

# WHY EARNING THE TRUST OF SEAFOOD BUYERS TAKES TIME

Having some entities with sufficient financial muscles and size is necessary for the Faroese to make sure their seafood industry can continue to advance in innovation and to maintain delivery reliability, says Hanus Hansen of JFK.

**JFK**  
 Kósarbrúgvín 3,  
 PO Box 56, FO-710 Klaksvík  
 www.jfk.fo  
 jfk@jfk.fo  
 Tel.: +298 409900  
 Fax: +298 409901

CEO: Hanus Hansen  
 Sales & Operations Director:  
 Jógvan Hansen

Leading Faroese fishing and  
 seafood processing company.  
 Operations since 1913.

Main focus areas:

- Frozen-at-sea whitefish products
- Land-processed whitefish products
- Pelagic fish

Products, frozen-at-sea:

- Shatter Pack Fillets (Cod/Haddock/Saithe)
- Headed & Gutted (Cod/Haddock/Saithe)

Products, land-processed:

- Salted Fillets (Cod/Saithe/Ling/Tusk)
- Split Salted (Cod/Saithe/Ling)
- Single Frozen Fillets (Haddock/Saithe)
- Single Frozen Portions (Haddock/Saithe)

Key assets:

- Factory trawler 'Gadus'
- Factory trawler 'Sjørðarberg'
- Purse seiner/pelagic trawler 'Borgarin'
- Purse seiner/pelagic trawler 'Norðingur'
- Freezer longliner 'Klakkur'
- Processing plant Kósin
- Pair trawlers 'Stjørnan', 'Polarhav', 'Skoraberg', 'Vestmenningur', 'Safir', 'Smaragd', 'Grønanes'
- Longliners 'Jákup B', 'Núpur', 'Kvikk'
- Cold storage facility NFCS

**A**MID THE ONGOING debates on fisheries management and legislation in the Faroe Islands, Hanus Hansen—the majority owner and CEO of JFK, one of the leading players in the business—is no stranger to making some of his views publicly known. Notably on the question of small versus large-scale operations, Mr. Hansen pointed out that 'big business' is in fact a misnomer when it comes to the Faroe Islands. However, he added, the domestic presence of a few relatively large enterprises in the seafood industry is, alongside the smaller operators, a necessity for enabling research and development, heavy investments and long-term commitment to product and market development.

"We really don't have any big corporations in the Faroes, only small and medium-sized enterprises," Mr. Hansen noted. "However, we have some leading businesses that are clearly larger than the more common micro-sized companies. Discussions about

what size would be ideal or most preferable can be a bit confusing at times, as people tend to forget that the issue is very complex."

"Bottom line is," Mr. Hansen added, "the Faroese seafood industry has seen great progress in the last couple of decades, and part of the reason for this has to do with consolidation in the fisheries and aquaculture sectors, all of which has led to fewer but more viable and financially stronger entities remaining in business. There's arguably often a downside to consolidation but in this case the upside has more to it—we see a whole new level of investments in production at various levels in the supply chain, plus more focused efforts in marketing and product development, more commitment to research and development alongside, for example, sustainability programs and quality assurance.

"Much of this would not have been possible were it not for the fact that we had companies with the financial muscle to fund such programs, which are so fundamental to



MARIA OLSEN



MARIA OLSEN



JENS KRISTIAN VANG

maintaining an internationally competitive industry."

Meanwhile, some industry insiders have pointed out that while pure economics will invariably be a key consideration when it comes to decision-making processes in business, they nonetheless caution that dealing with people's livelihoods in a tightly-knit community means that things are rarely that clear-cut. This becomes rather obvious in a place where virtually everybody knows everybody—simply ignoring the socioeconomic aspects of a business operation with hundreds of employees and scores of providers and subcontractors is hardly an option.

Further making subjective value judgement unavoidable in any discussion on fisheries policies in a fishing commu-

nity, there's a cultural and historical element to things as well. In other words, considering the intricacies of running a fishing business or for that matter debating the affairs of its political and legal environment, is indirectly but undeniably also about the employees and the local community; at the same time, for many business owners, it's about contributing to something that is meaningful and makes sense.

## AMONG TOP BRANDS

"Here's my other point," Mr. Hansen added. "It takes a certain amount of organization and size to establish delivery reliability for any large quantities, and it takes a certain amount of time to build a client base. JFK has, in several overseas markets, achieved the position of a trust-

ed seafood supplier able to consistently deliver top quality products; but it has taken many years to get to where we are today. Developing the product takes time and effort, not to mention building reputation and robust customer relationships. It's a continuous process that never ends."

With a history that goes back more than a century, JFK remains a leader in the Faroese fishing industry. Today its business is based on three main pillars: whitefish frozen at sea, whitefish processed at JFK's onshore factory Kósin, and pelagic fish species landed in bulk to processors.

Frozen fillets and portions of cod fished in the Barents Sea for export to the fish & chips market in the United Kingdom has long been a mainstay of JFK's groundfish business, with the name of freezer trawler Gadus ranking among the top brands.

Land-processed products include frozen fillets and portions of saithe and haddock for Germany and France, as well as salted fillets of cod, saithe, tusk and ling destined for Mediterranean Europe.

The latest addition to JFK's fleet of fishing vessels is the 78.3-meter pelagic trawler Borgarin, with a carrying capacity of 2,700 tonnes. Built in 2003, the vessel, previously known as the Research, was purchased from Shetland in early 2017, at the price of approximately 100 million DKK (13.5M EUR).

Newly acquired pelagic trawler Borgarin, previously Research (main); Packages of sea-frozen fillets of cod from factory trawler Gadus (top left); Processing loins of saithe (top centered); Pelagic trawler Norðingur (top right); CEO Hanus Hansen (opposite top); Kósin facility (opposite bottom).



JENS KRISTIAN VANG



OLIVER JOHNSON - NORÐINGUR



JENS KRISTIAN VANG