



Marine Harvest Update - December 2017

Welcome to an update about some of our work around the Highlands and Islands. We are delighted to report that farmed Scottish salmon continues to be in high demand around the world. Exports for the first nine months of 2017 rose by 56% on last year and we are proud to be part of such a successful industry. The festive season is one of our busiest times with sales of smoked and whole salmon to the UK market rising significantly in December and adding to the challenges of overcoming the winter weather to get the salmon to market.

Ben Hadfield, Managing Director

About Marine Harvest Scotland

We are the largest salmon farming company in Scotland, producing around 60,000 tonnes in 2017.

We were the first company in Scotland to farm Atlantic salmon and celebrated our 50th anniversary in 2015.

We have more than 1,300 staff and operate four hatcheries, five freshwater loch sites and 47 sea farms, situated in the Western Isles, Skye, Argyll, Wester Ross and Lochaber. Live fish are harvested at Mallaig and processed at the Blar Mhor plant in Fort William.

We produce salmon products for the consumer market at our processing plant in Rosyth.

All our farms, harvest station and processing plant are audited and approved under the RSPCA Freedom Food animal welfare scheme.

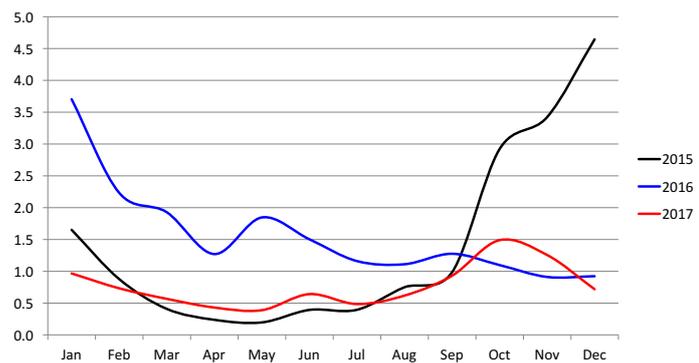
Our capital spend in 2017 is around £69m - the highest in the Marine Harvest Group. Our turnover is approximately £442m and our 2017 wage bill is £47m.

TACKLING THE SEA LICE CHALLENGE

Rising sea temperatures mean that combatting sea lice is an ongoing challenge for the fish farming industry but one we are working hard to minimise and manage.

Dramatic media headlines give the impression that Scotland's salmon farms are swarming with sea lice. In fact all fish farms must carry out a weekly count of sea lice which naturally occur in the sea and are found on wild and farmed salmon. If an average of three adult female sea lice per fish or more is found it must be reported to Marine Scotland's Fish Health Inspectorate. The fish farm then works closely with the Inspectorate to implement an increased monitoring regime and an action plan to reduce the number of lice.

Average monthly adult female lice levels



We focus on natural solutions to combat sea lice. Research is ongoing but measures we've already been investing in heavily include:

- Cleaner fish which are natural predators of sea lice.
- Hydro licers and thermo licers to douse the salmon in fresh and warm water and rinse away the lice.
- Skirts around our salmon pens which create a barrier and stop lice getting to the fish.
- Our revolutionary new well boat which makes freshwater from seawater using reverse osmosis to bathe the salmon being transported and wash off any sea lice.

FEED PLANT

Work on our new £93 million fish feed plant at Kyleakin on Skye is progressing well. 55 people will be employed there when it opens in Autumn next year to produce feed for our farms in Scotland as well as Ireland, Norway and the Faroe Islands.

We're delighted that our first appointment to the feed plant team is a local man returning to the area. Engineer Robbie Murray went to Plockton High School before studying at Edinburgh University. He and wife Hazel, a GP, have moved back to Plockton.





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FARM FOCUS ISLE OF MUCK

At two miles long by one mile wide, Muck is the smallest of The Small Isles which lie off the West Coast. We opened a salmon farm here in 2014 which also involved building five houses to accommodate staff.

Manager Robert Wyvill lives on the island with his wife Hazel and three young sons. Before moving to Muck in 2014 to help set up the salmon farm Robert worked at three of our other farms and has worked his way up from farm technician to manager.

Tell us a bit about the salmon farm



“Muck is one of our new series of “open sea” farms and the sea conditions are ideal for growing salmon. Clear waters around the island combined with the strong tidal flows mean our fish flourish with very little intervention. We have ten cages of salmon and nine people work on the farm.”

What's the hardest part of the job?

“The hardest part of working in Muck is the winters when the sea has a fairly big swell and calm days are very rare.

“We have a camera system which is linked from the feed barge to the shore base so if we can't get out to the barge we can still feed. In the last growing cycle we were able to achieve zero missed days feeding due to weather which is a great result.

“Muck is certainly the most challenging site I have worked on and that means the staff also have to be trained to a higher degree than normal so that if things go wrong they can deal with it. All skippers hold powerboat advanced as a minimum, one of the team has his yacht master offshore qualification and another does engineering training in Glasgow in his time off.”

And what's the best part of the job?

“It's definitely being part of a close community. There are only 40 people living here and everyone celebrates each other's birthdays and we all give out presents at Christmas. It is a fantastic place which I am glad to call my home.

“We've also been able to help out with our landing craft which takes our staff back and forth to Mallaig and in the winter takes supplies from the mainland when the ferry can't get in. I think we have delivered the Christmas shopping to Muck every year since the farm opened!”

THE NEXT GENERATION

Two Lochaber youngsters became our latest apprentices in the summer. Former Lochaber High School pupils Emily Connolly (18) and Tommy Chisholm (16) began their four year modern apprenticeships with work experience around our farms before their first study block at Inverness College UHI.

We started our modern apprentice programme in 2013 to help address the significant challenge of the so-called “lost generation” in the Highlands and Islands. Young people tend to leave for college and university and often don't return. Now out of a workforce of almost 700 across the Highlands and Islands, 130 of our staff members are under 25. To date over 25 employees have completed the SVQ Level 2 or 3 modern apprentice programme. Five of our apprentices are now in management positions - one recently became our youngest ever assistant farm manager - and two have won LANTRA Apprentice of the Year awards.

