

Bakkafrost

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CEO: Regin Jacobsen

Bakkafrost is a world-renowned producer of farmed Atlantic salmon. It has the longest integrated supply chain in the industry — fishmeal, fish oil, fish feed, hatcheries, fish farming, farming service vessels, harvesting, processing, packaging, sales.

Number of employees: approximately 1,100 (960 full time equivalent). Sales (2017): 3.8 billion DKK operating revenues for salmon, fishmeal, fish oil and fish feed.

Founded in 1968 by brothers Hans and Róland Jacobsen, Bakkafrost is today by far the leading producer of top quality salmon from the Faroe Islands. Publicly listed on Oslo Børs. Ticker symbol: BAKKA.

Product range: from fresh whole salmon to extensively processed frozen products.

Whole Atlantic Salmon, graded Superior or Ordinary, sizes from 1-2 to 9+ kg.

- Fresh Iced — gutted head on, packed in 20 kg Styropor boxes or in 20 kg air boxes;
- Frozen — delivered gutted head-on/off, packed in 40 kg boxes or in 25 kg boxes.

Value Added Processed Atlantic Salmon — products cut from whole Atlantic Salmon.

- Fresh Portions;
- Fresh Fillets;
- Frozen Portions.

Fully owned subsidiaries:

- Fishmeal, fish oil, fish feed processing plant **Havsbrún**, Fuglafjørður, Faroe Islands;
- Seafood importer and distributor **Bakkafrost UK** (fmr. Faroe Seafood UK), Grimsby, United Kingdom;
- Atlantic salmon importer and distributor **Bakkafrost USA** (fmr. North Landing), Clifton, New Jersey, United States.



MARIA OLSEN

BAKKAFROST: FROM STRENGTH TO STRENGTH

A landmark year in the top Faroese salmon producer’s history, 2017 saw the completion of Bakkafrost’s new corporate headquarters and advanced production facility at Glyvrar— followed by an advance in the US market.

IT WAS a day of celebration when Bakkafrost, in September 2017, invited the public to visit its new headquarters at Glyvrar. Merging seven factories into one facility, the complex also houses the company’s new harvesting and VAP (value added products) plant—a visual sign of the company’s remarkable growth in recent years, backed

by key statistics. With farming operations on 21 sites across 17 Faroese fjords, Bakkafrost controls the longest value chain in the entire fish farming industry. From fishmeal and fish oil to feed production to hatcheries and farming to harvesting and processing to packing and sales—Bakkafrost has the most integrated value chain in the world of salmon.

CEO Regin Jacobsen;
Processing Atlantic salmon (right);
Bakkafrost corporate headquarters
at Glyvrar (bottom right).



our access to one of the world’s largest salmon markets,” he noted.

The effectiveness of salmon farming as a source of protein for the world’s growing population, compared to other meats such as beef, is frequently stressed by the Global Salmon Initiative, of which Bakkafrost is a member. “Salmon needs much less feed to yield the same amount of protein,” Mr. Jacobsen pointed out.

Alongside other Faroese aquaculture enterprises, Bakkafrost has been highly successful in keeping disease and parasites at bay in recent years, largely through innovative solutions and investments in technology. The company’s new, 22,000 square meter hatchery, a.k.a. smolt station, at Strond near Klaksvík will be the world’s largest and most advanced of its kind, with first cohorts of production commencing by mid 2018.

MARKET DIVERSIFICATION

With around 3.8 billion DKK in operating revenues, Bakkafrost has evolved into a key player in the global salmon business, ranked among the world’s top twelve producers, harvesting 54,600 tonnes per year (2017 figures). The company’s operating earnings before interests and taxes for 2017 amounted to 1.378B DKK, compared to 1.165B for 2016.

In the Faroe Islands, each generation of farmed salmon is kept in a separate fjord during its production cycle, and following harvesting all farming in that fjord is suspended for a period of a minimum two months. This ‘All-in/All-out’ management regime has helped prevent the spread of contagious disease while reducing mortality rates in on-growing pens. Besides, using advanced automation and underwater optics to regulate feeding and prevent pollution from overfeeding, Faroese fish farmers have established a world-renowned sys-

tem that has contributed significantly to their success.

Back in the 1980s and 1990s, juvenile salmon would typically be released to sea at an individual weight of around 80 to 100 grams. Subsequently, the weight of the fish at the point of release has been gradually raised to around 150g—a process that requires a highly controlled and sophisticated operation at onshore hatcheries a.k.a. smolt stations. The objective, according to Mr. Jacobsen: reach the weight of 500g at point of release, by 2020.

“This is all about minimizing exposure to disease and parasites such as sea lice,” Mr. Jacobsen said. “The larger and stronger the fish when released into sea, the shorter its life cycle spent at sea, and the higher the likelihood of remaining healthy at the point of harvesting. This is, in essence, the reason for our sizable investment in the new hatchery at Strond.”

Bakkafrost has four state-of-the-art FSVs (farm serving vessels) used for harvesting as well as for treating salmon against sea lice; when including numerous workboats used to access and serve its farms, the company is counted among the largest Faroese shipowners.

“Our main markets are Europe, USA, the Far East and Russia,” Mr. Jacobsen added. “As variation in sales distribution between the different markets are driven by change in demand over time, we aim for a balanced diversification to reduce market risk.”



JENS KRISTIAN VANG