

**Argyll District Salmon Fishery Board**  
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Chairman - Roger Brook

**Clerk -Mrs Jane Wright, Woodbank, Cove, Helensburgh, Argyll and Bute G84 0NU**  
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Competitions Commission,  
Victoria House,  
Southampton Row,  
London,  
WC1B 4AD

July 27<sup>th</sup> 2006

Dear Sirs,

**Anticipated Acquisition by Panfish ASA of Marine Harvest NV**

The comments below are endorsed by the Argyll District Salmon Fishery Board and the Argyll Fisheries Trust. Both Board and Trust work closely both with Pan Fish Scotland (PFS) and Marine Harvest within the framework of the Scottish Executive's Tri-partite Working Group's Area Management Agreement (AMA) initiative and have found PFS to be progressive partners in this process. We are aware of PFS's commitment and investment in working to improve the health of farmed and wild fish and the sustainability of both sectors. Bad practice is not conducive to a competitive operation and the comments below are illustrative of operating procedures necessary to ensure that a potentially merged company maintains the highest standards of quality.

The wild fish sector recognises both the potential benefits and possible dangers if one fish farming company owns a large part of the Scottish salmon farming industry in that their management practices will influence a larger part of the management of the TWG initiative. Therefore, the obvious benefits of the AMA process may only be delivered so long as the dominant Company fully supports, engages and is compliant with best practice in regard to the requirements of wild fish and is supportive of actions to restore wild fish stocks. Under the present management, PFS have been a valuable contributor in these respects and we would welcome an expansion of their influence in the industry.

At present PFS appear to be embarking on a programme of site consolidation and development in order to achieve production levels that can attract and justify significant investment in equipment and technology. This, in turn, should result in improved efficiencies and further mitigation of environmental effects. These investments take the form of automated, programmable feed delivery systems that incorporate equipment and technology so as to minimize feed wastage and feeding is carried out to maximize conversion efficiencies.

It is highly probable that this policy will be applied to all sites in the merged company. This policy makes the management of sea lice all the more important with synchronous fallowing especially so.

There can however, be no future guarantee of present policies and practices being maintained, and if this acquisition is to go ahead, we strongly request that conditions of consent apply.

These are:-

- Full compliance with the recently Scottish Salmon Producers Association's 'Code of Good Practice for Scottish Finfish Aquaculture' and its ancillary Containment Code together with existing and future codes of good practice.
- Continuation of full and pro-active participation in the present AMA process and any process that might replace it.
- Transparency of information of a non commercial nature ie sea lice data.

Whereas we realise that our interest is not directly linked with maintaining competitiveness in the UK market for the supply of Salmon in the EEA, the industry as a whole has not always had the support of the wild fish sector in Scotland which has lessened its profile and possibly stopped it from reaching its market potential.

We believe the acquisition could give more flexibility to achieve coordination between management areas and facilitate single year class production including fallowing. With the requested conditions of consent in place, it could be supported by the wild fish sector, at the same time raising the profile of the Pan Fish/Marine Harvest consortium.

Yours Sincerely,

Jane Wright  
Clerk