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## Atlantic Salmon has new owner

*Canadian firm buys fish plant*

MACHIASPORT - Fjord Seafood USA, the Norwegian owner of troubled aquaculture company Atlantic Salmon of Maine, told employees at its processing facility Thursday that the Machiasport operation has been sold to a Canadian firm. The sale includes all water operations, the Machiasport plant and two hatcheries at Oquossoc, near Rangeley, and in Solon.

The new owner will be Cooke Aquaculture, a division of True North Salmon, which is owned by the Cooke family of St. George, New Brunswick.

The move was announced at an afternoon meeting of the Machiasport workers who have been anticipating such a sale - or even a closure of the company - for months.

"The deal is not 100 percent complete, but it will be before the weekend," said Ross Butler, vice president of Cooke Aquaculture.

Butler, who would not disclose the terms, said the sale does not include the Ducktrap River Fish Farm in Belfast, another Fjord Seafood-owned company.

"We see Maine as an opportunity to grow fish. We believe we can overcome the issues that Atlantic Salmon has had," Butler said.

At Atlantic Salmon's height of operations, the company employed 200 workers. Today there are 72 employees, with 55 or 60 of them working in Machiasport. Only the Oquossoc hatchery is currently operating. Seven workers at the Solon hatchery were laid off about three months ago.

Built in 1997, the Machiasport facility is a \$2 million, 28,000-square-foot fish-processing plant. Some employees have departed in recent months, one worker said, because they suspected that Atlantic Salmon would close if Fjord Seafood did not come up with a buyer.

Butler and four colleagues addressed the Machiasport employees after Fjord Seafood officials asked them to speak at the meeting, called with just 24 hours' notice.

Butler called their visit a "positive first meeting." He noted that Cooke will not make any decisions on how it will move forward with Atlantic Salmon until it fully studies the company's books.

"We are taking the long-term view that we can make a sustainable business model out of Atlantic Salmon," Butler said.

"We know the employees have been stressed, and that's understandable. We just ask for their tolerance now as we learn a bit more before making any announcements."

Butler said employees would be "the first to know" once decisions are made, followed by the towns and communities in the area.

Once the officials from Fjord Seafood introduced the new owners Thursday, they and Steve Page, the acting general manager of Atlantic Salmon, left the meeting and the building.

They drove away without answering any questions.

Atlantic Salmon has been troubled in the past two years by litigation and fish disease. It was one of two Maine aquaculture companies that was found in violation of the Clean

Water Act in 2002 by a U.S. District Court judge. It was also sued by environmental groups for using a stock that was bred from European-strain salmon.

The European-strain fish, developed over more than a decade, grows to market size more quickly than North American salmon. It had allowed Atlantic Salmon to better compete with salmon grown in Norway, Scotland and Chile.

Cooke Aquaculture works with "100 percent North American-strained salmon, ... so that will neutralize that whole issue," Butler said Thursday.

The announcement left the employees feeling far better coming out than they were going in.

Many had believed that a new owner would shut down the operation and leave them without jobs or even severance packages.

"At least we're coming back to work tomorrow," said Toby Maker of Marshfield, who has worked for Atlantic Salmon for 13 years. "With Fjord, we didn't know if we were coming or going. Everything has been through the rumor mill."

But the introduction to the new owners did little to infuse workers with long-range confidence that their jobs are safe.

One worker, who did not want to be identified, said he believes the Canadian owners are looking for fish to take back to Canada, where the industry is ridden with Infectious Salmon Anemia.

With limited farm sites, the worker said, "there will be no more fish to go to market after August, unless they want to stock smolts in the next three weeks."

After the meeting, two workers took a symbolic swipe at Fjord. They lowered the Norwegian flag that flew alongside the U.S. flag in front of the office, then stomped on it. Butler said that Cooke had been interested in acquiring Atlantic Salmon since the company learned it was on the market. Cooke got into serious discussions with Fjord about four weeks ago.

Atlantic Salmon has vied with Canadian-owned Heritage Salmon Inc., a division of Connors Bros., to be Maine's largest salmon producer every year, although different farms stock in either odd- or even-numbered years, according to Sebastian Belle, executive director of the Maine Aquaculture Association.

"Atlantic Salmon has had some tough times, but they have a very talented group of people and some very good resources, depending on how those are used," Belle said.

"Atlantic Salmon has certainly every opportunity to be a successful company again."

Atlantic Salmon has been in operation for about 19 years.

Cooke Aquaculture owns one other fish operation in Maine, smoking facility Horton's of Maine in Kennebunk.

Its parent company, True North Salmon, has 450 employees and grows about 15,000 metric tons of salmon annually. It has \$100 million (Canadian) in sales yearly, with the United States accounting for 75 percent of its market.

**BANGOR DAILY NEWS PHOTO BY KEVIN BENNETT**

Acting general manager Steve Page gives the thumbs-up sign to new owner Ross Butler as he arrives at Atlantic Salmon's processing plant in Machiasport on Thursday afternoon.