

*Framherji shifts focus to combine filleting at sea with whole freezing, allowing for quicker, more flexible fishing for Akraberg in the Barents Sea—meanwhile investing in Fuglafjørður's new freezing plant.*

**F**RAMHERJI, owner and operator of three fishing vessels and major shareholder in several seafood-related enterprises, is changing product and process strategy to get the most of its newly acquired factory trawler Akraberg. After a long winter of unusually bad weather, managing partners Anfinn Olsen and Elisabeth Eldevig expressed optimism over improving catch rates as well as synergies expected to result from investments, and a breakthrough in the recent trade dispute between the Faroe Islands and the European Union and Norway.

Notably, Framherji has taken a major stake in Fuglafjørður's new 200 million DKK (26.8M EUR) Pelagos freezing plant, alongside two other main investors: Bakkafrost-owned fish meal manufacturer Havsbrún, and Palli hjá Marsannu, an entity controlled by the owners of Klaksvík-based fishing company Hvalnes; a remaining 10-percent interest is held by a group of local investors.

No strangers to making fast moves, Mr. Olsen and Ms. Eldevig, in collaboration with Iceland's Samherji, made two large acquisitions back in 2005 and 2006, taking over freezer/filleting trawler Vesturvón and purse-seiner/pe-



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## BRINGING IN THE CATCH

lagic trawler Krúnborg. While the latter was renamed Fagrabergr and kept in business, the former was sold in 2013 and replaced by the slightly larger and more versatile Akraberg.

"People called us crazy back then," Ms. Eldevig recalls. "Maybe they were right; but the investments have proved sound."

As the Akraberg has the capacity to handle catch in several ways, Framherji earlier this year (2014) decided to fit the trawler for both filleting and whole freezing.

With different price fluctuations in the marketplace for frozen-at-sea

whole fish and fillets, respectively, the advantages of versatility become obvious: whole freezing offers more flexibility, quicker and smoother operations while filleting gets better long-term deals, Mr. Olsen said.

"By whole freezing you reduce exposure to certain risks—say, low prices in the fish and chips industry—while also giving processors on shore more choice with regard to the shape and form of the final product. On the other hand, frozen-at-sea fillets fetch a higher price per kilo and tend to bring long-term contracts. Now, we want to retain both options for Akraberg."

*Pouring out fish from the codend into the cooling tanks on board the Akraberg; Purse seiner/pelagic trawler Fagrabergr (bottom right); Longliner Stapin (bottom left); Freezer trawler Akraberg (opposite).*

the Akraberg able to deliver top-quality whole frozen cod and haddock from the Barents Sea, an alternative has emerged.

"At least about three-quarters of Akraberg's catch in the last few months has gone to Faroese seafood processors," Ms. Eldevig said. "This is the best fish you can possibly get as it's frozen immediately after catch and cleaning, and I understand our buyers are very pleased with the product quality."

**'PLENTY OF WORK':** Meanwhile, fortunately, as spring arrived this year the fishing improved. "We had one of the worst winters in many years, with countless weather related disruptions," Ms. Eldevig said. "Apart from that, things have worked well; and since late February, we've had good fishing on all vessels, including those of Faroe Origin."

By coordinating sales and logistics with the Bergfrost cold storage facility—with which Framherji is related through Fram Invest—the Akraberg can land its frozen catch to the cold store, where it is then kept to enable just-in-time deliveries.

"This eliminates the problem of irregular supply for seafood processors—they collect their fish when they need it, in quantities that suit their production."

With the new Pelagos facility, located next to Bergfrost and Havsbrún, pelagic fishing vessels, such as Framherji's Fagrabergr, will be able to have their catch landed, processed, frozen and placed into cold storage, all in one stop.

### Framherji

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Owner and operator of fishing vessels with catch rights in Faroese and international waters, focusing on groundfish and pelagic species.

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

Fully owned fishing vessels:  
Freezer trawler 'Akrabergr'  
Pelagic trawlers/purse seiner 'Fagrabergr'  
Longliner 'Stapin'

Fram Invest partly owned subsidiaries:  
Faroe Origin — fishing, seafood processing  
Bergfrost — cold storage facility  
Pelagos — processing plant

UK seafood trading company:  
Seagold, Hull

"At last this vital link is being added to Fuglafjørður's infrastructure," Ms. Eldevig said. "It will dramatically change the outlook for the better." The processing plant is set to open this summer, according to Pelagos representatives.

"The blue whiting stock appears to be in good shape," Mr. Olsen added. "Catch quota have been raised considerably so there is plenty of work to do for all of us."

In that respect, the Fagrabergr has a history of excellent performance.

"Fortunately there's a new agreement with the EU and Norway on mackerel. Now let's hope the issue of herring will be resolved soon."

