

Industry PROFILE



An integrated approach to nurturing industry development and NWT wealth

WILDLIFE HARVESTING

Domestic and commercial wildlife use is an integral part of the NWT economy in terms of its support of traditional culture and import replacement value. The NWT is home to a wide range of wildlife: Caribou, muskox, wolves, arctic fox, polar bears and grizzly bears live in the barrenlands. The arctic coast and ocean is home to large marine mammals such as whales, and seals. Big game animals such as caribou, Dall's sheep, bison, and moose furbearers including lynx, fox, beaver, marten, muskrat, and a host of other species inhabit forested regions. Over 200 species of birds breed and stage in the NWT.

Overview

Wildlife has sustained aboriginal populations in the NWT for thousands of years, providing food, clothing, shelter, tools and goods for trade. Today, harvesting of wildlife continues to be of critical importance to aboriginal families. Although subsistence use of wildlife is seldom acknowledged in economic statistics, its value to NWT residents is significant.

Harvesting of renewable resources for domestic use is the largest economic activity undertaken by aboriginal residents in the NWT. More than 90% of aboriginal households consume country foods, over 70% of aboriginal households hunt or fish and nearly 25% of aboriginal households trap furbearers.

The economic importance of harvested wildlife would be clear if those same food items had to be purchased. In 1990/01 the value of the subsistence food harvest was estimated to be \$50 - \$55 million a year in terms of imports replaced. This replacement value represents one important part of the contribution wildlife makes to the NWT economy. Money spent on imports is a loss to the northern economy. The sustainable use of local resources needs to be a primary objective in any economic development strategy.



Caribou Crossing River (RWED, GNWT)

Wildlife History

Since 1999, with the establishment of Nunavut, the total reported economic value of the NWT wildlife harvest has changed reflect a reduced population. A revised estimate would also have to take into account other factors such as inflationary increases in the value of imported goods. It is anticipated that the degree of dependence upon the resources has not changed and neither has the demand in the communities in the Northwest Territories. A survey of households will be necessary to confirm the extent of this dependence and values.

The seasonal income from trapping can be measured but the full economic value of trapping is difficult to quantify. Trapping provides harvesters with cultural and social benefits from using traditional skills and knowledge through participation in an active, healthy way of life. Trapping also provides a benefit to government and wildlife managers through the extensive information provided by trappers about furbearer populations.

Non-commercial uses of wildlife is important to other NWT residents as well, as both a source of food and recreation. Both hunting and non-consumptive uses of wildlife contribute significantly to the quality of life enjoyed by NWT residents. Wildlife also forms the basis of much of our tourism appeal. Visitors come from across Canada and the rest of the world to have the opportunity to view or hunt wildlife in our pristine wilderness. Some wildlife species, such as caribou and

muskox, provide opportunities for commercial development. Small-scale harvests for the sale of meat have been carried out where wildlife population levels permit and communities have expressed interest. Two private game ranching facilities are currently operating in the NWT: A fenced facility currently operates as a science research facility in Fort Resolution with about 100 wood bison and an open range operation near Tuktoyaktuk with a reindeer herd of an estimated 6,000 animals.

An increase in responsible wildlife harvesting combined with applied agri-food science and research for commercial use has the potential to add significant economic benefits to this sector. Throughout the NWT, co-management boards have been set up to share wildlife management responsibilities between aboriginal user groups and government. This has provided an opportunity to integrate traditional knowledge and science for the benefit of the wildlife resource. Important liaisons have also evolved with federal agencies to include Agriculture and Agri-foods Canada and the Canadian Food Inspection Agency. The bringing together of skills, knowledge and applied science have facilitated the potential for economic benefits which up until a few years ago seemed remote or out of reach.



Moose Calf (RWED, GNWT)

NWT TRENDS

NWT wildlife is harvested for subsistence use and commercial sale. Subsistence harvesting provides food for the individual or family. Commercial harvesting is for the purpose of sale, either within the NWT market (domestic commercial) or for export (commercial). Other harvesting includes local non-aboriginal hunting as well as outfitted hunts for food and trophies.

Subsistence harvesting, as provided for in government policy and land claim agreements, has priority over barter and commercial uses of wildlife. Commercial harvests have been more limited because of the inaccessibility of the resource, the distance to markets, and the risks associated with these ventures. Prior to 1990, only minor commercial harvests were conducted.

In 1990, there were two major developments that enhanced commercial development of the wildlife sector: the establishment of the Economic Development Agreement (EDA) between the federal and territorial governments; and the creation of the NWT Development Corporation as a strategic economic development investment arm of the government.

In the export sector, the Inuvialuit harvest and promote export sales of muskox meat and qivuit from Banks Island. The single largest musk-ox harvest occurred in 1991 with upwards of 2,000 animals harvested and shipped to southern Canada for processing and sale. This harvest, over the years, has emerged as an important mainstay of the economy for this small community on the Beaufort Sea. The 1997 harvest of 1,250 animals was reported to have generated about \$400,000 in regional economic benefits.

Not unlike other ventures of this nature, the harvests have been challenged over the years to produce product quality and consistency for the marketplace. Sales have been challenged over the years as a result.

Since 2000/01, the focus of the commercial musk-ox harvest has been to improve the quality of the harvest practices that in turn aims to improve the quality of the meat. As a result harvests have been smaller but very "goal oriented" relative to meeting certain research and market objectives.

One area of promise emerged during these years involving the development of qivuit products and markets. In more recent years, the development of markets for qiviut (musk-oxen under-fur) has been a priority and in 1999 these efforts began to pay off. In addition to the sale of meat from the 1999 harvest of 1,450 animals, the value of the qiviut and leather increased the total NWT value of the harvest. Qiviut production continues to gain strength and provides positive contributions towards harvesting costs.



Blackbear in the Woods (RWED, GNWT)

The reindeer operation in Tuktoyaktuk has been in existence since the 1930's. It has operated as a private business since the mid 1960's. In the late 1970's and early 1980's, the then owners of the herd were successful in developing commercial interest in both the meat and the antlers. Interest waned by the late 1980's. Recently, with new ownership, interest has emerged to re-establish the reindeer meat industry in the Inuvik area. While these animals are privately owned and are controlled relative to their movements, they are range fed and hold many of the same meat attributes (high protein/low fat) of caribou. While privately owned these animals are not farm raised. Market interest does seem apparent and may prove to be worthwhile investigating.

The commercial harvest of these

resources target export markets in Canada and abroad and therefore stringent conditions must be met. The commercial harvest of these resources will be facilitated significantly by the recent signing of the Canada-NWT Agriculture Policy Framework Agreement (2003-08). Funds from this agreement can be applied towards product development, food quality and safety and market development. Outfitting big game hunts provides both direct benefits to outfitters, and spin-off benefits to other sectors of the tourism industry. Tourists visiting the NWT to participate in outfitted hunting spend more money in the NWT, on average, than any other visitor segment, and the requirement for all non-resident hunters to use a local outfitter and guide ensures that much of this money flows directly to NWT residents. It is estimated that more than \$7.5 million is spent on outfitted NWT hunts each year.

A recent study of Barren Ground Caribou Outfitters showed that, based on the annual harvest of approximately 400 caribou each year, each hunt provided 15 person days of direct employment and an additional 10 days of indirect employment for NWT residents.

Participation and production in the fur-harvesting sector have always fluctuated. In recent years, harvest levels, participation rates and income earned have decreased. This is partly due to a drop in fur prices, but harvests were also affected by other factors, including competition from the wage economy, natural wildlife population cycles, and efforts by the anti-fur lobby to discredit the sector.

In an effort to offset some of the negative impacts of falling prices, there have been a number of initiatives to increase the utilization of NWT fur products, including development of the manufacturing and craft sectors, and promotion of fur both inside and outside the NWT.



Muskox Grazing (RWED, GNWT)

The GNWT has taken aggressive steps through increased investments in training and promotion programs and new programs to encourage increased participation in the pursuit of this traditional lifestyle. These programs include updating trapping technologies and handling techniques to ensure NWT harvesters continue to place high quality, high value furs in the marketplace.

In an effort to reduce the variability of prices yet augment quality, RWED introduced a new fur program in 2002/03 and 2003/04. The goals of the program were to offer trappers some security that they would see some form of a return on investment for their efforts, provide for a source of dollars for re-investment and annual start up funds and encourage the production of high quality fur pelts for the market. After the first full year initial goals appear to have been met.

Approximately 80% of fur sold met or exceeded program criteria. This means the vast majority of fur shipped to market either met or exceeded average prices offered for fur in North American auctions. This is reflected in the value of the fur harvest, which is currently being estimated at \$800,000.00. While the program is admittedly generous, there are few if any other sources for program dollars (for example trappers are unable to access Business Development Fund) to support this sector.

Ringed and bearded seals are the two species of seals that are most important to the Inuvialuit, with ringed seal comprising the majority of the harvest. Prior to the 1980's the commercial sealskin harvest was an important part of Inuvialuit communities' economy. Sealskin markets collapsed in the early 1980's, as a result of the sustained efforts of animal rights groups to end commercial sealing in Atlantic Canada. Recent indications are that there is renewed interest and acceptance of sealskin products in the market place. Harvest levels have increased as prices have gained in strength topping \$80.00 before declining to approximately \$60.00. Should the trend continue the annual seal harvest would once again be relied upon as a contributor to the economy of small communities along the Beaufort coast.

Trends in other sectors have also had an impact on wildlife and fur. For example, the increased interest in non-renewable resource exploration and development has highlighted the need for good quality baseline data on wildlife and habitat, and the need for an integrated approach to resource management and development.



NWT Fashion Show in Europe (RWED, GNWT)

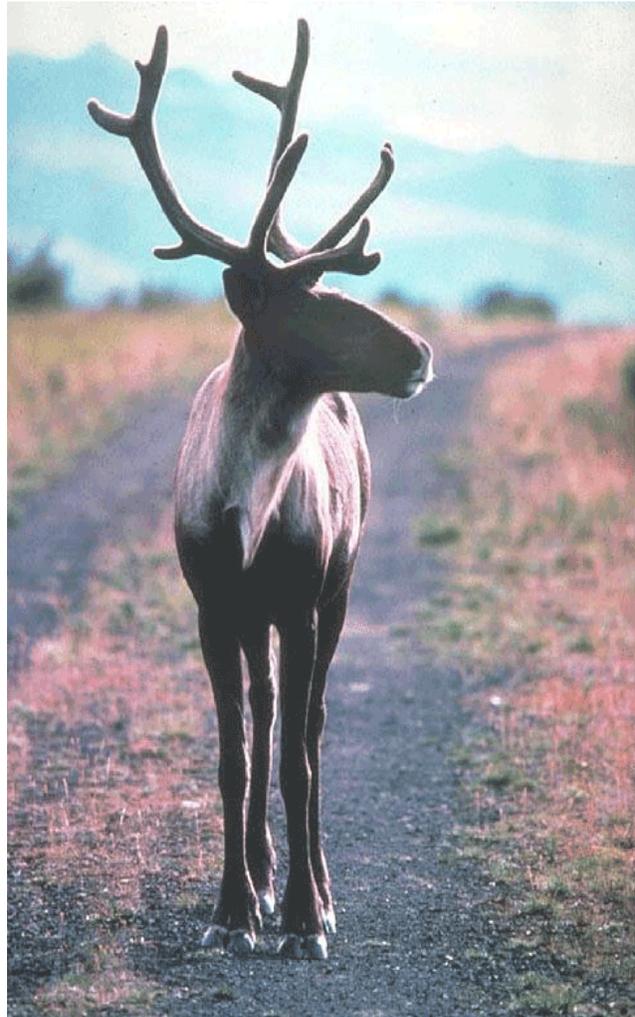
GLOBAL AND NATIONAL TRENDS

A 1991 survey found that the vast majority of Canadians (86%), felt it was important to maintain abundant wildlife populations for their own intrinsic value. Canadians spent 1.3 billion days and approximately \$5.6 billion enjoying wildlife-related activities in 1991, including both hunting and non-consumptive activities. Non-consumptive activities were particularly popular, with 74 percent of Canadians actively participating in wildlife activities such as watching, photographing, studying or feeding. The amount of time spent by Canadians on non-consumptive wildlife related activities has been steadily increasing over the past ten years, while participation in hunting has been declining.

Recent consumer surveys and indicators point to increasing fur prices, which coincide with a natural upswing in furbearer populations. Consumer spending is increasing as economic conditions improve, and this should be reflected in increased returns to harvesters.

A significant area of concern has recently emerged with a reported case of bovine spongiform encephalopathy (BSE) in Alberta. While the reported case was confined to one cow the impacts have been widespread. While the trade of farm-raised ruminants was severely impacted in southern Canada, the NWT was left relatively unscathed by trade actions imposed by other countries. This does not mean there are not going to be disruptions or concerns.

The outfitting industry witnessed early difficulties with initial reports of border closures to trophies taken from the NWT. Initially game meat for export was included in the sanctions being applied to the Canadian industry. Successful interventions by the Governments of Canada and the NWT saw these sanctions reversed. Like with commercial game meat, trophies were eventually allowed entry into foreign markets as these animals were determined not to be farm fed animals. Border vigilance continues to be very high and the extra effort in time and energy to deal with this has proven costly to northern operators and resulted in some delays.



Caribou Crossing (RWED, GNWT)

INGREDIENTS FOR SUCCESS - INTRODUCTION

The wildlife sector is of vital importance to the people and economy of the NWT. Traditional harvesting for food provides a significant alternative to store-bought meat and fish. Commercial activities, such as trapping and commercial harvesting, provide opportunities to earn income that are compatible with traditional skills and lifestyles. Wildlife is important from a tourism perspective and provides opportunities for recreational hunting as well as non-consumptive activities such as wildlife viewing, and photography.



Welder With Caribou Crossing (RWED, GNWT)

RESOURCES

The wide variety of wildlife resources provides the NWT with an enormous, high quality and valuable renewable resource. The nutritional quality of game meat is far superior to imported meat, providing an excellent, low-fat source of protein. Northern furbearers are recognized for producing some of the highest quality fur in the world, and the opportunities for experiencing wildlife in a pristine northern wilderness are unparalleled.

However, while the NWT is rich in its wildlife resource, species are not uniformly distributed across the territory. Each species requires specific habitats and conditions, and many species, such as the barren-ground caribou, are highly mobile.

In some cases, we have a good understanding of population size, range, habitat needs and sustainable harvest. For example, since caribou is a major food source for many NWT residents, populations are carefully monitored. Some barren-ground caribou populations appear to be stable and could support higher harvest rates without exceeding sustainable yields. But some populations, such as the Bathurst herd have declined recently and others, such as the Peary Caribou on Banks and Northwest Victoria islands, are at risk.

Muskox populations are thriving. Populations have grown steadily since the early 1900's, when they had almost been hunted to extinction. The carefully managed muskox populations are now large enough to sustain both subsistence harvesting and a commercial meat harvest. Muskox provides a good example of the importance of careful resource conservation and management.

Fur bearing animals vary by region and are generally plentiful. However, furbearers experience natural population cycles, independent of harvesting activity, and must be carefully monitored to ensure over-harvesting does not occur when populations are low. Most furbearer populations could currently sustain higher levels of harvest without adverse effects.

Ringed seals are the most abundant and widely distributed seals in Canadian Arctic waters. The population is estimated at 1 million and potentially could sustain harvests of up to 50,000 animals per year, similar to harvests conducted prior to the 1980's collapse of the seal markets. The majority of these seals reside in waters adjacent to Nunavut but there are smaller populations found in the Beaufort Sea. Harvest levels for the NWT generally range between 600 -1,500 seals.

In the case of some populations of bears, Dall sheep, and others, there is insufficient information available on population size and trends and habitat needs to confirm higher harvest levels are sustainable.

NWT wildlife resources are co-managed by government and wildlife users who work together to monitor populations and regulate harvesting. But to effectively manage wildlife resources, managers need reliable, up-to-date information to ensure that wildlife use is sustainable under changing conditions. Changes in environment, migration routes, birth rates, and disease can have serious impact on commercial and subsistence harvesting.

This information is obtained through regular population surveys and other monitoring, and through close consultation with wildlife users and harvesters.

The NWT's human population is growing, putting increasing pressure on wildlife resources and habitat. New industrial opportunities are also emerging that may affect wildlife use or habitat. It will become increasingly important to have good baseline data on wildlife populations and habitat use.

We need a more effective way of assigning a value to our wildlife resources. Strict economic accounting does not incorporate many of wildlife's greatest benefits. A method of recognizing and evaluating these benefits is needed if NWT residents are to enjoy maximum value from this resource.



Grizzly Bear (RWED, GNWT)

HUMAN RESOURCES

The wildlife sector provides opportunities to participate in productive activities that use traditional skills and knowledge, promote cultural and family values and enhance self-esteem. The skills needed for subsistence harvesting and fur trapping are widespread throughout the NWT and have long been used to sustain families and communities. However, with increased urbanization and competition from the wage economy, fewer residents will learn the skills necessary to harvest.

The skills used for subsistence harvesting can also be applied to income-earning pursuits such as fur trapping, outfitting and commercial meat harvesting. However, while there have been increased investments made, specific training is required to ensure a competent level of service or production. The GNWT has provided trapper-training workshops for many years in trapping techniques and pelt handling, and as a result, the quality of our raw furs continues to improve. RWED has recently developed and is facilitating delivery of programs aimed at school age youth through the schools. The aim here is to encourage entry into the traditional harvesting sectors at an earlier age. Outfitters require ongoing training in tourism/ guiding skills to be effective guides and commercial meat harvesting requires project specific training to ensure consistency, quality, and marketability of meat products. More ongoing training programs are needed in both these areas if economic benefits are to expand and be sustained over the long term.

There is also potential for NWT residents to earn income from the secondary processing of fur and meat. The NWT Development Corporation provides training in fur handling and manufacturing. The secondary processing of meat products would increase employment in this sector but would require appropriate training and significant infrastructure.

All commercial meat intended for sale outside the NWT must be inspected. Specific training in meat inspection would help develop the northern expertise and eliminate some of the need and cost to bring in southern inspectors for harvests.

The monitoring and management of the wildlife resource will become increasingly important with greater wildlife utilization, and as urban and industrial development as well as global environmental change impact wildlife and habitat. The skills, tools and information available to wildlife management agencies in communities, aboriginal organizations and government will continually need to be upgraded and increased through training and technological advances.

There is also a need for more public conservation education about wildlife and wildlife management issues. Greater public education about our wildlife resources will result in a greater appreciation and hopefully greater use of the resource. This would increase both the social and economic benefits derived from wildlife and promote more responsible use of our resources.



Successful Hunt (RWED, GNWT)

INVESTMENT AND CAPITAL

Together, the GNWT and aboriginal groups are managing wildlife resources to ensure that NWT residents will continue to benefit from the sustainable use of wildlife for generations to come. With ongoing effective management, wildlife resources can continue to be a key element in the diversification of the economic base. Given the importance of wildlife to communities, the Department of Resources, Wildlife and Economic Development has provided assistance to individual harvesters as well as regional organizations in the form of organizational support, NWT harvester income support programs, Hunters and Trappers Organization support and other activities related to development of the sector.

Subsistence harvesting does not always provide cash income. Harvesters need snow machines, traps, camping gear, rifles and other related gear, which involves a considerable outlay of cash. Equipment purchases are financed through wage employment or assistance from government or aboriginal organizations. The equipment can also provide opportunities to participate in domestic commercial harvests and fur harvesting, although fur harvesting requires additional trapping equipment. A new Support to Harvesters Program aims to see this type of support become more relevant in the communities and regions being served in future years.

While it may be difficult to increase the prices for fur, efforts by the Government of the NWT are underway to bring some structure and organization to the means by which all northern jurisdictions market their fur. Combining volumes of fur from these various jurisdictions into a collection to be marketed as the Northern Wild Fur Collection, while allowing for the retention of individual identities, would increase market awareness and may enhance the market identity of fur harvested from Northern Canada. The GNWT has also been a strong supporter of trap research and development. The fur industry has been faced with many challenges over the past decade. One of the most pressing has been the need to develop new traps and trapping techniques to meet public demand for more humane trapping. There are now a number of humane traps that have been approved for use in North America and the GNWT has sponsored an active program of providing harvesters with the new humane traps in exchange for their old traps.

The NWT is a world leader in trap research and implementation of humane trapping methods. Outfitting, for both hunting and non-consumptive wildlife tourism, offers business opportunities for NWT residents. However, it also requires a high level of investment in infrastructure, equipment, operations and marketing. A number of factors discourage outfitters from making that investment. Outfitter licenses are only valid for one year and often do not give exclusive rights to an area, making it difficult to plan long-term operations or obtain financing for major expenditures. Uncertainty about land use permits and the impact of land claims also make outfitters reluctant to invest. As a result, many wildlife based tourist facilities are at a competitive disadvantage.

Commercial meat harvesting requires investments in infrastructure, research, product and market development. Clearly, after 20 or so years the means to harvest a musk-ox is well established but this does not negate the requirement to improve practices. Unlike in southern Canada, one simply cannot go and harvest a few animals to experiment with discreet practices or procedures. Time, distance, climate, standards and the overall economics to carry out a harvest dictate a minimum number (500+) of animals need to be harvested to make the effort worthwhile. The risks are enormous but the long-term benefits associated with building a successful industry may outweigh these by a wide margin.

The Governments of Canada and the NWT have recently signed the Canada--NWT Agriculture Policy Framework Agreement that will provide a source of investment to the export game meat industry through 2008. The aim of this investment will be to improve the quality and consistency of the product and develop long-term markets all the while reducing the risks associated with this type of work.

Muskox in a Circle (RWED, GNWT)



PUBLIC INFRASTRUCTURE

The development of public infrastructure such as roads, airports, power and provision of health, water and communications services is essential to the growth of communities and success of businesses. While physical infrastructure developments bring advantages they also can have a negative effect on habitat and wildlife. For example, the construction of a hydroelectric generating dam may reduce the cost of power, but may have widespread environmental effects.

More roads and sources of power would make the development of the commercial game meat and wildlife viewing sectors more feasible and economic in the short term. The same developments,

however, do hold dangers as increased road access in Canada has almost always led to increased harvesting of all types - both legal and illegal. The challenge would be to balance harvest allocations, other impacts and the loss of wilderness, which could eventually downgrade the tourism potential.

The responsibility of government to continue to improve environmental assessment and monitoring capability is an essential element of public and industrial infrastructure development. Mitigating the effects on the environment must continue to be a requirement of such developments.

Road to Simpson (RWED, GNWT)



MARKETS

The subsistence food harvest has met local needs for countless years. It is important to support and encourage subsistence use instead of relying on costly imported products. A means must be developed of assigning appropriate value to the non-monetary benefits of wildlife in order to appropriately gauge the value of this method of harvesting.

With respect to commercially harvested meat, market perception differs greatly inside and outside the NWT. In most markets within the NWT, game meat is viewed as regular fare and is purchased as a replacement for imported meat products such as beef and pork. To effectively compete with meat products imported from southern wholesalers, NWT game meat must be competitively priced, highly visible, and widely available in a variety of different product forms. Given the high costs of harvesting game meat, it is often difficult to deliver a competitively priced product to market.

Outside the NWT, game meat is viewed as "exotic" and can demand high prices. However, to develop and maintain a high-end market we must be able to consistently deliver a top quality product that meets consumer expectations. Caribou meat seems to be well received in export markets and is gaining in popularity. Muskox, on the other hand, has yet to find a consistent niche.

Chief export markets for game meat include the U.S., Europe and some regions in the Pacific. To date, Canada has been a relatively poor market for game meat because of a general preference for domesticated meat. Attitudes are shifting, however, as game farming increases product availability and awareness, and concerns over healthy living increase. NWT game meat is lean and nutritious and comes from free-ranging herds, which appeals to markets seeking a "pure" product.

Live wood bison export provides the highest return. A reasonable market for bison meat does exist, but the export of live animals provides up to five times the return compared to meat. The market may get even stronger if an initiative to allow wood bison imports into the USA is successful. The trade of these animals is currently suspended as a result of the outbreak of BSE. Once these trade barriers are removed, the live export of wood bison may offer significant returns to the NWT. The reindeer herd near Tuktoyaktuk has just recently initiated commercially harvesting again after a long absence for the marketplace. Price remains a determining factor in the development of this sector. Overhead costs of getting product to market are very high because of the level of investment required to stage and process a major harvest. Some major pieces of specialized equipment are underutilized for the rest of the year. Higher prices may be achieved as products gain broader market acceptance. Better returns may also be achieved if infrastructure is used for longer periods of time and value-added processing, which would generate increased wages, took place in the North. The emergence of qiviut only serves as positive evidence of this in the musk-ox meat industry.



NWT Buffalo Ranch (RWED, GNWT)

The Canada--NWT APF will play an important role in addressing some of these challenges and enhance the marketability of products from the NWT. Markets for tourism-based uses of wildlife are primarily outside the NWT. Southern Canada, the US and Europe are primary markets for both consumptive and non-consumptive wildlife activities. Visitors coming to enjoy wildlife-based activities provide not only direct benefits to outfitters, but also spin-off benefits to the transportation, hospitality, service and retail sectors. The traditional markets for consumptive wildlife activities have been big-game hunters. Although hunters tend to spend more per capita than other visitors, their numbers have been stagnant or decreasing over the past few years. In addition, there have been an increasing number of outfitted hunting products from around the world introduced to the marketplace, increasing competition in an already highly competitive field. Changing attitudes towards hunting, an aging population, increasing urbanization, a sluggish economy and increased competition have all had an impact on markets for NWT hunts. In contrast, demand for non-consumptive wildlife activities has been steadily increasing. NWT wildlife-based tourism businesses have an opportunity to capture a share of this growing market.

Because the cost of traveling to the NWT is high and products like outfitted hunts are expensive, the NWT needs to be marketed based on the quality and uniqueness of the experience. It cannot compete on the basis of price. However, this means that NWT products must also be able to consistently deliver on these promises. Most NWT outfitting businesses are only marginally profitable. They cannot afford to develop and deliver extensive marketing campaigns, particularly to a global market. Assistance is needed for proper training, product development and marketing.

The market for NWT furs is global, and virtually all NWT furs are sold through a well-established external marketing system - the international raw fur auction houses. The NWT produces a premier quality of fur, and the highly competitive bidding of the auction system ensures NWT furs receive fair market value. Markets and current prices for most NWT furs are strong. However, there are a number of marketing challenges facing NWT fur.

The international fur market is fickle and subject to the dictates of fashion. This influences demand and price as different species come in or out of vogue. The wild fur industry must also deal with ongoing competition from fur ranchers, who benefit from the efficiencies of organized mass production and have an impact on prices throughout the marketplace. To counteract these impacts the NWT has made continuing efforts to enhance trapping and fur handling techniques, to provide a highly visible, high quality fur product in strategic markets and to ensure supply remains consistent in both volume and quality. After more than a decade of decline, the NWT fur industry rebounded in 1995 and 1996. Both volumes and prices for fur are showing signs of continuing strength.

Renewed interest in sealskin products is being shown, particularly in eastern Asian countries. Prices for sealskins have improved considerably from lows of \$10-15.00 in the mid 1990's to prices as high as \$80-100 seen in 2002. RWED has worked closely with the Government of Nunavut in developing mutually agreeable marketing initiatives in support of the seal industry which to date appears to have been beneficial to both governments. The outlook for the sealskin market would certainly indicate positive potential although the market is still recovering therefore there would continue to be an element of risk.

Building alliances with other fur producing regions, especially in northern Canada, may shelter risks and aid the industry in the NWT by adding strength in numbers and volumes when presenting furs to the world market. Marketability of fur from the NWT will need to address an external challenge that appears to be emerging. The recent announcement of the Federal Government's reluctance to continue with funding trap research in support of export markets could pose problems for the free trade of fur to the European Union. This must be addressed soon or barriers may be re-erected in Europe if it is determined Canada is renegeing on obligations entered into in the bi-lateral Agreement on International Humane Trapping Standards.



NWT Fashion Fur Coat Being Displayed in Texas Fashion Show (RWED, GNWT)

REGULATIONS AND TAXATION

The NWT is recognized as a world leader in the successful co-management of wildlife resources. Wildlife management in the NWT is a responsibility shared between government and user groups, including community-based Hunters and Trappers Committees, Renewable Resource Councils, regional organizations and wildlife management boards. Regulations, restrictions and quotas are based on recommendations reached through extensive consultation and are subject to a wide range of federal and territorial legislation.

There are few restrictions on subsistence hunting or trapping by aboriginal residents other than the requirement to hold valid general hunting licenses. There are no quotas or harvest limits set on most species, but harvesters are largely self-regulating through individual management practices based on personal observations and information provided by government personnel. In cases where conservation concerns dictate limited harvests, quota allocations are decided and are set by the GNWT in conjunction with the appropriate wildlife management boards.

Resident and non-resident recreational hunting have a separate licensing system, which provides a means of monitoring the numbers of hunters and collecting harvest data. Limits are set on the number of animals that may be harvested by recreational hunters according to management and conservation needs. Non-resident hunters must use the services of a local outfitter and guide, ensuring NWT residents receive benefits from nonresident hunts.

Outfitting businesses (both consumptive and non-consumptive) must be licensed. Outfitting licenses are issued by the GNWT in cooperation with the wildlife management boards and specify where, when and how the outfitter can operate.

One of the difficulties facing outfitters is the fact that, in addition to an outfitter's license, they also require a number of other permits, licenses and leases, often issued by different departments or jurisdictions, each requiring a separate application process. This process could be easily more coordinated and simplified to offer outfitters a "single window" approach to licensing.

All game meat taken for commercial sale must be harvested under a commercial license and commercial quota. Quotas are set and allocated by the GNWT in conjunction with the wildlife management boards and user groups. Commercial game meat destined for sale outside the NWT is subject to federal inspection. In the past, all NWT export meat has been processed in southern facilities to meet federal inspection standards. Game meat commercially harvested for sale within the NWT is usually inspected during organized "pulse" harvests, either at the harvest site or at the plant by the plant manager. Harvest site inspections have adopted many federal inspection procedures, while plant inspections involve a standard industry quality control check.

The regulations covering commercial meat harvests are now out of date and require review and revision, especially if commercial game is to become a more important aspect of the wildlife sector. The federal and provincial governments are proposing legislative changes to harmonize meat inspection procedures to allow for a greater flow of goods to markets. The Government of the NWT will participate in national programs aimed at streamlining processes to reduce costs all the while ensuring that risks to consumers are minimized. The need for protection of wildlife resources and habitat will continue to increase as human populations and development pressures grow. As the need to provide jobs to a rapidly growing population increases, and new industrial development opportunities are identified, it will become more important to ensure that wildlife is given appropriate consideration when making decisions about regulating development.

CONCLUSIONS

Wildlife populations will require continued monitoring to ensure sustainable harvest levels are not exceeded and that underutilized resources can be identified for possible commercial use. With careful management and responsible use, the wildlife sector will continue to enhance the wealth and the well being of our residents.



Biologist with Lynx (RWED, GNWT)