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Salmon Aquaculture

Fjord Sells Maine Sites To Cooke

By Aaron Porter

ELLSWORTH — Fjord Seafood U.S.A. sold Atlantic Salmon of Maine to New Brunswick-based Cooke Aquaculture last week. Fjord, a Norwegian aquaculture company with salmon farms in Maine and Chile, had been trying to sell its Atlantic Salmon of Maine division since the parent company's October board of directors meeting.

Nearly six months later Atlantic Salmon of Maine, along with its 14 lease sites, two hatcheries and Machiasport processing facility, has been sold to a family-owned aquaculture company that has been growing steadily in Canada since the mid-1980s. Cooke Aquaculture is based in St. George, New Brunswick, maintains six hatcheries and 19 lease sites in the Maritime Provinces, employs 450 workers and sustained sales in the neighborhood of \$100 million in recent years, according to company Vice President Ross Butler.

He said Cooke operates a processing plant in St. George, a seafood smoking operation in Prince Edward Island, trucking interests, an aquaculture gear fabrication company, and sales offices throughout Canada and in Chicago and New York.

Butler said the Canadian company has been expanding when it came through the 1990s. What it saw in Atlantic Salmon of Maine was a collection of compatible assets geared to producing the same product and allowing Cooke to spread some of the risk of fish farming over a wider geographical area.

Atlantic Salmon of Maine's 14 lease sites are spread from Cobscook Bay to Swan's Island.

Butler said his company will be assessing the "strengths and weaknesses of ASM" before any specific decisions are made about management. However, he said Cooke is engaged in cod and halibut farming in Canada and some of the colder ASM sites that have been problematic for salmon growth might be well suited to alternative species.

Sebastian Belle, executive director of the Maine Aquaculture Association said lease sites outside of Cobscook Bay are attractive to salmon farmers because they are free of any history of the destructive infectious salmon anemia (ISA).

Butler said he thinks ISA risk in the Bay of Fundy is well under control. However, he conceded that the more leases are spread geographically, the better.

Until specific decisions about future operations can be made, Butler said ASM

employees should assume the harvest and processing of fish will be business as usual.

“Cooke initially looked at purchasing ASM back in October of last year,” said Steve Page, general manager of Atlantic Salmon of Maine. However, there were other interested buyers who looked at the company as well. That included a group of employees that made several offers to Fjord, according to Page.

He pointed to U.S. District Court Judge Gene Carter’s decision that found ASM to have been operating in violation of the federal Clean Water Act, as a reason for Fjord’s sale of the company.

The decision, which was delivered last summer, found ASM and Stolt Sea Farm Inc. in violation for not having the required pollution discharge elimination permits in place. Carter also berated the federal Environmental Protection Agency and the Maine Department of Environmental Protection for not having designed the permits necessary for the salmon farmers.

While only minimal fines were imposed, Carter placed restrictions on the two companies for future farming operations. He banned the stocking of non-North American salmon smolts and imposed some 24-month fallowing periods on farm sites before they could be stocked with new fish.

Atlantic Salmon of Maine experienced another setback last spring when a fire at its Embden hatchery destroyed millions of salmon smolt and fry being reared there. In the fall, the company couldn’t find salmon smolts that would meet the genetic standard the federal fisheries services had provided to eliminate non-North American strains of the fish. By the time a redefinition could be agreed to, allowing the purchase of Canadian smolts, it was too late for ASM to purchase them.

Although harvesting has continued, no new fish have gone into the leases. Page said only three ASM farm sites contain fish right now. He estimated that those would all be harvested by November if the current rate of processing were maintained.

“The reality is ASM today doesn’t have a lot of fish in the water,” Butler said. However, Cooke is in a position to change that. Butler said the salmon from its hatcheries meet the federal genetic standards. He said Cooke will comply with all the provisions of the court order. He said those provisions, coupled with the management protocol to help control ISA, means the new operations are likely to seem “scaled down” from ASM’s earlier peak operations under Fjord.

Belle said the sale is a good sign. He was heartened to see a neighboring company with a history of savvy business decisions decide to buy an ailing Maine farming operation.

“Of all the companies in New Brunswick, they have clearly been the most able to slowly but steadily build their business, and they have done that without the investment of a multinational,” Belle said of Cooke.

Fjord may be out of the water, but it hasn't left the state. The company is holding onto the Ducktrap brand of smoked fish and its facility in Belfast. Fjord salmon grown outside of Maine can be smoked there.