

Media release - For immediate use

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Sanford Proud to Announce Funding Secured for New Salmon Hatchery in Southland

New Zealand seafood company Sanford Limited has secured an \$8 million loan from the Provincial Growth Fund to help it create a new salmon hatchery in Southland. The Recirculating Aquaculture System (RAS) hatchery will be built in the Bluff area. It will be designed to produce 6 million Chinook (King) salmon smolt once it's scaled up and fully developed.

Estimated build and development costs for stage one of the hatchery are around \$16m and once that stage is achieved, the 1.5 million smolt produced will support 6,000 tonnes of salmon at harvest.

Sanford CEO Volker Kuntzsch says he is delighted to be able to announce the investment into a new hatchery and the supporting loan from the Provincial Growth Fund.

"The RAS hatchery is one of the cornerstone investments needed to help realise a bold aspiration for aquaculture in Southland, in which salmon becomes an even stronger contributor to the regional economy. Smolt produced in this RAS hatchery will not only be available to Sanford, but to other salmon farmers in the region.

"The \$8m loan from the Provincial Growth Fund will make a much appreciated contribution to the development of this hatchery and clearly highlights the importance this project has for the region and for New Zealand."

Sanford already has a substantial commitment to salmon farming in Southland. It farms in the cool, clear waters of Big Glory Bay, Stewart Island and operates a processing plant in Bluff. The listed New Zealand company has plans underway to grow those facilities in line with its longer-term vision of investing in open ocean aquaculture in Foveaux Strait.

The hatchery announced today will give Sanford the ability to create a fully controlled environment to grow salmon from eggs to smolt.

Sanford's GM of Aquaculture, Ted Culley says an RAS hatchery is the gold standard in salmon farming globally.

"We are proposing to create a facility that will be state of the art, using the best systems available to create an ideal growing environment for the smolt.

"This facility will also create jobs – up to 54 direct jobs in the hatchery itself and our farming and processing areas and then 163 indirectly in the wider community. We are very proud to operate in Southland and we look forward to growing the contribution that we make to the local economy."

*****ENDS*****

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Sanford Ltd

Sanford is New Zealand's oldest and largest seafood company - we have been listed on the New Zealand stock market since 1924. We are focused on sustainability and on maximising the value of the resources we gather from our oceans, enabling long term value creation from oceans teeming with life. Sanford has a strong history of delivering innovative projects, such as the successful seven year PGP innovation and development programme with SpatNZ that has succeeded in selectively breeding the first Greenshell mussel spat in New Zealand and has revolutionise growth rates and spat retention in that industry.

Background on the RAS project:

- The hatchery build is expected to create 81 direct jobs during the construction and 243 indirect jobs.
- At full production, including the open ocean sites, it is anticipated that the hatchery investment will support 54 direct jobs in the hatchery itself and in salmon farming and processing and 163 indirect jobs in Southland.
- Sanford plans to build up the hatchery capacity in stages. The first stage will have the capability of producing up to 1.5 million smolt.
- In stage one, the RAS hatchery will produce three cycles of smolt per year; 1.5 million at 30 grams, which on-grown to a target weight of 4.5 kilos at sea is equal to 6,000 metric tonnes of harvestable fish.
- Salmon farming in New Zealand is recognised as world class for its environmental footprint by the Monterey Bay Aquarium Seafood Watch programme.