

# AquaChile finds a niche in tilapia



WHERE TILAPIA GROW: AquaChile's tilapia farms in Costa Rica supply product for the United States and other markets.

PHOTOS: AQUACHILE

Chile's largest salmon farmer is now a force in the global tilapia business.

BY PAULA CARVAJAL

AquaChile is copying the model it used in Chile to become the largest Chilean-owned salmon company in the country, and applying it in Costa Rica, where it has become a dominant force in tilapia farming and processing.

To gain a competitive advantage in tilapia AquaChile is primarily focusing on building partnerships and creating value-added products in Costa Rica.

AquaChile, acting through Grupo ACI, made up of Aqua-Corporacion Internacional S.A. (Costa Rica), Terrapez S.A. (Costa Rica), Pelon de la Baruja (Costa Rica) and Rain Forest Aquaculture (United States), has become one of the main global tilapia players and continues to grow.

Company owner Victor Hugo Puchi said in Costa Rica the company has adopted the experience gained in Chile, both regarding forming partnerships with other companies and in-

vestment in value-added products.

"We've partnered with other producers in Costa Rica, doing the same things we've done in Chile, creating partnerships to address markets better. We're also working hard on the value-added issue as we did with salmon," Puchi said.

Puchi highlighted tilapia fillets as one of the company's leading value-added items, saying the company was adopting "a different presentation of the final product that reaches the final consumer better. We are applying the same recipe used in Chile," he said.

Acting through Rain Forest, an affiliate of Grupo ACI, AquaChile distributes fresh tilapia to supermarket and restaurant chains in the United States, and it has attained a 25 percent share of the tilapia market, he said. The company exports 90 percent of its production to the United States and sells the remaining 10 percent in Costa Rica.

In March, the company acquired the assets of the Costa Rican company Pelon de la Baruja. This move increased the Chilean group's production by 15 per-

cent from 19,000 to 22,000 tons.

"This partnership strengthens the standing of Grupo ACI in Costa Rica and in the tilapia market and reflects AquaChile's interest in establishing partnerships with important local partners to sustain its leading position in the aquaculture industry," AquaChile CEO Alfonso Marquez de la Plata said.

Pelon de la Baruja has over four years' experience producing tilapia and has tilapia sales of \$4.5 million (€2.9 million). The company has been a supplier of Grupo ACI since 2005.

The tilapia business accounts for 10 percent of the total sales of AquaChile. However, "the company is analyzing different investment and partnership opportunities to carry on growing in the tilapia production and marketing business worldwide," said Marquez de la Plata.

#### How AquaChile grows

Empresas AquaChile S.A. was established in 1998 from the merger of two complementary salmon companies with strong strategic positions in their lines of business – Salmones Pacifico Sur S.A. and AquaChile S.A.

Salmones Pacifico Sur started in 1986 to farm salmon in the sea stage and AquaChile started operations in 1988 focused on the freshwater stage.

The company's history is characterized by constant acquisitions to increase its production capacity, add new businesses and form strategic partnerships.

Empresas AquaChile is the parent company that consolidates the group's operations, and is focused on the fattening, processing and marketing stages of Atlantic and coho salmon and trout. The fingerlings and smolts

used come from the affiliate AquaChile, which in turn gets its ova supply from the affiliate Pesquera Antares.

The affiliate AquaChile Inc. was established in Miami in 2002 to market and sell products in the United States.

The company gained two-stage control of Antarfish in 2004, which is a holding that fully owns Aguas Claras (which farms Atlantic salmon and trout) and the Antarfood processing plant on Chiloe Island.

In 2005, the company bought a 60 percent stake in Salmones Chiloe, which produces and processes trout and coho salmon; it gained full control of Salmones Cailin (former Pesquera Palacios), a processing plant on Chiloe Island; full control of Salmones Australes which is focused on coho fattening and production; a 50 percent stake in Los Glaciares, which processes organic waste to produce fishmeal and fish oil; a 60 percent stake in Salmones Maullin (former Robinson Crusoe), which produces and processes Atlantic and coho salmon; it acquired the remaining 40 percent of this company in 2007.

The company also acquired an 81.7 percent stake in Grupo ACI (Rain Forest) in 2005, an affiliate in Costa Rica that produces tilapia.

It entered into a strategic partnership with Alitec-Provimi in 2006 for 50 percent control of this company's Alitec Pargua plant production.

It also created the research and biotechnological development company Aquainnovo jointly with the University of Chile, the SGS Aquatic Health laboratory and with funding from the cor-



LEADING THE WAY: AquaChile's Victor Hugo Puchi is using lessons learned from salmon farming to build the company's tilapia farming business.

porate innovation sub-committee of Innova Chile - Chilean Economic Development Agency (CORFO).

In 2006, it created Sudmaris Chile S.A. through Salmones Chiloe to produce, process and export mussels.

In 2007, Sudmaris gained a 51 percent stake in Geomar S.A., which produces canned seafood.

The company entered the ownership of the Costa Rican tilapia company Pelón de la Baruja in March 2008.

The company ownership is split into two companies that each control 50 percent: Forestal Patagonia and Holding Salmones.

Forestal Patagonia is owned by the Puchi family through Victor Puchi (40 percent), Mario Puchi (27 percent), Juan Carlos Puchi (6 percent) and Pablo Aguilera (27 percent). Holding Salmones is owned by the Fischer family through Humberto Fischer (50 percent) and Claudio Fischer (50 percent).



RISING STAR: As tilapia becomes more popular around the world, AquaChile is positioning itself to be a major player in the sector.