

## **Press Release / Briefing note**

### **Loch Duart Ltd invests in Snow Island Salmon Nova Scotia, Canada**

Loch Duart Ltd, a salmon farming company from North West Scotland, has invested in a newly formed salmon farming company in Nova Scotia, Canada. This venture has been formed with Loch Duart's expertise and a team of highly experienced Canadian salmon farmers, expert in the local conditions.

Founded in 1999, Loch Duart has built a worldwide reputation for the quality of its farming methods and the great taste of its salmon. The company has now reached the limit of its growth opportunities in Scotland and, with rapidly growing markets in the USA currently supplied by airfreight, views the establishment of production in North America as the logical next step both commercially and environmentally.

As a result, Loch Duart is investing in this venture, creating a new salmon farming company in Nova Scotia, Canada intending it to be a model farm that will find new ways to farm better. All of this came out of an opportunity to purchase an existing site (with stock and equipment) at Owls' Head on the Eastern shore of Nova Scotia. This site has been successfully farmed since 2008. Loch Duart believes this offers a unique chance to establish an operation of a similar size to its Scottish operations within five to seven years in an area that is not being farmed already. It is a chance to develop a farm with a globally high profile which will demonstrate the quality of farming practices and the quality of food that can be produced from Nova Scotia. The Canadian management and Loch Duart believe that salmon farming, zoned properly, and with the correct breaks between generations, can be operated in Nova Scotia with the highest health status.

This development will allow help the market for salmon reared by Loch Duart's methods to grow in North America, concentrating on Canada, whilst also reducing the environmental footprint of supplying these markets. The new brand from Snow Island will be targeted at those sections of the markets that appreciate the highest quality and taste, which also understand the environmental benefits too. The investment makes strong commercial sense too as it will cut down the cost of supplying these markets. The environmental and commercial advantages of producing food close to market are well known but for a highly perishable product like salmon, reliability becomes a major advantage too.

#### **The Market**

Loch Duart salmon exports all over the world and is known for its taste and the standards of farming that go with it. Brand exposure and customer loyalty have created a position in which Loch Duart's market potential is strong worldwide and demand exceeds supply. The United States and Canada together

comprise the largest market for salmon in the world and it is also where the Loch Duart brand has excellent visibility. Being within a day's truck drive from the proposed farms the market is easily accessible and currently underexploited.

The new brand will compete with Loch Duart Scottish salmon which is entirely intentional. The principles of provenance and regionality are important to the supply of food globally and are central to the company's beliefs. Demand for Loch Duart Scottish salmon is likely to continue to grow but Snow Island Salmon will provide variety and a comparable alternative within the premium salmon niche.

### **The new company**

Snow Island Salmon will be farmed with the same underlying philosophy as Loch Duart. Clearly the conditions in Nova Scotia will require adaptations and improvements to the rearing methods used in Scotland. Snow Island Salmon will be capable of producing up to 2,500 tonnes of salmon by 2013. The new company's management will be based in Nova Scotia with sea sites along the coast from Cable Island eastwards.

This south east-facing coast is ideal for salmon farming with its many small islands and inlets with reefs and shoals, which will separate one site from another effectively. The farms will work in sympathy with the local salmon rivers, which have suffered high acid flushes and are often in need of restoration. Snow Island is committed to working closely with local communities, regulators and other stakeholders for the net benefit of the region.

Nova Scotia, like most of the west coast of Scotland, is suffering a lack of jobs for young people and this tends to encourage rural drift. The parallels with Scotland are notable and this new venture intends to create long-term stable jobs, which provide a career structure and a future. These jobs require a knowledge and understanding of the sea and will offer alternative employment for those who are unable to find work fishing. Processing jobs will also be created or, at least, secured as Snow Island will be looking for a company that can process on its behalf in the area.

### **Sea lice**

Snow Island's broodstock have been on the Owl's Head site for 4 years and salmon farming began there in 2008 without ever having sea lice, which is an indication of how ideal this area is for salmon farming. There is little or no likelihood of them developing in the area if there is sufficient fallowing between each yearclass of salmon and between each site. Loch Duart's practices include fallowing entire sites for a year between yearclasses and low densities, precisely for these reasons.

The broodstock which the company currently owns are from the Saintt John's river, as required by current regulations. The company hopes to develop a

broodstock from the local rivers as soon as possible and wants to help in the local restoration programs.

Loch Duart hopes that this investment will lead to a farm, of which Canada and more particularly Nova Scotia can be proud.

*Editors' Notes: Loch Duart Ltd is an independent Scottish salmon farm based in Sutherland and the Hebrides producing 5,600 tonnes per year. The Carnan Smokehouse in South Uist also now belongs to the company smoking and kiln roasting Loch Duart salmon. Together, the company employs about 95 people.*

*Loch Duart is Freedom Food approved, accredited by the French Label Rouge scheme and has ISO14001 accreditation for its Environmental Management System.*

*Loch Duart is a National and Regional Winner of the Vision in Business for the Environment of Scotland (VIBES) Award for its fallowing and biodiversity innovations.*

*Loch Duart Ltd has been an "Investor in People" accredited company since 2003.*

*Fresh salmon from the South Uist sites of Loch Duart was served in Buckingham Palace at the dinner after the Royal Wedding of Prince William and Kate Middleton on 29<sup>th</sup> April 2011.*

*Loch Duart salmon was also on the dinner menu at The Goring Hotel where the Middleton party stayed before the event.*

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