



SANFORD LIMITED
SUSTAINABLE SEAFOOD

20 April 2015

Media Statement

Sanford Limited Confirms Closure of Christchurch Mussel Processing Facility

Sanford ([NZX:SAN](#)) is meeting with its Christchurch employees at 1.00pm today to confirm that it is closing the company's Christchurch mussel processing facility. Production at the mussel opening plant ended at 12:30pm today.

The decision comes after a period of consultation with the 232 staff employed at the Riccarton site, who were told on 9 April that Sanford was considering the future of mussel processing in Christchurch. Recent weather patterns had impacted on natural spat (offspring) supply to a point where the Company needed to look at its South Island mussel processing capacity.

At the meeting staff were also briefed on the payments they will receive as a result of the closure. "All employees, even those with very little service to the Company and no redundancy entitlements will receive a minimum of four weeks' pay, plus a paid four week notice period starting tomorrow, with eight weeks total pay being the minimum entitlement," said Sanford CEO Volker Kuntzsch.

Sanford has another mussel processing facility in Havelock, near to its mussel farms in the Marlborough Sounds.

Sanford will be combining its South Island mussel volumes at the Havelock site. "The final decision to close has been a difficult one due to the number of staff impacted, however given the outlook of reduced Greenshell mussel crop supply in the short to medium term, the Company needs one South Island location working efficiently at capacity, rather than two impacted by uncertain supply," said Volker Kuntzsch.

"This will eliminate the strong likelihood of intermittent processing interruptions, unpredictable shift patterns and two sub optimal manufacturing environments, which have been caused by spat shortages limiting crop supply. These supply conditions are expected to continue for the next two to three years."

"Following our initial announcement about the potential closure 10 days ago, employers across the Christchurch region have rallied in support of staff with more than 30 Canterbury based companies offering jobs. We're hosting an introduction day on Wednesday for affected staff and prospective new employers to meet and discuss alternative job opportunities."

Mr Kuntzsch said the response from employers in Christchurch is very encouraging. "This is a difficult and uncertain time for our staff and the support of other employers is very much appreciated."

Sanford is also looking at all suitable vacancies across its operations nationwide to offer to staff from the Christchurch plant.

Costs associated with the closure are expected to be over \$2m and will include payments to staff of notice period, redundancy and leave entitlements.

Mr Kuntzsch said that a decision about the future use of the site would be made in due course.

Sanford is currently investing \$13m into the [SPATnz Primary Growth Partnership](#), which over the medium to longer-term will produce selectively bred mussels in a new Nelson hatchery. Currently the industry is reliant on wild-caught spat to supply mussel farms. “Wild spat supply is the single biggest constraint on the mussel industry with current spat shortages limiting future crop supply,” said Volker Kuntzsch.

The Christchurch mussel processing facility became part of Sanford’s operations with the acquisition of Pacifica Seafoods in 2010.



Volker Kuntzsch
Chief Executive Officer

The media contact for Sanford is Trish Sherson on 021 570 803 or e-mail trish@shersonwillis.com