

2018

World's 100 Largest Seafood Companies

The seafood industry yearbook

A comprehensive review of the sector's heavyweights featuring detailed ranking based on 2017 sales, alongside a profile of each player, describing their key activities, recent developments and outlook

SAMPLE



Report author:



Jason Smith

AMERICAS EDITOR, UNDERCURRENT NEWS

Jason has been a journalist for twelve years writing about business and government at newspapers in Mexico, California and the British Virgin Islands prior to *Undercurrent News*. He frequently writes about civil and criminal matters, regulatory issues, M&A, finance and markets.

Contributors:

Kayo Mimizuka

WRITER / TRANSLATOR
JAPAN CENTER OF EDUCATION FOR JOURNALISTS

Kayo is a journalist and a translator. She was a staff writer at Japanese news agency *Kyodo News* for eight years since 2008 covering financial markets, business, trade and nuclear energy. Currently she mainly writes about topics related to information disorder and media literacy.

Neil Ramsden

ASSISTANT EDITOR, UNDERCURRENT NEWS

Neil joined UCN in 2012, after graduating from a postgraduate diploma in magazine journalism. Any knowledge of the seafood sector prior to this was purely based on consuming. He frequently covers aquaculture and innovations therein; the salmon, pelagic, warmwater and coldwater shrimp markets.

EDITED BY:
Eva Tallaksen

DESIGN BY:
Miriam Okarimia

COVER IMAGE:
Veligandu, Maldives by **Alan Turner**

PUBLISHED IN SEPTEMBER 2018 BY:
Undercurrent News Ltd.
E1 Studios, 7 Whitechapel road,
London E1 1DU. United Kingdom

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WORLD'S 100 LARGEST SEAFOOD COMPANIES

Introduction

When *Undercurrent News* debuted our inaugural version of this ranking five years ago, we described the seafood sector as “highly fragmented” and “a tough one to get a hold of”. That’s still largely true -- three-quarters of the firms on our report have seafood-related revenues below \$1 billion -- but increasingly less so.

Seafood supply chains are complex and many firms are still specialized to one or maybe a few species, activities or regions. And that makes sense, sort of.

Firms that, for instance, catch pelagics to make fishmeal used in aquafeeds would appear to have little to do with a regional US processor or a vannamei shrimp farmer. Wild whitefish catchers and salmon farmers are in vastly different businesses. Why would a Chinese computing and food conglomerate focused on the domestic market have any interest at all in a century-old UK processor with strong brands but flagging sales?

“

Changing sector

Well, because the sector is changing. Since the 2017 publication of this report, all three deals described above have either taken place or been considered.

Canada’s **Cooke Aquaculture** (which, together with sister company **Cooke Seafood USA** is # in this year’s ranking) bought Texas-based menhaden fishmeal maker **Omega Protein**

(# in a \$500 million deal that closed in December 2017. Then five months later Cooke bought a family-owned processor in the US state of Florida, **JC Seafood**, and CEO Glenn Cooke told *Undercurrent* that he was eyeing purchases of shrimp farmers to add another dimension to his global, vertically integrated, multi-species conglomerate.

Why would a Chinese computing and food conglomerate focused on the domestic market have any interest at all in a century-old UK processor with strong brands but flagging sales?



And in 2017 and 2018, two Norwegian firms with salmon interests, **Leroy Seafood Group** and **Insula** (#), spent months integrating their recent purchases of several wild whitefish harvesters and processors. Leroy Seafood is owned by **Austevoll Seafood** (#) while Kverva is the investment vehicle for the Witzoe family, which also owns farmer **SalMar** (#).

Additionally, China's Legend Holdings is thought to be a contender in the sale of Spanish processor **Grupo Iberica de Congelados**, known as **Iberconsa**, which did not make the list this year. Legend, best known as the owner of computing firm Lenovo, has been building up its seafood portfolio under **Joyvio Group** (#), following its 2016 purchase of Australia's **Kailis Bros**.

Comings and goings

These deals aren't the only changes witnessed for this edition of the report. Six firms that appeared in the 2017 ranking aren't on the 2018 list: China's

ucn

Seafood's top 100: By country

Based on reported or estimated revenues for fiscal year 2017

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INTRODUCTION

Of that group [redacted] and [redacted] were acquired by growing Chinese firms with seafood interests, [redacted] while **Icelandic**, which in 2008 was a seafood conglomerate with sales of over \$2 billion, was broken up. Its last major asset, processor **Icelandic Seachill**, was sold in 2017 to UK meat packing group Hilton Food Group and renamed **Seachill UK**.

Undercurrent removed the last three firms from our 2018 ranking. We dropped Müller, the parent of German seafood restaurant chain **Nordsee**, because we determined that the firm was more of a restaurant operator than a producer or processor and thus shouldn't be included. Likewise, upon receiving new information in 2018, we determined that the seafood-related sales at **Sojitz** and **Coqueiro**, the canner owned by Brazil's Camil Alimentos, were insufficient to merit inclusion in the ranking.

Additionally, in this year's ranking we welcomed seven firms that didn't appear on last year's list. These include

[redacted] Italy's second largest seafood importer **Fiorital** (jointly at [redacted]) also made our ranking for the first time.

Due to deals inked in 2018 or those likely to be closed this year, five other firms on this year's





INTRODUCTION

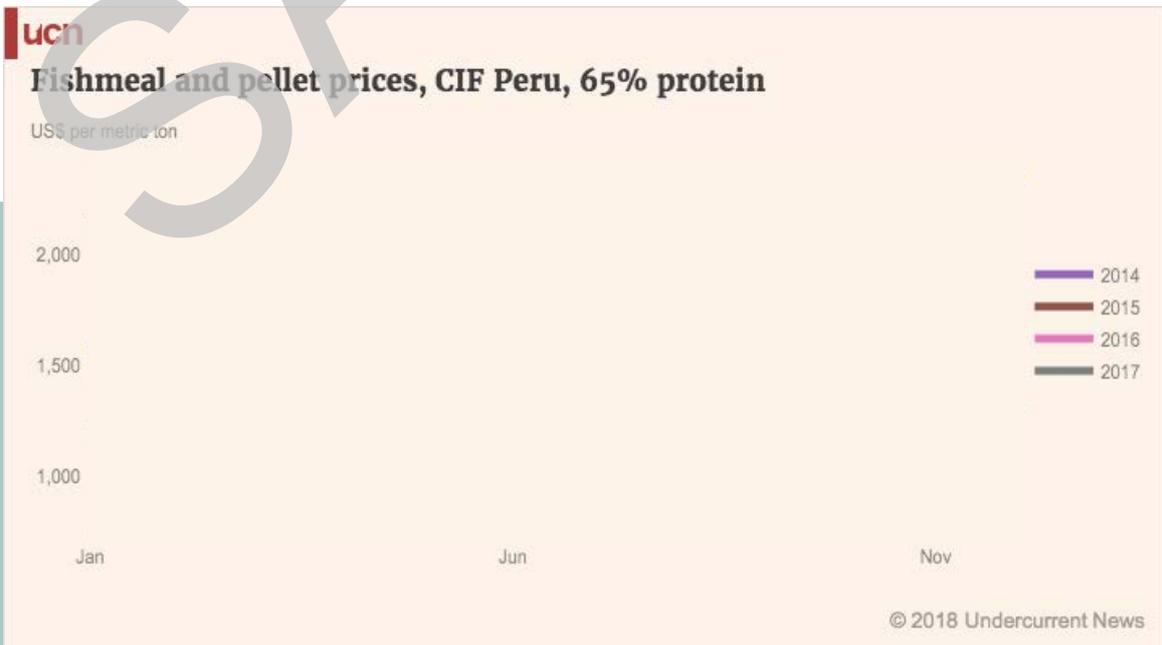
ranking are unlikely to appear in future editions of this list. These include

Sales shifts

The fastest-growing company in the seafood sector, when measured by the ranking, was [redacted] which saw a 500% year-on-year change due to [redacted]. Two other deal-hungry firms, [redacted] which [redacted] were our other fastest-growing firms with gains of 84% and 62%, respectively.

Going in the other direction, [redacted] saw the biggest year-on-year drop in sales, a 17% fall, due to a drop in [redacted]

“
Due to deals inked in 2018 or those likely to be closed this year, five other firms on this year’s ranking are unlikely to appear in future editions of this list”





INTRODUCTION

fishmeal prices.

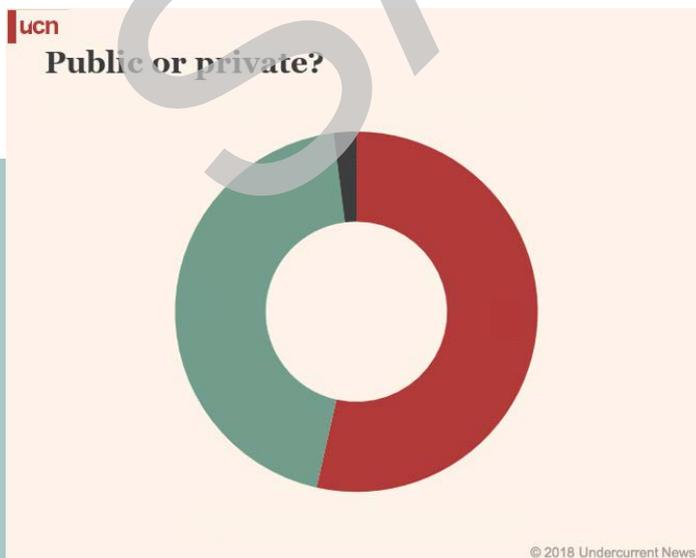
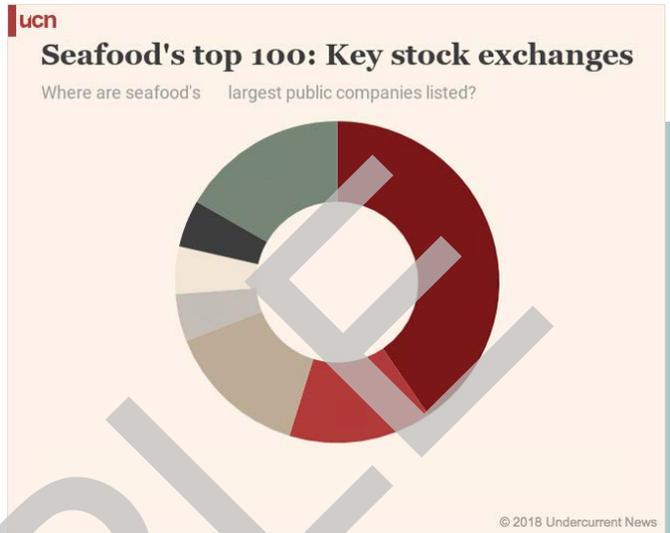
That trend also hit [redacted] which saw a 14% slide in sales from lower pelagics catches and [redacted] which saw 8% lower sales, mostly due to its Peruvian anchovy-catching unit [redacted]

Changes at the top

At the very top of our ranking, where the “smallest” firm, Seattle, Washington’s **Trident Seafoods** (# [redacted]) took in revenues of over [redacted] billion in 2017, there have been some shifts. Trident made it into the top ten for the first time this year, beating out [redacted]

While the two largest seafood firms in the world, Japan’s **Maruha Nichiro** (#1) and **Nippon Suisan Kaisha** (Nissui, #2), comfortably held their customary places atop our ranking, **Thai Union Group** (#5) slipped two places for the first time, edged out by [redacted]

Overall, the world’s top ten seafood companies took in an estimated \$40bn in sales in 2017, a 12% year-on-year rise. In total, the world’s top 100 firms had collective revenues of over \$101bn, an 8.7% increase.



Farmed, wild or both?

Although this distinction is ebbing thanks to the likes of **Cooke** and others, most major seafood firms tend to be active upstream in some way.

While all of the companies listed here are active downstream to some extent -- some do their own primary processing while others go as far as marketing their own brands and handling distribution -- we found that [redacted] of the 2018 top 100 firms are



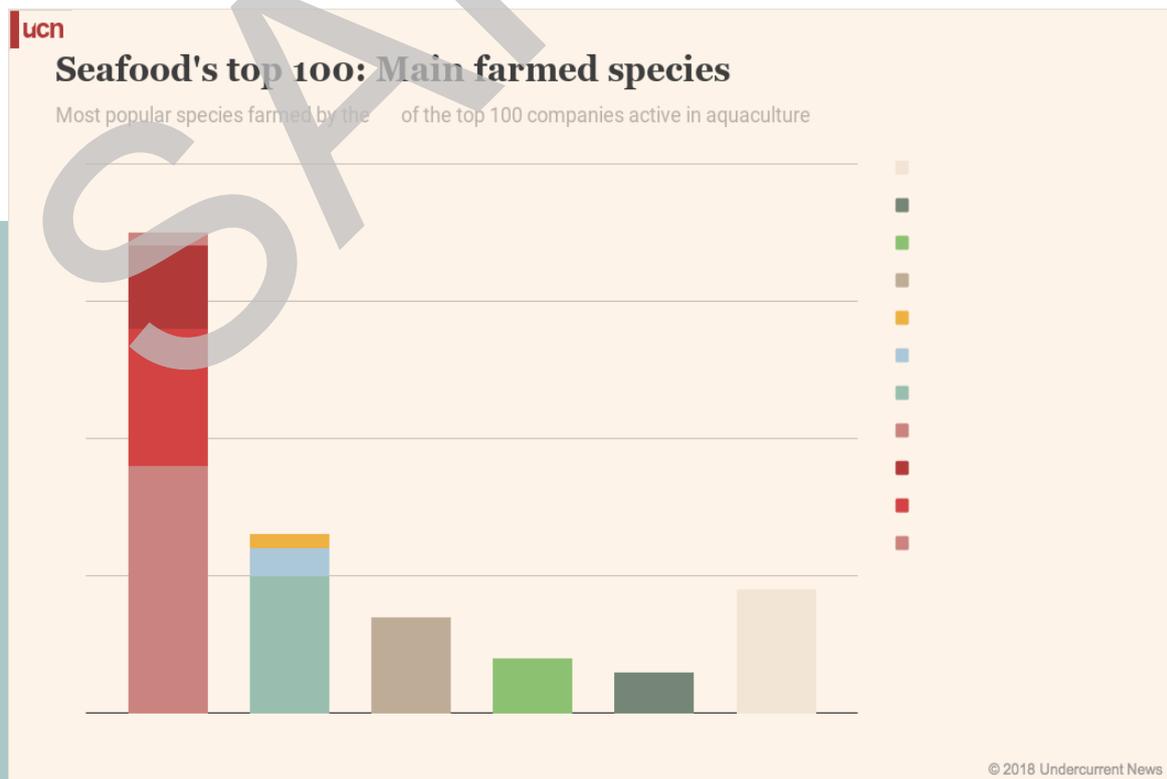
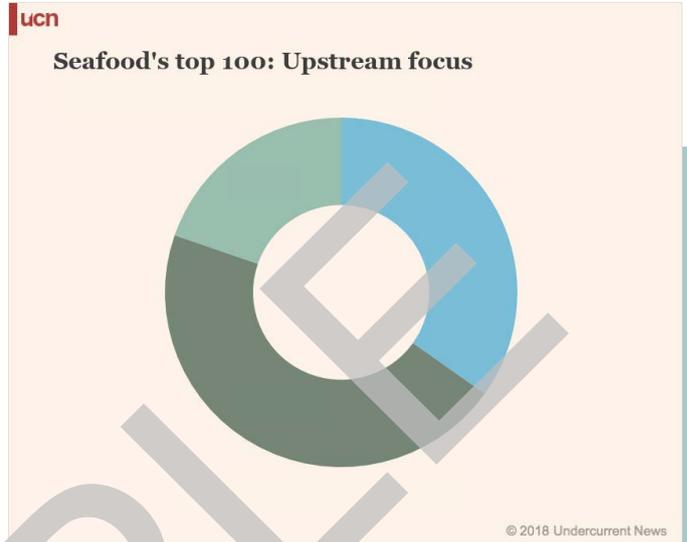
INTRODUCTION

active upstream. Of those firms, are engaged in fishing, in aquaculture and in both.

Aquaculture companies are much more represented among the publicly listed companies on our report. Of the public companies on our ranking, more than half () are active in aquaculture. This could be explained by how capital intensive the sector is.

Of the aquaculture producers, a look at the main species farmed reveals an unsurprising dominance of salmon species -- with of the companies farming salmonids, within which Atlantics dominate.

is the second most popular farmed species, with of the aquaculture companies farming it. Over half of these farm both is in fact the third largest farmed species in our ranking, farmed at companies listed here.





INTRODUCTION

Regional trends

The geographic distribution of the top 100 firms includes heavy representation from Asia, Europe, North America and Latin America. As has been the case for five years, a large number of the firms are Japanese. This year, 23 firms hail from Japan ranging from the largest vertically integrated seafood firms to industrial globconglomerates such as **Mitsubishi** (#) that operate globally, to domestically focused importers, wholesalers and traders like **Marusui Sapporo Chuo Suisan** (#) or **Sendai Suisan** (#).

Additionally, the ranking features six Chinese firms -- -- some of which are among the fastest growing companies in this year's ranking. Another eight firms hail from elsewhere in Asia: Taiwan, Vietnam, South Korea and Thailand.

Europe is well represented with 31 companies:

North America is home to companies with from the US, from Canada and from Mexico. Another firms were Latin American: . As an aside, obtaining revenue figures for private North American companies is particularly challenging as they are not required to submit accounts with official registries, unlike say in much of Europe and other countries.

Lastly,





INTRODUCTION

Conversely, companies such as [redacted] and [redacted], whose primary focus is to source salmon from farms to then export it, saw revenues drop, by 5% and 1%, respectively.

A spike in skipjack tuna prices also had consequences for companies' top line. **Thai Union Group** had initially projected 15% growth for 2017 but scuttled this target in July 2017 as rising tuna prices affected volumes of canned tuna sold.

In the end, the Bangkok-based company's sales grew just 1.6%, falling from third spot on our ranking for the first time since we started publishing our report, in 2013. It was overtaken by [redacted], who benefited from the prices upswing thanks to its large tuna fleet, lifting its revenues 23%.

Within farmed warmwater shrimp, prices from Asia in 2017 remained fairly in line with 2016, after recovering from the slump of 2015. Farmers such as **Minh Phu Seafood** and **Santa Priscila** still recorded sales growth in the double-digits (31% and 14%, respectively), though most of their peers had more modest growth.

Meanwhile, a glut in supply has been dragging down prices since the start of 2018, and is likely to affect our next year's ranking. Even as farmers reduce their stocking levels due to the low prices, some analysts expect a prolonged period of lower shrimp prices ahead.

“
The ranking features six Chinese firms ... some of which were the fastest growing companies this year





Methodology

Selection

Undercurrent News' World's 100 Largest Seafood Companies ranking aims at giving an overview of the key players involved in producing, harvesting / farming, trading or processing seafood -- what we have defined as 'primary seafood-related activities'.

The ranking is calculated by comparing the latest available revenue figures, in US dollar terms, of companies active in these areas. Where possible, to keep our comparisons like for like, the revenue figure used for the purposes of this report is the one corresponding to those primary seafood activities. Taking the example of **Mitsubishi**, the figure used here is the one we believe is representative of its seafood activities -- not that of the total conglomerate. Likewise, familiar industry names such as Cargill or Sysco may not feature in our report, if their primary seafood related revenue doesn't make the cut in the top 100.

Additionally, readers familiar with previous versions of this report will notes some changes to its format. This year's company profiles are divided into three main sections: first, a description of the company and its seafood activities; second, an events and trends section listing the most important factors that have affected the business in the past 12 to 18 months; and last, a forward-looking analysis component that details some of main challenges and opportunities facing each company in the short and longer term. We made these revisions in an effort to make the report easier to read and reference.

Revenue source

The data is largely compiled using a combination of publicly available information and figures provided by company management. In cases where companies declined to divulge their revenues, these were estimated, based on knowledge from industry sources.

Overall, the origin of our data can be split into the following categories:

- **Self-reported verified**
Figure is from official company accounts, which we have been able to access. Typically, all public and state-owned companies will fit this category, as do private companies in countries where filing accounts is compulsory.
- **Self-reported unverified**
Figure is from an official source -- typically company management, or legal documents -- but we haven't actually seen the company accounts.



- **Estimated Undercurrent**
Figure is estimated by *Undercurrent News*.
- **Estimated third party**
Figure is estimated by a third party, typically another news body or research organization.

Exchange rates

To compare all the revenues in dollar terms, we calculated the average exchange rate for the financial year being reported. So for instance, the exchange rate used for the latest revenue of most Japanese companies is the average JPY to USD exchange rate for the period covered by their corresponding financial year, typically April 1, 2017 to March 31, 2018.

This is an improvement from previous editions, where we used the exchange rate from the latest day of the financial year. That said, this is no exact science by any means and the dollar figures should be taken as indications used for the purposes of this ranking.

Activity types

For each company, we have indicated their key sectors of activity. As the report focuses on producers, traders and processors, the main sectors are defined as such:

- **Aquaculture:** Where the company is directly active in farming seafood
- **Fishing:** Where the company is directly active in wild catch harvesting of seafood
- **Processing:** Where the company is directly active in processing seafood
- **Import/ Export / Trading:** Where the company is directly active in trading, importing and or exporting seafood

Naturally, a large number of the names on this list are also active across other verticals. Where applicable, we have indicated whether a company is also active in any of the following peripheral activities. Note: Revenues from these activities would not have been included in the figure used in the report.

- **Wholesale / Distribution:** Where the company is directly active in wholesaling, or distributing, seafood
- **Retail:** Where the company is directly active in retailing seafood, eg through owning a grocery chain
- **Foodservice:** Where the company is directly active in seafood foodservice sales, eg through owning a restaurant chain
- **Feed:** Where the company is directly active in producing feed derived from seafood
- **Finance (investment):** Where the company is directly active in making financial investments, in seafood



(23) **Japan**
Maruha Nichiro Corporation
Nippon Suisan Kaisha





COMPANY PROFILES



Red Chamber Group

2017 turnover:

2016 turnover:

Ownership:

Private

Country:

USA

Key executive:

Ming Bin Kou, CEO | Ming Shin Kou, CFO

A: 1912 E. Vernon avenue, Vernon, CA

T: +1 323 234 9000

E: info@redchamber.com

Key activities:

aquaculture

fishing

processing

import / export / trading

wholesale / distribution

Brands:

Contessa | Red Chamber

Shareholders:

Kou family

Subsidiaries:

Tampa Bay Fisheries | Oriental Foods | Singleton Seafoods

Aqua Star

Key products:

Shrimp (Vannamei, black tiger) | Lobster (American)

Argentine red shrimp | Argentine shortfin squid

Hake (Argentine) | Anchovy (Californian)

Pilchard (Californian)

Description

The Vernon, California-based importer and processor is by *Undercurrent News*' estimate, the largest US-headquartered seafood supplier by sales. Owned by the brothers Ming Bin and Ming Shin Kou, the company keeps a low profile.

Its major US business units include multi-species importers and distributors Tampa Bay



RED CHAMBER GROUP

Fisheries, which is Florida-based and also operates processing plants, and Aqua Star, which is headquartered in Seattle, Washington.

Red Chamber is shrimp focused and believed to be one of the largest, if not the largest, US shrimp importer. It operates extensive private label business and controls the brands Contessa, Tampa Bay Fisheries, Singleton Seafood and Aqua Star, among others. Additionally, the group holds a stake in Florida lobster and shrimp importer Tequesta Bay Foods and bought shrimp processor Contessa Premium Foods out of bankruptcy in 2014.

Beyond US assets, Red Chamber Group has stakes in Argentinian red shrimp and hake harvesting firm Alpesca, a lobster processing plant in Prince Edward Island, Canada, and a California-based 'wetfish' processor of squid and small pelagics previously known as Western Fish.

Events and trends

- Although the privately-held group doesn't disclose revenue, *Undercurrent* estimates that 2017 sales slipped by around 2% to [REDACTED].
- A decision by Walmart-owned club store chain Sam's Club to eliminate much of its seafood distribution currently done by Tampa Bay, worth around \$275 million, in favor of sourcing directly from seafood suppliers, is weighing on the Florida firm's revenues.
- Despite the shift, Tampa Bay has been expanding. David Prince, an attorney for Red Chamber, told *Undercurrent* in January 2018 that the firm planned to soon open a third plant in the Tampa, Florida area, but has not offered further detail.
- National Fish and Seafood sued Tampa Bay in July 2018 accusing it of hiring a former director from the Massachusetts-based processor who allegedly brought along "trade secrets" with her in order to improve Tampa Bay's clam processing capability.
- In Seattle, shrimp importer Aqua Star ventured down the supply chain, announcing in March 2018 that it had purchased an undisclosed amount of equity in Sagar Grandhi Exports, a shrimp farmer and processor based in Andhra Pradesh, India.



 RED CHAMBER GROUP

Analysis

Although it can be difficult to tell given Red Chamber’s aversion to publicity, the loss of most of the Sam’s Club business at Tampa Bay will likely affect the group’s revenue growth and profitability into 2018 and beyond. Of Tampa Bay’s estimated \$400m in annual sales, as much as \$275m of that was reportedly done with Sam’s, which began to cut out the distributor in the fall of 2017 after a new buyer at Sam’s, Dan Underkoffler, took the helm.

First to go was a \$10m king crab distribution contract, followed by much of a salmon sales business worth around \$140m, sources told *Undercurrent*. Sam’s, which has been closing stores with sluggish sales in a national restructure, later confirmed the shift away from Tampa Bay but declined to specify the amount of business lost. Further losses of Tampa Bay’s scallops, shrimp and tilapia contracts with Sam’s is expected.

Despite these losses, which come in addition to the oversupply situation and corresponding price drop being felt in the shrimp sector, a financial sector source told *Undercurrent* that the Kou brothers are skilled operators who can work well on thin margins.

Even as customers shift, Red Chamber’s supply chain know-how could position it to pick up additional market share -- possibly winning business from a big customer like Amazon-owned Whole Foods Market, the source said.

“

Red Chamber is shrimp focused and believed to be one of the largest, if not the largest, US shrimp importer



COMPANY PROFILES



Cooke

2017 turnover: 
 2016 turnover: 
 Ownership: Private
 Country: Canada
 Key executive: Glenn Cooke, CEO and co-founder

A: 874 Main Street, Blacks Harbor, New Brunswick
 T: +1 506 456 6600
 E: info@cookeaqua.com

Key activities:  aquaculture fishing processing
 import / export / trading wholesale / distribution

Brands: True North Seafoods | Heritage Salmon | Jail Island
 Culmarex | Wanchese | Icicle

Subsidiaries: True North | Salmenes Cupquellan | Culmarex
 Cooke Aquaculture USA | Cooke Aquaculture Scotland
 Wanchese Fish Company | Icicle Seafoods | Fripur

Shareholders: Cooke family

Key products: Salmon (Atlantic, Pacific) | Seabass (European) | Seabream
 Scallop (Atlantic) | Hake (Argentine)

Description

A -- seemingly unrelenting -- string of fast-paced acquisitions has propelled Cooke Aquaculture from its roots as a salmon farmer into a major, diversified farmed and wild-caught seafood seller, over a relatively short span of time.

The Blacks Harbour, New Brunswick company co-founded by Glenn Cooke farms 95,000 metric tons of Atlantic salmon annually across sites in Atlantic Canada, Scotland, Chile and the US states of Maine and Washington.



 COOKE

Most of the company’s core businesses fall under the Cooke Aquaculture umbrella but some wild-catch businesses in the US are housed separately as Cooke Seafood USA.

In Spain, the company farms seabass and seabream through Grupo Culmarex. Since 2015, with the purchase of Virginia-based scallop harvester, processor and distributor Wanchese Fish Company, Cooke Aquaculture affiliate Cooke Seafoods USA broadened the fish farmer into wild-catch species.

Cooke took further steps in this direction by buying Uruguayan hake and crab catching and processing firm Fripur, which has a 21 vessel fleet active in Uruguay and Argentina, as well as major Alaskan harvester and processor

Icicle Seafoods. Icicle brought with it three business units, wild salmon, groundfish and farmed salmon from Washington state, which produce 150,000t of seafood annually. Icicle operates three processing vessels, five shoreside processing plants and 11 vessels in Alaska.

In 2017 Cooke took another big step toward vertical integration, this time at the very top of the value chain, with its biggest purchase to date: a \$500 million deal for Texas-based menhaden catcher Omega Protein. The Gulf company operates 38 vessels, 27 spotter aircraft and has three fishmeal and fish oil processing plants in Louisiana, Mississippi and Virginia. Omega also operates a human nutrition business, which manufactures dairy protein products, specialty oils and other nutraceutical ingredients.

Cooke, which sells its fish through the True North Seafood brand, among others, is venturing further downstream as well, having bought Florida processor JC Seafood, which is focused on salmon but sells a variety of seafood.

“
The Aug. 19, 2017, escape of several thousand salmon from a Cooke farm in Washington state dominated headlines for months and led legislators to pass a statewide ban on net-pen farming of non-native species

Events and trends

- Despite a flurry of deals announced in 2016 and 2017, the company told *Undercurrent*



COOKE

News that its 2017 revenues

This is most likely due to delays in the timing of the closing of several acquisitions.

- The Aug. 19, 2017, escape of several thousand salmon from a Cooke farm in Washington state dominated headlines for months and led legislators to pass a statewide ban on net-pen farming of non-native species. Though Cooke disputed a state finding that the company’s negligence provoked the facility to collapse, it has said it will respect the state’s wishes to phase out the practice by 2025.
- The company’s farmed salmon operations in Atlantic Canada have been giving the group trouble too as infectious salmon anemia struck several farm sites in Newfoundland in early 2018, forcing early harvests and raising the ire of activists.
- Cooke has been working to integrate Omega into its operations but hasn’t yet said how and if it will use Omega’s fishmeal in the production of feed for its salmon farms. Omega, which sold \$44.7m worth of fishmeal to China in 2016, is set to see sales suffer as that country imposes 25% tariffs on US imports as part of an escalating trade war.
- Despite these headaches, Glenn Cooke told *Undercurrent News* in April 2018 that he is on the lookout for further acquisition opportunities “upstream deals on raw material, then the downstream side, in processing and distribution”. With valuations for salmon farmers high, Cooke cited particular interest in expanding into shrimp farming. The company has been tipped as a possible buyer for processors such as the UK’s Young’s Seafood.

Analysis

The burgeoning Canadian seafood titan has hit its share of roadblocks in recent months but bad press aside, Glenn Cooke’s aspirations for creating a global, vertically integrated, multi-species seafood powerhouse continue unabated.

While it wasn’t reflected in 2017’s revenues -- the company has said that on a “pro forma” basis its 2017 sales including the acquisitions would have topped CAD -- Cooke appears to be growing on all fronts. The company began hiring around 100 people for its New Brunswick headquarters in 2018 to deal with the increasing complexity of its operations.

Cooke’s future will likely involve further efforts to secure access to resource, whether farmed or fished.



COMPANY PROFILES



Bright Food Group

2017 turnover:



2016 turnover:

Ownership: State-owned

Country: China

Key executive: Qin Dong, president and CEO

A: Huashan Road 263, 7th Lane, Shanghai

T: +86 21 5229 6800

Key activities:

- aquaculture
- fishing
- processing
- wholesale / distribution

Brands: Albo

Subsidiaries: Shanghai Fisheries General Corporation
 French Creek Seafood | Altamare | Shanghai Kaichuang
 Marine International | Conservas Albo | Kiribati Fish (60%)
 Shanghai Bright Special Aquaculture Company

Shareholders: Chinese state

Key products: Large variety, including: Tuna (Yellowfin, Albacore, Bigeye)
 Shrimp (Vannamei) | Tilapia (Nile) | Mitten crab
 Tiger prawn | King prawn | Swordfish | Pilchard (European)

Description

Chinese state-owned Bright Food Group is one of the country's largest food conglomerates and a huge supplier of grain, sugar vegetables and dairy. It is also a major food processor and distributor.

The group ventured into seafood production in 2013 by setting up Shanghai Bright Special Aquaculture Company. This unit grows shrimp, fish and freshwater crab, which it sells under



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the Mingchu brand and sells to wholesalers in the Shanghai area, China. It produced 41,200 metric tons of aquatic products on 109,700 acres in 2015, according to a bond prospectus. Bright Food, which did some \$21 billion in sales group-wide that year, does not break out the value of its seafood revenues but *Undercurrent News* estimated these to be less than \$200 million of the \$1.8bn that Bright’s “Modern Agriculture” division took in in 2015.

Bright Food also inked a 2013 distribution deal with Dongwon F&B, an arm of tuna group Dongwon Enterprise to sell the South Korean firm’s canned tuna in China.

But it expanded in seafood in a major way in 2017 after taking over another state-owned enterprise and much bigger seafood company, Shanghai Fisheries General Corporation (SFGC).

That company, which began life as the Shanghai Fisheries Bureau but was converted to a state-owned firm in 1992, is one of China’s largest fishing firms with a fleet of over 80 vessels. The fleet includes large stern factory trawlers, tuna purse seiners, tuna longliners and others, with annual catches over 150,000t, according to its website.

Several SFGC units have expanded overseas through acquisition. In 2014, Shanghai Jinyou Deep Sea Fisheries paid \$21.5m in cash for a 100% interest in Argentina’s Altamare, giving control of shrimp fishing vessels, fishing licenses and a processing plant. In April 2016, Shanghai Kaichuang Marine International closed a deal for Spanish tuna canner Conservas Albo for €60.99m (\$71.7m) to spearhead its international expansion into the tuna processing business.

In a tuna-related joint venture, two SFGC units have a combined 60% stake in Kiribati Fish, which was formed in 2010 as a partnership between the government of Kiribati (40%), Golden Ocean Fish of Fiji (40%), and SFGC. Golden Ocean Fish is also owned by SFGC, according to media reports, meaning the Chinese firm if so controls 60% of Kiribati Fish, which operates a processing plant in the Pacific island nation.

Events and trends

- Bright Food’s seafood revenues were an estimated \$200m before the transformative SFGC restructuring, which was announced in May 2017. Adding SFGC’s projected 2017 full-year sales of to Bright’s fish farming sales put the group’s estimated seafood sales at in 2017.
- As a group, Bright Food hasn’t been shy about foreign acquisitions, having bought UK cereal brand Weetabix, which it later sold, as well as Australian and New Zealand



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dairy firms. Bright Food was tipped in 2014 for a possible takeover of US shelf-stable tuna group Bumble Bee Foods but this did not materialize.

- More recently, the group has been named by *Undercurrent* sources as a possible contender for two large vertically integrated Spanish firms, Nueva Pescanova and Grupo Iberica de Congelados (Iberconsa). Both Spanish companies are being put up for sale by their financial investors -- creditor banks in Nueva Pescanova's case and a private equity firm in Iberconsa's. Some sources have speculated that an ambitious, well-resourced buyer could acquire both firms and merge them together while other observers said this approach was unlikely to be successful.
- One of SFGC's major subsidiaries, Shanghai Kaichuang, has been expanding overseas as of late. In June 2018 its Marshall Islands-based division, Pantai Fisheries, ordered three 75.3-meter purse seiners to be built at a shipyard in Mawei, China, at a cost of \$61.7m. Shanghai Kaichuang also completed the long-mooted acquisition of a Canadian processor and exporter, French Creek Seafood, for \$5.8m.

Analysis

Bright Food's foray into seafood could make it a likely buyer for a wide variety of industry players with strong reputations. The group has previously focused on securing access to resource in other sectors, such as dairy, but has also taken pains to buy established foreign brands.

SFGC and its subsidiaries have taken a similarly acquisitive tack in several different regions of the world. Conservas Albo, the Spanish bonito and tuna canner that Shanghai Kaichuang bought in 2016, saw healthy profits in 2017 as sales grew. Most Chinese tuna firms have been enjoying higher revenues as tuna prices were on the upswing due to scarcer catches.

Bright Food's plans for the Spanish seafood sector could have a major impact on the company as well as the industry. The group appears to be well financed -- the Chinese fishing sector, and Shanghai Kaichuang, is known to receive hefty government subsidies that are often criticized by environmental groups.



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This could make a deal for Iberconsa, which is a major hake, squid and Argentine red shrimp harvester and processor, or Nueva Pescanova, a real possibility.

The 2017 reorganization that brought SFGC into the company's fold married a new food category with Bright Food's already strong infrastructure and distribution network in China. Now the group appears to be looking for products to fill those channels.

"Bright Food can make best use of its advantage in cold chain, warehousing, processing and logistics to better secure food supplies to Shanghai," a Bright spokesman told *China Daily* after the reorganization was announced.

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