



CEO: Customers want land-based farmed salmon

Overwhelmingly, Nova Scotia-based fish farmer sees 'extremely high demand' for a product that does not exist...yet.

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Sustainable Blue CEO Kirk Havercroft, a Canada-based fish farmer, would choose seabream over salmon on a menu any day.

"It has just enough oil content to give it a really appealing flavor," Havercroft told **IntraFish**. "It is one of my favorite eating fish."

Sustainable Blue farms the whitefish, typically produced in Europe's warmer Mediterranean sea, in land-based recirculating tanks in Nova Scotia, where the company will break ground on a new facility in the next month. But when the project is done, Havercroft plans to switch from his favorite species to farming a species that has sent companies' financial portfolios nosediving this past year -- Atlantic salmon.

"Overwhelmingly, our clients were saying, 'There is one product that is in extremely high demand -- but there is no supply of it whatsoever -- and that is a sustainably produced Atlantic salmon,'" Havercroft said.

The idea that marine-based farmed salmon cannot be sustainable is not new, but it has been challenged by companies such as AquaChile through its Verlasso salmon brand and Grieg Seafood through its Skuna Bay brand. Both products are farmed at sea. In the case of Verlasso, the product [is recognized by companies and scientists](#) as more sustainable than others for its low feeder fish to fish produced ratio.

Yet some sustainably minded customers are not finding what they want.

"A lot of the clients that we deal with are looking for significant volumes of sustainably produced Atlantic salmon and simply can't find it, so we are excited to have the opportunity to serve that," Havercroft said.

There are other advantages -- Atlantic salmon grows twice as fast as seabream. Once the new facility is finished, the company will go from producing 60 metric tons of seabream a year to producing 350 metric tons of Atlantic salmon a year.

According to company estimates, the operation will become profitable at a level of 250 metric tons for either sea bream or salmon production, and profit margins would increase markedly at a level of 1,000 metric tons.

"A land based facility is no different than any other business in that it has to be scaled correctly to be profitable," Havercroft said. "The more effective the technology, the lower the production point where profitability occurs. With (our) technology, profitability occurs at relatively low levels..."

Sustainability-conscious network at the ready

"We tend to align with distributors that have a sustainability program," Havercroft said.

The company sells 60 percent of its product volume to specialist brokers and distributors and 40 percent to restaurants. Customers include Sysco Foods, which gets 20 percent of the product volume, and Albion Fisheries, which gets 40 percent.

These companies were a good fit, and the contracts were not hard to get due to the company's land-based farming methods.

Its seabream sells in the \$20 (€15) range at restaurants. Havercroft hopes to reintroduce the species after the salmon farming venture gets off the ground.

Ultimately, Havercroft feels he is accomplishing his goals.

"Our objective with this farm was not to create a huge impact with this fish on production; our objective here was to show that land-based farming was commercially viable, and that's what we've done with this farm," Havercroft said.