

Blueberry and fibre optic tycoon John Bragg: The Oracle of Oxford, N.S.



Illustration of John Bragg, Anthony Jenkins

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OXFORD, N.S.

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Every autumn for the past four decades, John Bragg has surveyed a rich palette from his factory yard – crimson and yellow trees, orange mountains of carrots, and grey trucks hauling away millions of pounds of frozen blueberries.

And when he has taken a break from frozen-food processing, he could drive out to the little country church built by his great-great grandfather, also named John Bragg, whose weathered tombstone is nestled among memorials for generations of family members.

This is John Bragg country – and it is tempting to typecast Mr. Bragg as some amiable country squire, who at 72 still clings to the craggy hills of northern Nova Scotia, which his family has called home for 180 years.

That would be so wrong. Beneath the veneer of the rural blueberry baron, there is one tough, risk-taking tycoon with an ardour for growth, game-changing technology, and debt financing.

Mr. Bragg's office in pastoral Oxford, N.S. (population 1,200) is the nerve centre of a billion-dollar enterprise that spans the worlds of blueberries and BlackBerrys. It is powered by two growth engines – a frozen-food empire with global reach, and a fast-rising communications powerhouse called Eastlink, whose cable, telephone, Internet and soon-to-be-launched wireless operations extend from Halifax to Bermuda to northwest Alberta.

"We have a philosophy of growing – we're just never sure where," he says, over lunch of lobster and chicken wraps at his office coffee table.

The drive to stay on that growth track means that Mr. Bragg does not shy away from a necessary fight. Recently, he enthusiastically joined the "Say No to Bell" coalition that opposed giant rival BCE Inc.'s proposal to acquire television content provider Astral Media Inc.

The broadcast regulator ruled against the Astral takeover, and that "allows us to stay in business," Mr. Bragg says with an intensity that belies the laid-back pace of quiet Oxford. "And why shouldn't we be allowed to stay in business?"

Not that anyone expects John Bragg to retreat from the communications venture he has fought so hard to establish.

Still, he argues that by depriving BCE of its bid to own large swaths of television programming, the Canadian Radio-television and Telecommunications Commission allowed the scrappy underdog from rural Nova Scotia to remain competitive in a world of giants.

"If our raw material – the programming – costs a lot more for us than the competition, then we can't stay in business," he insists. "If the programming is dominated by one supplier, can we compete?"

When it is mentioned that BCE is launching a revised proposal for Astral, he responds with: "Isn't Bell big enough, basically? If Bell says it can't compete unless it gets more, what does that say for the rest of us?"

For now, the initial CRTC ruling provides added financial certainty as Mr. Bragg prepares to go toe-to-toe with BCE surrogate Bell Aliant in the Atlantic wireless market, and to jump on international opportunities like the one where he bought up a telecom company in Bermuda.

This mosaic of ventures further burnishes Mr. Bragg's reputation as one of the quickest studies in Canadian business. His ability to grasp the essentials of any business, anywhere, has secured his status as the largest wild blueberry supplier in the world, with a supply chain running from Cape Breton to Portland, Me., and markets stretching into Japan and China – but also as a technology adventurer who pioneered cable networks for telephone conversations in Canada.

What started out as a student sideline picking berries is now a combined business with \$1-billion of annual revenue, of which 75 per cent comes from moving data, voice and video over networks – an enterprise growing at a double-digit annual pace. And he runs it all from a temporary building just off his factory yard. The Bragg businesses have grown so fast since 1968, when he built his first blueberry-processing factory, he has never taken time (or devoted the capital) to erecting a proper head office. There is always another machine to buy or a company to acquire.

He built his first factory to process and package an annual blueberry crop of two million pounds. Today, at the height of harvesting season, the two side-by-side factories of Oxford Frozen Foods Ltd. handle twice that much in a single day.

Mr. Bragg hasn't really understood all the new communications technology since he bought his first cable system in the early 1970s – he depends on other people for that, and the eldest of his four children, son Lee, runs Eastlink out of Halifax. (Another son, Matthew, heads up logistics and sales for the family's food business.) He seems more comfortable talking about the Nanaimo bars, laced with blueberries, that are served for dessert, than back-office systems for wireless.

What he brings to the table is common sense. It has made him a legend in the Maritimes, whose plain talk about everything from debt (he is very comfortable with it) to rural development (he's a passionate advocate) are constantly quoted. "He doesn't mince words in the nicest way," says Derek Oland, executive chairman of Moosehead Breweries, where Mr. Bragg is a member of the advisory board.

These days, the Oracle of Oxford is pulling back from day-to-day operations, delegating responsibilities to his children, and to co-chief executive officer David Hoffman, who helps run the holding company. Through an estate freeze, he has transferred ownership to his two sons and two daughters, while remaining, for now, the effective decision-maker.

A year ago, when he underwent heart bypass and valve surgery, he went into the operation "not worried at all about the business.

"We have a good professional manager and the family is involved."

He still lives in the Cape Cod-style house built in 1964 for himself and wife Judy – it has been greatly expanded – across the road from the ancestral white-frame house where he grew up in Collingwood Corner, just south of Oxford.

In the late 1800s, that white house was also the boyhood home of Albert Warren Bragg, John's father's uncle, who went west to try out ranching and founded the Alberta settlement of Bragg Creek. Today, Bragg Creek is a picturesque dormitory community for Calgary, and home to many of the city's business barons.

The Braggs of this generation have gone West too, notably to thriving Alberta towns where Eastlink now owns cable systems. They are part of the legacy of Eastlink's acquisition of Persona Communications in 2007, which delivered a patchwork of properties in places like Grande Prairie and Cold Lake, Alta., and Sudbury and Picton, Ont. He insists there are no plans at present to consolidate these far-flung properties by trading cable systems.

The idea of vertical integration looms large in his blueberry business – he grows his own berries for processing, but he also works with 1,000 growers in the Maritimes and Maine. But that doesn't mean he wants to apply the integration model to Eastlink, taking a page from BCE's book by owning his own content.

"There is not a lot to buy," he says, and, even if a Bell-Astral deal frees up some content, he is not sold on this convergence model in communications. In addition, "we're determined to stay private, which limits what we can do in terms of size."

But in the same breath, he is enthused about the wireless service poised to be launched in 2013 in Nova Scotia and Prince Edward Island. It sets up another classic confrontation with Big Bell, operating as Bell Aliant, which has made headway through its bundling, fibre optic networks, and, he maintains, aggressive discounting.

"They're there and they are going to take some of our customers, one way or the other. But we are not going to give it up easily."

You can pretty much take that to the bank.

IN HIS OWN WORDS

On the CRTC decision: If you feel right is on your side, you are surprised if you lose. And we really felt right was on our side.

On the perils of planning: When we're asked about growth, we have an answer: Whenever we look back five years, we've always done a lot more than expected.

On being succeeded by his four children: I don't think you need a dictator. Having the [proper] structure with a good board is fine. There will be some fine-tuning but basically if you have four shareholders who are educated and committed, they should be able to make good decisions.

On the national flaw: One of the things Canadian businesses have to do is think about the world all the time. It is a challenge for Canadians to adapt as the world gets smaller.

On technology: The real issue is not to bet the farm on the wrong technology. Don't get way out in front. I don't understand the technology but if we give great service, there will be a communications business. You really have to build a service model in the company.

On the wireless venture: We have to get into wireless and get our toes into the water. When we launched land-line telephone, we said we would do it on the basis of what we can afford to lose. But there is not the same risk now, because we have a lot more sophisticated help and people are running wireless around the world. When we did telephone, we were inventing the wheel.

On equity versus fame: If I were looking for profile, we would lever this [business] and go public and buy a bunch. Our real purpose is to build equity, not profile. Going public is cumbersome and there is a lot of overhead.

On the secret to good debt: If the revenue stream is fairly consistent, you can afford to lever [the business]. And we have a steady income from cable, although not the growth of the past.

On the joys of private business: The real challenge is to stay entrepreneurial and cut to the chase. We don't let anything get in the way of making decisions.

CURRICULUM VITAE

Personal

Born May 3, 1940, in

Springhill, N.S.

He and wife Judy have four children: Lee, Matthew, Carolyn and Patricia, all of whom have worked or now work in the business.

His eight grandchildren

include the seventh generation of Braggs in Oxford area.

Background

Former chancellor of Mount Allison University.

Bachelor of commerce and bachelor of education, Mount Allison University

Spare time

Took up golf at age 65; now plays whenever he can.

Owens residences on golf courses in Fox Harb'r, N.S., and Hawaii.

An American history buff, he named his den "the Adams Room" after former U.S. president John Adams.

His official Mount Allison portrait shows him holding Adams' bio by David McCullough.

Recent reads

Seward: Lincoln's Indispensable Man, by Walter Stahr.

Eisenhower in War and Peace by Jean Edward Smith.

On his bedside table

The Man who Saved the Union: Ulysses Grant in War and Peace, by H.W. Brands.

Source: Globe and Mail <https://www.theglobeandmail.com/report-on-business/careers/careers-leadership/blueberry-and-fibre-optic-tycoon-john-bragg-the-oracle-of-oxford-ns/article5856548/>