

FRAMHERJI DIVERSIFIES INTO WHOLE FROZEN

Complementing its business in pelagic fishing and sea-frozen fillets through adding northern shrimp and whole round frozen fish—Framherji replaces filleter-freezer Vesturvón with newer, larger and more versatile Akraberg.

AS PART OF THE replacement of filleter/freezer Vesturvón by the Akraberg—a larger and more modern and versatile vessel set for delivery this summer (2013)—fishing company Framherji is looking to broaden its business base and help secure the supply of raw material to seafood processing plants located on shore in the Faroe Islands.

By adding sea frozen whole whitefish as well as northern shrimp to its existing pelagic and whitefish business activities, Framherji says it seeks to strengthen its position and increase its client base in a period of increasing uncertainties in the marketplace.

We sat down with managing partner Elisabeth Eldeveg and operations manager Símin Pauli Sivertsen for an outline of the company's plans.

“You have economic turbulence in Europe while at the same the output from the domestic Faroese whitefish fisheries has been low in the last couple of years,” they said.

“We decided to make this move now because Vesturvón is getting older and more expensive to maintain. We have also considered that Framherji should develop a more diversified revenue base, which will be made possible with Akraberg. This will give the company a higher degree of choice and flexibility when it comes to dealing with the mar-



ket. So it's about extending the existing business without losing focus on pelagic fishing and sea frozen fillets of whitefish.”

The 87 meter long Akraberg—formerly the Odra, registered in Germany—offers a range of operational advantages. Besides the capacity to fillet and freeze whitefish, which the Vesturvón has been very successful at throughout the years, the newer Akraberg can process redfish as well, besides freezing whole fish; and, along with a shrimp boiler, she is fitted with two RSW (refrigerated sea water) tanks for fresh pelagic fish.

Framherji's business has long been largely centered on two solid legs: one, large amounts of inexpensive pelagic fish and two, pricey frozen-at-sea fillets of whitefish. There is also the smaller element of whitefish caught by longliner

and landed whole round fresh in the Faroes.

To support this business model, Framherji owns and operates three fishing vessels: Pelagic trawler Fagraber, factory trawler Vesturvón—just being replaced by the Akraberg as this publication goes to press—and longliner Stapin.

In the whitefish department, the trend has been downward lately with slightly falling market prices overseas for sea frozen fillets and plummeting prices at home for fresh caught fish. The pelagic business, on the other hand, has been booming, with mackerel, herring and blue whiting set for domestic catch and landing in very high quantities.

DIVERSIFYING: The Akraberg is expected to make life easier in both depart-

ments as well as adding new business—she will help catch and handle more pelagic fish during high seasons, produce frozen-at-sea fillets along with Jap-cut redfish, and offer whole frozen whitefish for processing on shore as well as catching, boiling and freezing northern shrimp.

As an added bonus, the Akraberg is fitted with electricity driven winches, which saves on fuel consumption and emission.

“With the Akraberg, we will have much more of a choice because the factory is larger and allows for more flexibility,” the Framherji team said. “Accompanying the replacement of Vesturvón, we have acquired one of a few available shrimp fishing licenses and quota. The thinking is that the northern shrimp

business could be about to recover as the market price slowly increases.”

As part owner in a leading processor and exporter of fresh and frozen whitefish products, and shareholder in the Faroe Islands' largest cold storage facility, Framherji clearly has a vested interest in the supply chain for whitefish processing and cold storage. Yet undeniably, there is also a socioeconomic dimension where Framherji wants to make a difference by helping the local economy, the team members underscored.

“The fact that the Vesturvón has seen its best days and no longer fully meets our requirements is the main reason why we decided to sell it and buy the Akraberg. But we also note that the volumes of landed whitefish have fallen and the supply to factories on shore has

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Managing Director: Anfinn Olsen

Owner and operator of fishing vessels.

Factory trawler:
'Akraberg' (2,968 GT)

Pelagic trawlers/purse seiner:
'Fagraber' (2,832 GT)

Longliner:
'Stapin' (466 GT)

Frozen-at-sea: Whole round gutted or filleted cod, haddock, other groundfish; 'Jap cut' redfish; northern shrimp.
Fresh chilled: Whole round gutted or filleted cod, haddock, other groundfish. Pelagic: Herring, mackerel, blue whiting, capelin.

Partly owned subsidiaries:
Faroe Origin — fishing, seafood processing
Bergfrost — cold storage facility

UK seafood trading company:
Seagold, Hull

The Akraberg, while still named Odra; Fagraber heading to shore (below).

become low and irregular. That should be a concern for anyone living in a community like the Faroe Islands and we want to do something about it. A good supply of whole frozen whitefish could help the situation.

“So now it will be possible to make our fishing business more diversified, plus we can provide seafood processing plants on shore with more raw fish.”

