

## Cell Aqua expands, Europe next

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Onshore aquaculture firm Cell Aqua has acquired its first food processing plant and is close to sealing a new production opportunity in Europe, Executive Director Peter Burns told IntraFish.

The acquisition of the Australian food processor - which Cell Aqua won't identify - will allow the company to carry out its own processing and distribution for the first time, Burns said.

"We didn't have any production facilities before," Burns told **IntraFish**. "But now we used the assets of an existing company and expanded it."

Above all, owning the plant gives Cell Aqua an instant access to a nationwide distribution network covering supermarkets, restaurants and catering customers.

It will also allow Cell Aqua to develop a wider range of value-added products for barramundi -- its staple specie -- such as smoked fillets. Illustrating this, the group has hired the services of a local chef who has "15 years experience in food processing and new product development."

While the plant also produces non-fish items, Cell Aqua will maintain its production range but focus mostly on developing the seafood products.

### Europe, South Africa and Malaysia next

But Cell Aqua's expansion plans don't stop here. The group has just unveiled a joint venture in Singapore and is close to sealing new production deals in Europe and South Africa. It is also in talks to complete a joint venture in Malaysia.

In Europe, the group has now "completed initial due diligence on a potentially lucrative production opportunity," Cell Aqua said in a statement to the Australian Stock Exchange.

Cell Aqua already has a European partner in the form of Linnaeus Capital Partners, the Dutch private equity firm which [invested AUD \\$2.4 million \(\\$2.2 million /€1.6 million\)](#) in the company in February.

In Singapore, Cell Aqua has just established a AUD \$4.15 million (\$5 million) million joint venture to produce "high-value premium species" to target "the lucrative local live seafood market."

Called CellMore Pte, the venture is currently establishing the first stage of the production farm and assessing "further food processing opportunities," Cell Aqua said. CellMore is 50-50 owned by Cell Aqua and by its Singaporean-based partners.

### Boosting production

The deals in South Africa and Malaysia, meanwhile, would significantly expand Cell Aqua's farm production. Today the group produces around 100 metric tons of barramundi domestically and twice that much in Malaysia, from where the fish is also sold to Singapore, Hong Kong and Japan.

However, if the deals go through, it would produce another 4,000 metric tons combined in South Africa and Malaysia alone.

These plans are not new -- they were already announced last year -- but Cell Aqua says it is now closer to reaching agreements.

"The company is still actively pursuing the opportunity to establish an initial 2,000 metric tons per annum facility with its South African partners," Cell Aqua said in a statement.

"The process of obtaining relevant approvals for this venture has been slow," it says, but "significant progress has recently been made (...) towards granting of relevant approvals for the project to commence and has now offered a number of potential sites for the project.

The company's financial director is "currently in South Africa viewing potential sites and advancing financing discussions with the South African partners," it adds.

In Malaysia, the plans seem more advanced. "Further to the signing of a Memorandum of Understanding and subsequent submission of a detailed feasibility study and business plan with a major Malaysian based global multi-national organization, Cell Aquaculture advises that discussions are still progressing regarding this project," it said.

### Only the start?



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And such moves are likely to be the way forward for Cell Aqua. Established in 1998, the firm first started as a developer of its own proprietary aquaculture recirculation systems and equipment. However, instead of becoming a supplier, the group decided to expand into the aquaculture business itself.

“We looked at the possibility of providing equipment, but decided that we would expand by developing company-owned farms or through good joint ventures,” Burns said.

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