessel insurance contract, vessel marine survey, and Transport Canada certificate are all available upon request.

4) *Organizational Plan: Management and Staffing*

Regarding the fishers, there is an understanding of all the requirements expected of the fishers, and the main body of this is captured in their contract, as the Band has their own lawyer to tender the contracts.

Training is ongoing for both managers and staff, with the fishery manager is taking fishery related training course made available by the APCFNC, as well as FMS training. Fishers, have been trained in First-Aid, WHIMS, MED-DVS, navigation, and for a few, (SVOP and FM4) training. The fisheries department has been having ongoing training throughout the years with FM4, SVOP, MED-DVS, Radio and all associated safety related training.

It is envisioned a formalised set of policies and procedures will be drawn up which we will hold the crews, staff and Captains accountable. Although the scope and format of this work has yet to be determined and. Occupational Health and safety testing programs are in place and has been working for some years now.

5) *The Marketing Plan & Competition*

As mentioned previously, currently most access is leased out, and the lease fees from this access varies from species to species, from zone to zone. Typically license leases are paid a lump sum prior to the start of the season, and TAC or EA fisheries are paid on a gross share.

Typically the value of the fees are based on the market return expected from the access, and are usually influenced by the expected landing volume of the access, and the expect market price of that landed volume.

b. *The Target Customers*

Typically target customers are to lease the access to owner/operators who already have a vessel and fishing operations in that particular fishing zone for that species. At time the Band will lease access out to a dock side buyer who then on leases it to a local harvester. In this way they can guarantee that product will be landed to their factory or buying station.

Customers are required to have a clean, successful history of harvesting activity, and be in a financial position to make prompt payment.

As to the harvesting operations, the Band seeks out traditional dockside buyers

like any other harvester. The snow crab will be sold to a processor, and the lobster is sold to a dockside buyer.

c. Marketing Strategy

The strategy for leasing out licenses is very simply; the fishery manager now, issues a RFP in early February, give the leases a deadline, then Chief and council will go with the highest bid, or an agreeable price.

Now that the Band has four vessels, they have become active harvesters with LFA 34 and three in LFA 35. The band does lease one spring portion of the license so the one vessel goes and fish the snow crab license. They have become active harvester with a full native crew, and sell product to traditional dockside buyers/processors.

d. Pricing Strategy and Target Sales

Leasing access is very simple, and the pricing strategy typically follows industry standards which are set by the expected margin from the fishery of that species in that zone, which varies from year to year. It should be noted again that on top of the pricing strategy, the Band tries to include Band member employment as a condition of the license lease agreement.

6) Risk Assessment and Response

a. S.W.O.T. (Strength, Weakness, Opportunity, Threat) Analysis

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Quality portfolio of commercial fishery access to lease • Select experienced fisher workforce • Mostly high value and margin access to lease out • Option to make application to government support programs to expand the fishery • New financial policy in place, as to gain certification from First Nations Financial Authority 	<p style="text-align: center;">Opportunity</p> <ul style="list-style-type: none"> • Improve the lease procedure to improve employment and economic gain • Potential to become operators in the fishery again and improve profitability, employment options and presence in the industry • Review of operations may lead to improved business efficiency
<p style="text-align: center;">Weakness</p> <ul style="list-style-type: none"> • The Band is under cash flow constraints and needs support in developing its fishery • Poor past record keeping, accountability, and transparency of operations • Not well located geographically • Limited shore based management experience in the industry 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Stock variability • Price control on the species they lease out which effects lease rates • Ultimately very limited loyalty from the leasers in the industry • Limited cash to develop the fishery • Moderate Livelihood

b. Risk Events and Responses

i. Strengths

We will continue to exploit our strengths whenever possible. We will continue to leverage our desirable fishery assets and try to seek clients who will pay more for the fishery access. We can do this by aligning ourselves with clients who want

continuity of supply to the fishery access, and will do our best to form partnerships and longer term relationships with them. In addition we intend to use programs like AICFI and ISC economic development programs to further support the development of our fishery towards becoming a more integrated self-harvesting operation.

ii. Weaknesses

Past core internal processes in the fishery operation have held back the development of the fishery business. The Chief and Council support the addressing of this issues and have made HR changes in the fishery management to help to improve this. Also they have improved the collection of data, both from operations and for the accounting function, as well as ensuring there are strict controls over the financial function.

iii. Opportunity

While this year great strides have been made it is still felt there is the potential to improve financial returns to the Band as well as improve the employment prospects for our band members. We are working towards improving the lease arrangement contracts, providing more transparency to Band members on fishery operations, improving the HR policies and procedures, and playing a greater role in the science and management side with DFO and industry.

We are undertaking an organisational review of the fishery to better focus on the areas in the fishery operations that need improving. Liaising with other fishery coordinators, industry professionals and the AICFI business development team will help with this. To this end, this year the Band had purchased vessel to harvest both their snow crab access, four LFA 34 lobster license and three LFA 35 licenses. Success with this vessel may lead to future vessel purchases along the same lines.

iv. Threats

As always there are the typical threats related to the fishing industry;

- Uncontrollable changes to fish stocks
- Commodity prices variable
- High enter cost into the fishery as operators
- Vessel catch rate ability
- Limited skillset in vessel and fishery management
- Low ability of the Band to finance fishery capital asset purchases and cash-flow related to vessel harvesting operations

The fishery will follow its management plan and manage the biomass level in conjunction with Departments of Fisheries and Oceans and the local fishing associations to determine the appropriate levels of effort to maintain the stock biomass. The commodity pricing tends to be global on live shellfish and there is little that one individual fishing enterprise can do to mitigate this factor other than look at cost reduction, value added processing or selling further down the value chain.

With respect to cost reduction, through using the service of the AICFI business development team and advice from other fishing enterprises, we intend to review our operational structure and find areas we can land our products more cost efficiently. Additionally, we intend to review our harvesting strategies and determine if the assets can be managed in a way that improves catch rate.

c. Viability and Long Range Plans

Luckily, the Band owns fishery access that is desirable as a lease option and some is very lucrative if fished successfully. In its current state as a lease fishery the business is profitable and viable. However the Band has become harvesters in the fishery once more.

The Chief and Council have already instructed the fishery to be run in a more professional business-like manner with improved accountability, transparency, and financial attention. The developments of improved accounting coding and controls, operational plans, improved policy and procedures have started and great strides have been made, but the work is ongoing.

7) Financial Statements

Please see attached documents for the past financials and current 3 projections.