

FAROE ORIGIN: FRESH SEAFOOD SHIPPED WEEKLY

Delivering weekly batches of fresh fillets and loins for Europe, alongside less frequent shipments of frozen and salted products, Faroe Origin shows the way in the saithe business—with a high degree of coordination with its fishermen.



Faroe Origin

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CEO: Jens Pauli Petersen

Production, Sales, Logistics:
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MSC certified fishing company
and seafood processor with
main focus on delivering
top quality products.

From saithe:

- Fresh Fillets
- Fresh Loins
- Frozen IQF Portions
- Frozen loin Portions
- Frozen Tail Portions

From cod and ling:

- Salted Fillets
- Salted Splits

2 fully owned land based
processing plants.

6 fully owned trawlers (3 pair
teams): Bakur FD 1201 (464 GT)
Stelkur FD 1202 (464 GT)
Heykur FD 1203 (665 GT)
Falkur FD 1204 (665 GT)
Rókur FD 1205 (610 GT)
Lerkur FD 1206 (610 GT)

THE LONG STANDING Faroese position in the German and French saithe markets has been strengthened significantly in key segments since Faroe Origin began weekly shipment of fresh fillets and loins about two years ago. According to CEO Jens Pauli Petersen, the company's newly developed practices and routines for coordination with the catch sector, combined with some machinery investments and adjustments in production workflows, are yielding promising results.

"We decided that our product range should, if possible, be expanded into fresh fillets and loins," Mr. Petersen said.

"For this to be made possible, however, certain requirements had to be met and in that context, we knew that the ability to deliver weekly is essential.

"So to achieve that, we had to look over some of the workflows and procedures, and we realized that we had to be sure to have landings of catch from our trawlers arranged in the most regular and predictable way possible. We therefore made an extra effort to increase the existing collaboration we had with our fishermen and were very quick to adapt to the changes involved. This has resulted in vastly improved reporting on the



JENS KRISTIAN VANG

catch throughout the week, and more effective planning."

With accurate information on the status of incoming catch readily available every day, and more regular intervals on fishing trips and landings, other steps taken to streamline production turned out to make economic sense as well, Mr. Petersen said.

"What we gained in efficiency through applying more stringent time schedules throughout the value chain has made it possible to launch new products with no major hiccups, and we've been able to keep

shipments of fresh fillets and loins on a weekly basis. This has clearly been a step in the right direction, as fresh products tend to catch a better price in the marketplace."

Another factor that has worked to Faroe Origin's advantage, especially in Germany but elsewhere too, is the fact that the company's fisheries are certified as sustainable and responsible according to the MSC (Marine Stewardship Council) label, with processing and logistics likewise certified. As of June 2013,

the company complies with the requirements of the MSC with certificates in Chain of Custody Standard and Fishery of Faroe Islands saithe.

ADDING TRADITIONAL SALTFISH

"The assurance that comes with this label means a lot to a growing number of buyers in several countries, especially in Germany," Mr. Petersen said.

"Our fisheries have been sustainable and responsible for a long time and we have worked according to the highest

standards of quality and traceability, so obtaining the ecolabel did not change our work processes in any significant way. On the other hand, it has had quite an impact on sales in key markets, where not having the label today would be a disqualifier."

A large chunk of the saithe produced by Origin is processed as loin or tail portions, block frozen or individual quick frozen (IQF) and shipped to markets across Europe including not only Germany and France but also, increasingly, the eastern regions of the continent. This product category has a long and proven history in the Faroe Islands and while market prices are well below what buyers are willing to pay for the equivalent fresh products, frozen goods have advantages of their own.

"The advantage of frozen products has much to do with logistics and the time factor," Mr. Petersen said. "Of course, most food including frozen seafood is sensitive to exposures of various kinds and accordingly must be handled with great care; yet compared with fresh seafood, which is extremely sensitive, it can be stored and shipped in much larger quantities and has a shelf life that is considerably longer. So with frozen products, you are generally dealing with lower unit prices but larger quantities—the opposite of fresh products. Both categories have their advantages and disadvantages and prices fluctuate in different ways."

With an annual intake of raw saithe from its three pairs of trawlers hovering around 9,000 tonnes, Faroe Origin is looking to increase that volume by one-tenth, as the processing facility at Runavík is not running at maximum capacity.

On average, around 15 percent of the fish caught by the six vessels consists of other whitefish species, including cod, haddock, ling and various flatfish. Much of this by-catch, complemented by buying on the open market, is filleted or split and processed as saltfish at Toftir, for export to Mediterranean Europe—a classic in the islands yet a new venture for Faroe Origin.



MARIA OLSEN



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CEO Jens Pauli Petersen (main);
Filleting saithe at Faroe Origin's
Runavík processing facility (left).

Opposite:

'Heykur' and 'Falkur' landing (right);
'Bakur' hauling up a good catch (left);
All six trawlers berthed (top left).