

Faroese firm joins forces with Scottish Salmon Co

A £500 million deal will see the Scottish Salmon Company (SCC) bought over by a Faroe Islands firm.

Bakkafrost has agreed to take on 69 per cent of the shareholding from the current majority owner, investment fund Northern Link.

The Faroese firm is preparing to issue a mandatory offer for the remaining freely traded equity, which will force those shareholders to sell. The total cost is £517m.

SCC, which will be de-listed from the Oslo stock exchange, is one of the three biggest producers of farmed salmon in Scottish waters, operating at 60 sites and with more

than 600 workers - including many in Argyll.

The new owner believes there will be significant savings from supplying its own fish food to SSC farms and it wants to use the advantages of joint marketing of its Faroese produce along with that of the Scottish Salmon Company, both of which obtain premium prices.

Bakkafrost believes there will be advantages from the two parts of the business learning from each other, including methods for reducing the problem of sea lice.

The deal should make it the fourth largest salmon producer in Europe.