

*In dire straits 25 years ago, Varðin is today one of the strongest companies in the Faroese fishing industry and a major holder of fishing rights; assets include top-of-the-line pelagic vessels, processing facilities on shore, and whitefish trawlers.*

TALK ABOUT the Faroe Islands' fishing industry and the name Varðin will be one of the very first things that come to mind. The Gøta-based company has become synonymous with the astounding success of the pelagic fishing fleet in the last 20 years or so.

Varðin is known as one of the best operated and best equipped companies in the Faroese fishing industry. It is also one of the leading investors of the industry. The company is the majority owner of the new Varðin Pelagic fish processing and freezing plant at Tvøroyri, which commenced business in 2012. Varðin is also, alongside Framherji, a major partner in Faroe Origin, a leader in the saithe business, with six trawlers and a land-based seafood processing facility at Runavík.

Believed to be one of the world's most advanced processing plants for pelagic food fish, the Varðin Pelagic facility received its first load of fresh catch in the summer of 2012. Operations have been smooth with only minor adjust-

ments according to managing director Bogi Jacobsen. "After all this facility is new and its technology is highly sophisticated," he said. "You will have to fine tune it to some extent, based on data from actual operations."

One of the first adjustments was to upgrade the freezing capacity to a whopping 1,000 tonnes per day.

"We made a quick decision to upgrade the capacity from 600 to 1,000 tonnes," Mr. Jacobsen said. "The amounts of catch are very large and we are under pressure to make sure we can handle everything that we take to the highest possible product quality, as efficiently as possible."

**'SPIRIT OF SOLIDARITY':** EU sanctions against the Faroe Islands have presented a challenge for exporters. Although the

trade dispute over mackerel has apparently been resolved as far as concerns the Faroes, no comprehensive Coastal State agreement had been reached at the point of this writing (March 2014) and the EU boycott of Faroese mackerel and herring remained in place.

Because it's owned by the Varðin fishing company, the Varðin Pelagic facility has secure access to raw material. "One of our competitive advantages is the ability to guarantee deliveries to our clients," sales manager Bogi Johannesen



## A TOUCH OF TRÓNDUR'S MAGIC

TORLEIF JOHANNESSEN

*Launching gear from the stern of the Finnur Fríði with Tróndur í Gøtu visible in the background (main); Jupiter steaming (bottom right); MD Jákup Jacobsen speaking at a reception in Gøta (opposite right); Høgiklettur (opposite left).*

issues, not least related to market prices and finances. At one point we had to renegotiate the crew's cut from 20 to 16 percent of the catch, which everybody accepted without hesitation—after all, we were all partners in the project and wanted to make sure the business survived. But we had to get the fishermen's trade union behind us as well, as our emergency arrangement was in breach of the collective agreement on wages. We eventually got our special arrangement but by then our financiers had lost confidence and were initiating bankruptcy proceedings. Luckily a Faroese bank was willing to step in under condition that we raised some more cash, which we all agreed we had to do although it was not easy."

The turnaround eventually came with a profit, for the first time, reported for the financial year of 1990.

Today Varðin is the leading operator in the Faroe Islands' fishing industry, with a fleet of four world class pelagic trawlers—the new Tróndur í Gøtu, Finnur Fríði, Tummas T, and Jupiter, plus two other vessels. The company is also the country's largest holder of pelagic catch quota.

As Mr. Jacobsen pointed out: "The spirit of solidarity that saved our livelihoods back in the day remains as essential as ever to this business. The experience of

said. "However due to the sanctions we've had to build a customer base outside the EU."

Times were very different in the late 1980s.

The Varðin enterprise was started by a group of 16 local fishermen from Gøta who, in 1985, decided to place their savings in a new fishing vessel that would focus on catching blue whiting, a commercial species abundant in Faroese waters.

The new ship was named 'Tróndur í Gøtu' after the ancient Viking chieftain who ruled the Faroes out of Gøta—with skill, wisdom and the art of magic, as the legend goes. Yet operations had barely begun before problems began to occur, and before long were mounting.

"It was a challenging period," Mr. Jacobsen said. "There were all sorts of

### Varðin

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Managing Director: Jákup Jacobsen  
Administration Manager: Tórheðin Jensen

Leading pelagic fishing company with own fleet of high-capacity, modern fishing vessels. Largest holder of pelagic fishing rights in the Faroe Islands.

75-percent interest in Varðin Pelagic, a state-of-the-art processing plant located at Tvøroyri.

50-percent interest in Faroe Origin, a fishing company and seafood processor based in Runavík.

Purse seiners/pelagic trawlers:  
'Tróndur í Gøtu'  
'Finnur Fríði'  
'Tummas T'  
'Jupiter'  
'Høgiklettur'

### Varðin Pelagic

Havnarlagið 11, FO-800 Tvøroyri  
www.vardinpelagic.fo  
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Tel.: +298 610680  
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Managing Director: Bogi Jacobsen  
Sales Manager: Bogi Johannesen

Processing capacity: 1,000 tonnes/24 hrs

Products — Size Graded, Frozen  
• Mackerel: Whole Round, H/G  
• Herring: Whole Round, Flaps, Fillets  
• Blue Whiting: Whole Round, H/G, Flaps  
• Capelin: Whole Round  
All products and species packed according to customer requirements

hardship has proved valuable—you learn a lesson or two about due diligence and prudence, and about the importance of working together as one team."

