

FROM SEA TO STORE

New Brunswick's Cooke Aquaculture does it all – from farming, to processing, to delivering the fish to market

BY CAROL NESHEVICH

It all began 20 years ago with a single marine cage growing 5,000 fish. A father and his two sons had decided to start a small salmon farming business in New Brunswick. It was called Kelly Cove Salmon at the time, and it certainly was small. “We started out with only one employee,” says Glenn Cooke, one of the two sons.

Known as Cooke Aquaculture Ltd. since 1993, the company is now the largest independent Canadian-owned salmon farming company, employs more than 1,000 full-time staff, and is expected to do more than \$180 million in sales in 2006. Still led by CEO Glenn Cooke, his brother Michael (COO) and father Gifford (president), the Cooke family's operations include a saltwater and freshwater division – with seven freshwater farms and 60 seawater farms – as well as processing, distribution, transportation and marketing channels. The processing side includes primary processing (fresh salmon), plus value-added processing of items such as smoked salmon, salmon burgers, kebabs, pâtés, terrines and ready-to-eat meals. Simply put, Cooke Aquaculture does almost everything necessary to get its salmon ready for market – from nurturing the unhatched eggs, to delivering the fish to the marketplace.

Headquartered in St. George and Blacks Harbour, N.B., Cooke Aquaculture evolved into the large entity it is today by developing its own subsidiary companies – different divisions that fulfil various needs for the corporation – and by acquiring existing companies that also filled a need. Communications director Nell Halse describes the corporation as “opportunistic,” meaning that if there's an opportunity to expand by acquisition, they will jump on it. Cooke Aquaculture is currently comprised of eight different “companies,” including Kelly Cove Salmon (the Cookes' original business, now the saltwater and freshwater division); True

North Salmon (the marketing and processing division); Atlantic Fish Specialties (which processes the value-added products); GMG Fish Services Ltd. (providing a broad range of services, such as net manufacturing and cage construction and repair); and Shoreland Transport (which handles the corporation's transportation needs). Acquired companies include Jail Island Aquaculture, purchased in 2003, Charlotte Feeds, purchased in 2004, and the biggest acquisition thus far, the recently purchased Heritage Salmon.

This past June, Cooke Aquaculture almost doubled its size with the purchase of Heritage Salmon – a George Weston Ltd. company – taking the company from a value of \$100 million to close to \$200 million. The purchase also changed the market breakdown for Cooke Aquaculture: prior to the merger, the company was 70 per cent foodservice and 30 per cent retail business. Heritage was the opposite, with 30 per cent foodservice and 70 per cent retail. “Now it's 50/50 (foodservice to retail ratio),” says Glenn Cooke. The Heritage acquisition brought Cooke Aquaculture a strong sales and marketing team, the Heritage name brand, additional aquaculture sites, and new freshwater and plant facilities. Cooke notes that another strategic purchase may be in the works, but has yet to be finalized. If the acquisition of Norwegian-owned Stolt Sea Farm's East Coast farming and processing assets goes through, it would add another \$50 million in sales to the company. Like Cooke Aquaculture, Stolt specializes in farming and processing salmon, so it's a good fit. “The profile of Stolt is very similar to the profile of Cooke,” he says.

In recent years, fish farming has come under highly publicized attacks from various environmental groups. It's an emotional issue for Cooke, who complains that aquaculture is being unfairly attacked. “We're the new cause [for environmental groups],” he says. “They're very ruthless.” He also

“If we don't grow our fish in an environmentally sustainable way, our fish aren't going to be healthy.”



Workers feeding fish using feed blowers and cameras



Cooke Aquaculture CEO Glenn Cooke

believes that environmental activists don't always see the whole picture; they don't see the value of aquaculture to the local and national economy, and they tend to ignore the well-being of the thousands of workers employed by the industry. Cooke stresses that his company is heavily regulated, and that they work hard to ensure the health of their fish.

Environmental concerns are also a priority, and Cooke Aquaculture does everything it can to minimize the impact to the environment – in fact, it's in their own best interest to do so. "If we don't grow our fish in an environmentally sustainable way, our fish aren't going to be healthy," says Cooke. The corporation has implemented a number of innovations that have helped to minimize impact on the environment. On the processing side, Cooke was one of the first companies to invest in developing technology to pre-treat wastewater from the salmon farms. They did so because they were concerned about the waste getting back into the water – both into the municipal sewer system and the ocean itself. The pre-treatment process saves the municipal water system from being unnecessarily overburdened by wastewater from the farms, while minimizing the chances of any disease that may be infecting the farmed fish from getting back into the ocean.

Cooke Aquaculture was also the first fish farm on the East Coast to experiment with high-tech, automated feeding systems. Instead of feeding by hand, Cooke's fish are fed via plastic tubes going into each cage. Their feedings are automated, with workers in a nearby office overseeing the whole process. The process helps minimize the environmental impact because it responds to fish appetites, and therefore reduces overall buildup of waste material under the fish farms.

Other Cooke innovations include a harvesting process that has been endorsed by the Humane Slaughter Association, which – according to Cooke and Halse – helps improve the quality of the fish. The salmon are pumped out of their cages through a tube and slide head first onto a stain-

less steel table on the deck of the harvest vessel. They are then killed instantly by a stunner that hits them in the head. Their gills are slit, and they fall into ice water-filled tanks in the hold of the boat. The dead fish are transported to a wharf where they are pumped into a tanker truck, ice water and all, and then pumped along with the ice water into the plant. Keeping them in ice water throughout the whole process helps keep the fish quality high. And while the instant slaughter technique is more humane, it also helps to retain fish quality by reducing the amount of stress the fish undergo during the process.

Cooke Aquaculture's IT systems have also made the process more efficient, by allowing operators to trace the fish every step of the way, from sea to market, ensuring full traceability. The tracing program helps identify the source of any customer problems or concerns, as well as helping to identify the best performing "parents" – in terms of breeding – to aid in improving the overall health and quality of the harvest.

So what's in store for the company? "We want to make sure we keep coming up with more innovative products. That's key," says Cooke. The company is excited about a number of new salmon products currently under development, including pre-cooked salmon that has an extended 45-day shelf life in the refrigerator. "Our company is also starting to farm cod," adds Cooke, noting that their foray into cod began about two years ago. The company currently has one cod farm, with the first commercial cod harvest expected in the coming year. Further expansion opportunities are also a possibility.

Despite the corporation's phenomenal growth since 1985, it has never lost its core family business values. Cooke takes pride in how well the family treats its employees, noting that they have always had a strong relationship with the workers and their families. It's an attitude also reflected in Cooke's overall corporate philosophy: "We're family owned," he says, "but we're professionally run."