



March 2, 2020

Good morning,

Last Wednesday I presented the attached slides about Cooke Aquaculture's economic and social contributions in Nova Scotia at the Minister's Fisheries and Aquaculture Conference held in partnership with the Aquaculture Association of Nova Scotia for the seafood industry, academic science community, partners, equipment and technology suppliers.

I am pleased to share a copy with you and encourage you to let science continue to guide this innovative sector.

In recent weeks there's been a lot of talk about aquaculture, but it has to be an honest conversation. Recent information circulating about the aquaculture industry is completely inaccurate and fails to recognize it for the safe, sustainable, growth-oriented industry that it is. For more than 40 years Nova Scotians have supported marine fish farming and recognized that it can coexist with other fisheries on working waterfronts.

As a family-owned and operated company based in Blacks Harbour, New Brunswick, we are very proud of our sea farming experience in Nova Scotia and at various licensed marine aquaculture sites on the Southern and Western shores.

Our Nova Scotia division, Kelly Cove Salmon Ltd. has been farming salmon for 21 years in the province since 1999. 2020 marks Cooke Aquaculture's 35th year in business and we have been recognized as one of Canada's Best Managed Companies by Deloitte for 15 years in a row.

One of our guiding principles has been to support the communities where we operate and where our people live and work.

In its 2019 Major Projects Inventory List, the Atlantic Provinces Economic Council (APEC) based in Halifax, identified Cooke Aquaculture as being one the most significant private sector investors with plans to spend a half a billion dollars across the region. APEC noted that aquaculture projects will have a significant impact on incomes, jobs, exports and tax revenues.

We are only part-way through our multi-year capital investment plan for Nova Scotia which is seeing \$112 million be spent by the company on the Northeast Nutrition feed mill capacity expansion in Truro, a new A.C. Covert seafood distribution and retail centre in Dartmouth, along with planned hatchery and post-smolt facilities and seawater site and equipment upgrades across the Southern and Western shores.

In our Nova Scotia marine operations at Kelly Cove Salmon we are committed to continuing to invest heavily with new technology and infrastructure, remote feeding technologies and systems, enhanced hatchery production capacity to facilitate new growth and new vessel construction. The skilled tradespeople at A. F. Theriault & Son Ltd. boatyard in Meteghan River do a great job on our vessel fitting and fabrication work.

All of our aquaculture activity is generating new jobs and strengthening existing ones.

- **We directly employ 205 full time year-round Nova Scotians and have an annual NS payroll of \$10 million.** Cooke jobs include medical and pension benefits.
- **We annually spend \$51.5 million buying goods and services from 309 small and medium size local NS businesses and that creates 173 indirect spinoff jobs.** Our purchasing includes everything from professional services like engineering and environmental consultants, to skilled trades, to technological innovations and equipment, to vessel construction. Support for small and medium size businesses is absolutely fundamental to our community investment plans. As we grow, we want them to grow right along with us. There are many companies in your area that are suppliers within our supply chain.
- **Our NS operations generate \$7.4 million annually in taxation for fed/prov/municipal governments and \$13.7 million in consumer spending in NS.** This generates a lot of tax revenues for municipal, provincial and federal governments to be spent on social programs, healthcare, education, roads, etc.
- **Our NS property tax bill is nearly \$190,000 and we pay \$1.2 million in payroll taxes annually.** We also pay significant provincial and federal taxes on vessel, vehicle and transport truck fuel.
- **We also support the Digby ferry as one of its top users - in 2019 our Cooke tractor trailers made over 360 crossings.**

Canada's agricultural sector faces unique labour market challenges and so will the aquaculture industry. However, aquaculture has the youngest workforce of any agricultural sector in the country. Aquaculture careers are helping to retain young people in Atlantic Canada.

Our incredible network of employees is the heartbeat of our family company and what makes us strong.

At Cooke Aquaculture we are very proud to provide careers for young people and newcomers. Our company provides jobs that are a fit for people looking to establish their careers and their families. Our company's success is driven by dedicated employees who live in coastal communities and contribute to the local area's economy and sense of community.

The Provincial Government of NS, economic development agencies, post secondary institutions and local suppliers are all important partners who share our vision of sustainable growth.

Regardless of what country or province we operate in or sell to, we understand that our relationship with the environment and local communities is vital to our business and to producing top quality seafood. We view this as a significant component of our corporate social responsibility.

The misinformation being spread by some groups like Twin Bays and the Ecology Action Centre and other individuals is outdated and false.

For example, they say NS fish farms have affected lobster catches - not true. Lobster fishermen have had a series of strong years, and other fisheries have continued their natural cycles while fish farms have continued to very modestly grow in NS. As a local Atlantic Canadian family company, we want to keep it that way too. In fact, we distribute lobster for NS companies to customers.

Fish farming and lobstering has coexisted on working waterfronts throughout NS for many, many years. During this time, we've seen export sales in the lobster industry go up in these areas. Fish farms have been around for many years including sites near the prime lobster areas on the south shore. Further, natural synergies with on-water activity, shared transportation and bait products offer many ways that both lobster and fish farm groups thrive.

They also claim that NS property values have been or could be negatively impacted - not true. Fish farms have been operating sustainably with provincial and federal environmental and regulatory approvals and oversight in many coastal communities from Shelburne to Bras d'Or Lake, and from Digby to Halifax County. During this time, property values have gone up in these areas. In fact, in coastal communities where fisheries and aquaculture takes place, it lifts property values because it brings jobs and families to a community and they need to buy homes and spend their incomes.

People are also claiming that sea lice are a major problem in NS - not true. Over our 35 years in business, significant technological improvements and farming innovations have occurred through our massive ongoing investments in research, development and engineering to build a complement of green sea lice treatment options

that don't involve chemical baths or in-feed treatments. Sea lice are tiny invertebrate naturally occurring in the ocean ecosystem, living parasitically on many species of wild fish, including salmon. They do not pose a human health risk. Not all salmon farms have sea lice and if treatment is needed, eco-friendly technologies now allow salmon farmers to effectively remove sea lice from salmon.

Click here to learn about our eco-friendly sea lice treatment vessels:

<http://www.cookeseafood.com/cms/wp-content/uploads/2018/04/News-Release-Cooke-Aquaculture-launching-new-green-technology-in-Atlantic-Canada-April-26-2018.pdf>

People are claiming that NS farmed salmon pollutes coastal water and beaches – not true. With respect to waste, salmon farmers must follow strict codes of practice regarding waste management to ensure best practices from a business, environmental, and animal welfare perspective.

To this end, in 2020 modern finfish companies like Cooke Aquaculture, have invested tens of millions in research and deployment of technologies to reduce waste and minimize farm influence to coastal waters and beaches.

Many scientific and peer-reviewed studies have shown that waste from fish farms is a tiny portion (less than one per cent) of the overall nutrient impact to coastal waters. Farmed salmon create virtually identical waste as wild salmon because farmed salmon eat diets similar to what they would in the wild, but on a regular and predictable schedule to ensure healthy growth and minimal waste.

In modern well-run fish farms where underwater feed cameras and sensors ensure the fish aren't over fed, waste has been reduced and is one of the lowest rates for any farmed animal. Similarly, farmers use tailored feed delivered through remote feeding systems (not hand fed)

to suit the dietary needs of salmon at each life stage, and are continuously improving feed digestibility, further reducing nutrient losses.

Much of the waste is quickly used by plants, animals, and other life found near the fish farms. Studies have shown the influence of fish farm waste extends no more than a few hundred metres from the cages.

Differences among farm sites are largely determined by local tidal flows and winds. All farm site locations must follow strict regulations regarding the right temperature, water depth, and swift currents. Sites are routinely monitored by government regulators, university partners and companies for waste matter. Problems are solved by reducing fish numbers or voluntarily fallowed prematurely as matter of normal good practices.

The Nova Scotia Department of Fisheries and Aquaculture and other federal and provincial agencies perform rigorous science-based technical reviews and analysis on all proposed aquaculture expansion or new projects well in advance of any approvals being granted.

Sometimes these scientific, engineering and technical reviews can take years to verify the sites are sustainable through proven methods.

Groups are claiming that NS farmed salmon are toxic – not true.

Farmed salmon eat nutrient-dense, dry pellets made from plant, animal and fish proteins of natural origin to include essential vitamins and minerals for healthy salmon. All fish feed ingredients are approved for use by the Canada Food Inspection Agency.

Two important ingredients required in salmon feed are fishmeal and fish oil. This inclusion is required for healthy salmon, as well to ensure salmon contain high levels of omega-3 fatty acids that are good for

both your heart and mind. Fishmeal and fish oil primarily come from a number of sources including forage fish not eaten by humans. Local feed companies source fishmeal from the by-products of local fisheries whenever possible. Exciting new alternative sources of both proteins and oils, derived from non-marine sources are constantly being evaluated for safety, efficacy, sustainability and potential use in our feed blends.

Our NS farmed Atlantic salmon are not genetically modified in any way. We use no artificial dyes or growth hormones. What gives farmed salmon their pink color is carotenoids – the same natural pigment found in the ocean that wild salmon eat. Carotenoids are added to their diet to provide farmed fish with vitamin A. It is essentially a natural feed ingredient vitamin supplement and improves fish health.

Farmed salmon grown in Atlantic Canada originate from naturally sourced St. John River wild salmon in New Brunswick. We operate both farmed salmon sites in NS and around the world and we have a wild salmon fishery in Alaska. Both our farmed and wild salmon are healthy, delicious and certified sustainable.

We've even heard some councils are being told by activists that NS tourism has been impacted by fish farming. It is simply not true. The South Shore of Nova Scotia where fish farming has taken place for many years, shows consistent increases in hotel room sales and tourist visits. According to Nova Scotia Tourism, from 2010 to 2017, South Shore area tourism accommodations room night sales have increased 43 percent, and the province has seen a 15 percent increase over the same period.

The Food and Agriculture Organization (FAO) of the United Nations clearly supports marine aquaculture and your council can learn more about it here: <http://www.fao.org/aquaculture/en/>

There are real opportunities right now for Nova Scotia in aquaculture. **Let science continue to guide this innovative sector.** Nova Scotia aquaculture producers have the history and the experience to continue to do it right. As an Atlantic Canadian family owned business, we are proud that our operations are in rural coastal communities, and that we contribute to the growth and success of these areas.

Few realize Atlantic Canadians are global pioneers when it comes to salmon farming. From highly skilled engineers, veterinarians and researchers to marine biologists, scientists and farmers, the men and women who work in the salmon farming industry in our region are world-class experts in their fields. **Atlantic Canada has among the highest concentration of credentialed and experienced aquaculture researchers in the world** (See the following article for supportive quotes from expert aquaculture scientists

<https://www.thechronicleherald.ca/opinion/local-perspectives/susan-farquharson-resist-fear-mongering-from-anti-salmon-farming-activists-415653/>).

Cooke is committed to continuous improvement of quality and environmental performance. Our pristine fresh water and marine environment is vital and we continuously strive to protect these and other resources while still delivering superior quality salmon.

“Healthy Oceans, Healthy Communities” - That's Our Sustainability Commitment and we encourage your council to read more about it here: <https://www.cookeseafood.com/sustainability/>.

In addition, the 4-Star BAP (Best Aquaculture Practices) Certification mark, attests that our farmed salmon meets the BAP standards on four separate links in the chain of production: sea sites, processing plants, feed mills and freshwater hatcheries.

<https://www.bapcertification.org/>

Thank you for taking the time to read this letter. As a next step, we are pleased to invite you to visit one of our NS marine aquaculture sites. We trust that you would find a tour very insightful -- it's a great way to learn first-hand about sustainable, science-based seafood farming directly from our hard-working people.

We would also welcome the opportunity to come make a presentation about our people, company, investments, suppliers, and environmental sustainability at your convenience.

Contact me directly anytime at (506) 721-1093 or joel.richardson@cookeaqua.com. I look forward to speaking with you again soon.

Most sincerely,

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