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excellence in seafood
CANADA



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Did you Know?

“Buffalo buffalo buffalo buffalo buffalo buffalo buffalo buffalo buffalo.”
is a grammatically correct sentence.

Can you solve this Puzzle?

What team game’s name derives from a Balti Tibetan word that means “ball”?
Answer on Page 4

Comments about this Newsletter?

Please email comments, articles and ideas to Ian Roberts, Communications Manager at ian.roberts@marineharvest.com



Current salmon market & what it means to MHC

By Vincent Erenst, Managing Director



Since the beginning of salmon farming, prices have fluctuated in a 4-5 years cycle. The main cause for this fluctuation is that supply does not increase evenly with demand. Over the last decades, demand has steadily increased with 5-6% per year,

but supply has grown in leaps and bounds. As soon as supply growth exceeds 5-6% per year, prices fall and as soon as supply growth is less than that, prices increase.

From 2008 to 2010 there has been no increase in the world production of farmed salmon and prices have increased very significantly. Now in the second half of 2011, Chile is returning to the market with large volumes of product after their production was decimated due to an outbreak of the ISA virus in 2007-2008. It is estimated that world supply of farmed salmon will grow with 8% in 2011 and 13% in 2012. The bad news is that this will have a marked effect on the prices we receive. The good news is that due to lower prices in the store, consumption of salmon will start to grow again. Also, as profit margins for farmers erode, they will stop increasing their production or investment in new farms. As a result after 3-4 years, supply and demand balance out and prices return to a level where the consumer pays an acceptable price and the farmer gets a reasonable return.

As a consequence of the sudden increase in world production of salmon, Marine Harvest Canada (MHC) will see reduced prices over the next few years and consequently reduced margins. We hope to avoid negative margins, but this is not a certainty. In order to reduce the impact on our business as much as possible there are two things we need to do:

- Increase efficiency & reduce production costs.

Since the beginning of this year, changes in production strategy have been implemented in the Campbell River area and these seem to have a very positive effect on kudoa levels. Final results will be known by the middle of 2012, when the first fish grown under the new regime will be harvested. We are hopeful that we will get rid of this issue altogether.

Chile, our main competitor in the North American market, has lower production costs than Canada. This is due to higher water temperatures, higher oxygen content of the ocean, lower feed costs and lower regulatory and labour costs. However, part of the Chilean advantage is eliminated by much higher costs to transport product from Chile to North America. Overall, we estimate that the Chilean industry spends approximately 15% less to deliver one kg of fillet to Los Angeles than the industry in Western Canada. That is the gap we need to close to be fully competitive with the Chilean industry.

Over the last months, our Management Team has been looking into ways to improve efficiency and reduce production costs. We have developed a series of initiatives from reducing boxing costs, net maintenance and diving costs, transportation costs and many others. We will discuss these proposals with a wider group of colleagues in the company and invite everybody to present ideas, even if they only have a small impact; every penny counts!

MHC is an excellent organization with skilled and motivated employees, good production assets and well developed farming and fish health practices. The next 3-4 years will be tougher than the last five, but through continuous improvement, we will remain competitive. I count on all of you to make it happen.

- Improve quality & reduce / eliminate product discards due to Kudoa.



Research Database now available online

A new inventory of research on salmon aquaculture in Canada has now been posted online and is available to the general public.

The Salmon Aquaculture Database is being hosted by the Aquaculture Association of Canada, which has a mandate to disseminate scientific and technical information on aquaculture in Canada, following its development for the Canadian Aquaculture Industry Alliance (CAIA) with funding from the federal government.

“This is a great resource for anyone who wants a clear idea of the research that has been completed regarding salmon farming in Canada,” said Mary Ellen Walling, Executive Director of the BC Salmon Farmers Association. “It’s really impressive to see the thousands of papers catalogued through the document.”

CAIA members had identified the need for a database like this, and as a result a joint industry/government project was developed to provide funding through the Aquaculture Collaborative Research and Development Program (ACRDP) of DFO. The database itself was developed by the Coastal Aquaculture Research and Training (CART) Network, led by Dr. Stephen Cross of the University of Victoria, with input from stakeholders across Canada.

“The creation of this database is a significant step for knowledge transfer and sharing,” said Ruth Salmon, CAIA Executive Director. “Not only does this forum provide free and open access to salmon aquaculture research, the database further reinforces transparency, consistency and cooperation across the aquaculture community.”

The database right now is a review of primary literature, identifying about 3,000 references, spanning the past three decades of research. Each item is recorded by author, date, title, and a short annotation is provided for each entry.

Depending on further funding, future plans for the database include regular updates and transitioning it from an Excel document to a web-based, easily searchable format. There is also discussion around expanding this kind of project to other species.

To access the database, visit

<http://www.aquacultureassociation.ca/salmon-aquaculture-database>



Cops for Cancer Golf Tourney success

Thank-you for your support of the 9th Annual Cops for Cancer Golf Tourney that was held this past Saturday at Storey Creek Golf Course. We had 152 golfers and 195 people for dinner, our largest crowd ever at the event.

We raised a record \$27,100 this year and could not have done it without your support. Thanks again. Raymond Dagenais, Tournament Committee Chair

Photos: (#1) Team Quatsino (aka +9) Dean Trethewey, Russ North, Dave Guhl, Denise Hayward, with Team Broughton (aka -9) Brian “Rugby” Radbourne, Deb Miller, Fabian McCarty, Joel McGee, (#2) Dean Trethewey (photos submitted by Joel McGee)



Great Canadian Shoreline Cleanup

Marine Harvest Canada will once again participate in the great Canadian Shoreline Cleanup on September 18th, 2011 at 10:30 am in Campbell River from Engles Road to the Ken Ford Park (same area as in 2009). Employees, families and friends are invited to participate in this worthy cause. Details will be available closer to the event. A special guest includes the MHC Event Trailer BBQ to supply lunch for the



volunteers afterwards. For more information, contact Leone Bliss via email @ leone.bliss@marineharvest.com or via phone at 250-850-3276 ext 7221.





Marine Harvest Port Hardy teams win 2011 tourney



Photos: top left, Div A winners Stray Katz, top right, Stray Katz Team Captain Jason Saunders (l) with Cory Percevault, PAA President (r).

Photos: bottom left, Div B winners Salmon Kings, bottom right, Salmon Kings Team Captain Marnie Ordano (l) with Cory Percevault, PAA President (r).

Positive Aquaculture Awareness hosted its 15th Annual Aquaculture Slow-Pitch Tournament at Willow Point Park in Campbell River on July 9th and 10th, 2011. Twelve teams from Port Hardy, Campbell River, Comox and Tofino competed in this year's exciting tournament. All teams entered into the tournament have ties with the aquaculture industry. Round robin play finished on Saturday with single knockouts taking place on Sunday.

Port Hardy's Marine Harvest sponsored team, the Stray Katz, took the Division A trophy from last year's winner, Tofino Creative Salmon. The Stray Katz were awarded the trophy after a very competitive final game

with the Mainstream Canada team, Slammin'. Stray Katz team players, Braydon Demoe and Arlene Clair were named male and female tournament MVPs respectively at the award presentations.

The B division trophy is also heading to Port Hardy after being in Campbell River with Grieg Seafoods this past year. The Marine Harvest Canada sponsored team, Salmon Kings were the winners of this year's trophy. The Salmon Kings played off a fun game with a new team to our Slo-Pitch tournament the O-Fish-ials. The Salmon Kings, MVP awards were presented to players Dan Christianson and Rosie Dugas.

The Marine Harvest Canada BBQ trailer was on site Saturday and the proceeds from the delicious BBQ salmon they served to the tournament attendees allowed Positive Aquaculture Awareness to contribute a \$500.00 donation to Campbell River's Cameryn's Cause.

The 15th annual tournament was hosted by the Positive Aquaculture Awareness Society. The society's mandate is to promote awareness of the aquaculture industry through public education and community involvement. To learn more visit www.farmfreshsalmon.org.

Tsolum River Restoration Society enjoys tour with MHC



We would like to send a sincere thank-you from the Tsolum River Restoration Society.

All of us thoroughly enjoyed the excellent and informative tour of your hatchery and farm site and came away with a greater understanding of how Marine Harvest is managing its BC salmon farming operations. Marine Harvest's dedication to safety, biosecurity and investment in recirculation technology shows how far the industry has progressed since the early days of salmon farming on the BC coast. We applaud these advances and encourage Marine Harvest to keep innovating and sharing information about your advances with the public. We also

appreciated your well-informed and candid answers to our questions and feel that the tour is an excellent way to engage the public in discussion.

The entire experience was refreshing, the scenery was spectacular, lunch was great and the tour guides, Ian and Greg, were open and full of information.

Thank you very much,

Stewart Duncan
President



Sam Tourist on quest to visit all the continents worldwide



"I can't believe I'm at the Great Wall of China just outside of Beijing. I got to ride up in a cable car and then hiked up these ancient steep steps for this amazing view of the wall. I shouldn't have worn this sweater though – it's blistering hot up here!"

Since May 2010, Sam Tourist has been employed as the Professional Traveller for Marine Harvest Canada. Since then, he has visited South Africa,

England, Norway, Greece, Scotland, USA, and most recently China. He is on a quest to visit South America, Australia and Antarctica by the end of 2011. Can you assist him with his dream? He travels light. For further information and to see photos of his travels, contact Sam on Facebook.

<https://www.facebook.com/#!/MHCCanada.sam>

Congrats HR Advisor Suzi Gaskill on your upcoming new job!



CR office staffers enjoyed a potluck lunch to give best wishes to MHC'er Suzi Gaskill on her upcoming maternity leave.

So the day has finally come and you're leaving us to be a mum.

Don't think of us with face of gloom.

Just think like us, we'll have more room.

You know we'll miss your fruitful face and enjoy more office space.

Here's a summary of your fab new job. Enjoy it very much!

HOURS: 24 hours a day, 365 days a year.

No time off for weekends or holidays.

DUTIES: Total responsibility for another human being.

QUALIFICATIONS: Patience, and more patience

SALARY: None.

Budget on spending \$14000 a year for 18 years and then some.

Race the River 2011

Marine Harvest Canada was on hand in July to barbeque salmon burgers for the Campbell River Dragon Boat Society's 1st annual Dragon Boat Regatta. Ian Roberts, Madison Ashcroft, Joe Johnson and Dave Ashcroft sold over 250 salmon burgers and 100% of proceeds were donated to the Canadian Cancer Society and the Campbell River Hospital Foundation.

The Marine Harvest Event Trailer, along with MHC volunteers, will be donating it's services to over nearly 20 charities and society this summer.

To view a video on the MHC barbeque trailer and some recent events, check out Marine Harvest Canada's You Tube Channel at <http://www.youtube.com/user/MarineHarvestCanada> and check out the latest addition "Salmon BBQ Event Trailer: "It's just the right thing to do!"



For more information about the Campbell River Dragon Boat Society's Annual Dragon Boat Regatta, visit their website - <http://racetheriver.ca>.

Photo 1 – (l-r) Ian Roberts, Madison Ashcroft, Joe Johnson and Dave Ashcroft bbq'ing up some yummy salmon burgers.



Photo 2 – (l-r) Ian Roberts (MHC Communications Manager) and Stacey Marsh (Campbell River Hospital Foundation) were invited on a paddle with the River Spirit Dragon Boat team. A cheque for \$480 was presented on behalf of the team and MHC to the Hospital Foundation.



Industry pride carries young farm tech into second generation of farming

By Gina Forsyth

While some high school graduates are unsure about their futures, for Logan Hallam, there was no doubt. Two weeks after he graduated from high school in Campbell River, he was working full-time as a Farm Tech at the Frederick Arm site.

Don't be surprised if his last name seems familiar. Logan's dad, Brad Hallam, Site Manager at Sargeaunt Pass, has been with Marine Harvest for several years. And the family connection to aquaculture extends to his uncle, Terry Brooks, another well-known name in the BC industry.

For Logan, aquaculture has been part of his life for as long as the 19 year old can remember. The first site I visited was with my uncle and my first summer job was at Brougham Point, he said. "I love the work schedule and the great work/life balance it gives," explained Logan. When I'm on the farm, the fish and the job are the priority and when I'm at home, I'm free to concentrate on other aspects of my life, he added.

As someone who is looking forward to building a long-term aquaculture career, Logan values the opportunities for ongoing training. "I've

taken lots of courses – boat operation, first aid, plankton identification and radio operation. I love having the chance to keep learning".

Logan, who was born in Campbell River and lives on Quadra Island, is "super appreciative of my mom and dad for teaching me the importance of a good work ethic." On his days off, Logan enjoys riding his ATV around the island. He has a younger sister.



Oranges to ADCPs

By Greg Gibson, Environmental Assessment Biologist

It seems like not too long ago that obtaining current speed information was as simple as throwing an orange in the water and timing how long it took to drift from one pen to another. As current meter information became more crucial for anchoring, fish health, and environmental reasons salmon farmers began using weather vane like instruments suspended in the water column at the desired depth. Times have changed.

The data from current meters is useful for a number of reasons. "Knowledge of ocean current information is critical for ensuring that correct moorings are used to keep a farm safely on location." Jeff King, MHC Engineer, explains that a change in current velocity from a 1/2 knot, a normal sheltered farm, to 1 knot at a high energy location means the moorings need to be not twice as strong but four times stronger! Each site on the coast has a different current flow regime and engineering needs site-specific current information. Farms also need to be located such that the water quality is sufficient for fish health. Brad Boyce, senior Fish Health Technician says that current flow is most important for maintaining oxygen levels while removing wastes and pathogens from the pen. Current information



is also used by software programs such as DEPOMOD to help predict where the waste footprint from our salmon farms may occur.

The next generation of current meters used acoustic or sound pulses to measure the speed and direction of the current. Using the principles of the "Doppler Effect" these sound waves bounce off particles in the water column and back to the instrument. The change in frequency of the sound waves created by the moving particles is translated into speed and direction data at a specific depth in the water column where the instrument is moored. Marine harvest has been using six of these acoustic meters.

And now we have the Acoustic Doppler Current Profiler or ADCP. This instrument sound pulses to measure currents but it can collect current information throughout the whole depth range of the water column! Previously, if four depths were required then four instruments needed to be



deployed simultaneously. One ADCP, however, can collect data at 5m, 15m, 50m, and 100m and more. In fact, an ADCP mounted on the bottom of the seafloor can collect current speed and direction data at 1m depth intervals throughout the water column and at the same time collect wave height and direction information.

What does all this mean for Marine Harvest? It means that we have yet another high-tech tool to help us grow a great product in a safe, environmentally friendly, and therefore sustainable manner.



Kwakwak'wakw Elders embrace opportunity to share culture

By Gina Forsyth

Building relationships is a process, one that calls for commitment and respectful communication. Marine Harvest and area First Nations are prime examples of how to do this right.



On June 27th, close to 50 company employees and Kwakwak'wakw Elders boarded the vessel Naiad Explorer at the Alert Bay dock for a day-long tour of some of the traditional territories where Marine Harvest operates in the Broughton.

The purpose of the event was to show respect for the Kwakwak'wakw Elders, provide them with an opportunity to return to places they hadn't seen in many years, and to explain to Marine Harvest employees why First Nations are so protective of their areas by sharing their stories of living off the land, said Kelly Osborne, Broughton Production Manager.

"There was so much interest, we unfortunately couldn't include everyone because the boat wasn't large enough," said Kelly.

Trish Nolie, who works at Arrow Pass, was proud to be involved. "We visited Turnour Island as well as other villages. There was singing and drumming and I couldn't have asked for anything better for my Elders or my company".

Upper Retreat employee Dean Nelson was another of the 11 Marine Harvest employees who enjoyed the day. "The older people from Alert Bay had a really good day and talked about where they remembered hunting and digging for clams," he said.

Jamie Gaskill, Production Director, and Clare Backman, Sustainability Director, were part of the group.



York, the cute certified therapy lab

Hi. My name is York. I'm 3 years old and I've been in skool for most of my life. I just graduated and am a "Certified Therapy Dog". Cool! I already have a job with Pacific Assistance Dogs (PAD) and work at the New Horizons Community of Care (a 24hr full care home) in Campbell River. As you know, skool and regular upgrade training is expensive, so my helper, Maggie Zihlmann, is putting together a fundraiser for me to pay for my

continued trayning. I'd like to thank Marine Harvest Canada for donating some awesome salmon to my fundraiser in July. I LOVE salmon, but I guess I'll have to share with others! Thanks again MHC!"

York (PS - they didn't teach me how to spel in skool)

