



## Poor production volumes hit Loch Duart profits

Salmon farmer reports 21 percent drop in 2013 turnover; still pursuing Canadian expansion.

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Scottish salmon farmer Loch Duart reported a 21 percent year-on-year drop in its 2013 financial turnover, from £23.14 million (€27.6 million/\$32.2 million) to £18.28 million (€21.8 million/\$25.4 million).

Poor production volumes in Scotland and high investments in Canada were some of the reasons for the lower turnover for the year ended Mar. 30, 2013.

"There were a number of challenges throughout the year," Nick Joy, CEO at the company, told **IntraFish**. But the main one were "biological issues," he said.

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The company reported a "disappointing" £7.71 million (€9.2 million/\$10.7 million) loss for the year, compared to £384,660 (€459,619/\$534,685) in the same period in 2012. Net operating loss amounted to £6.25 million (€7.5 million/\$8.7 million), in comparison to £84,583 (€101,066/\$117,572) in the previous year.

The result included the costs in securing funding for the Canadian ventures -- as well as a major trading loss in Scotland -- the company said.

Investors had to be approached for funding, which took form of a convertible debt of £6.05 million (€7.2 million/\$8.4 million) and a term loan of £2 million (€2.4 million/\$2.8 million) by the Scottish Investment Bank.

Since the year end, £8 million (€9.6 million/\$11.1 million) of debt and accrued interest has been converted to equity, the company said, demonstrating "the confidence which investors have in the prospects for the company."

Commenting on the results, Joy said, "We're very glad that we're through the year and that shareholders have supported us throughout."

The situation in the new year is "enormously improved," he told **IntraFish**.

In Scotland, the company continued to invest in R&D to improve production processes, and strategic improvements.

It also started developing its own fallowing process to "minimize the exposure of fish to sea lice and enhance the impact of fallow periods," with early indications showing good results.

Despite the "poor production volumes in the financial year," the markets continue to strengthen and the company's brand achieved strong prices.

Loch Duart anticipated a return to normal production volumes this year, the company said.

In Canada, the company is still pursuing new sites, however, it has not closed in on any potential areas, Joy said.

Following a patch of bad weather in the financial year of 2013, the company now has no longer any fish in the sea, which will remain the case until new sites are available for stocking, Loch Duart said.

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