

# FROM ROCK BOTTOM TO TOP OF THE WORLD

*Founded in 1994 to secure local jobs in the face of crisis, Leirvík's Tavan has developed to become the world's leading manufacturer of minced silver smelt, shipping 10,000 tonnes per year to Scandinavian supermarkets.*

THERE WAS GOOD reason behind the awarding of the House of Industry's 2010 Company of the Year prize to seafood manufacturer Tavan. Located in the fishing village of Leirvík, Tavan has experienced stable growth from its humble beginnings to now rank as the world's top producer of minced silver smelt, generating a turnover of 100 million dkk (13.4m eur) last year, at a profit of 10 percent.

With the Frost processing facility involuntarily — and perhaps unnecessarily — closed in result of the Faroe Islands' financial meltdown in the early 1990s, the mood was grim as Leirvík's biggest employer was placed under liquidation despite making a modest profit.

Frost had been forced into becoming part of the United Seafood umbrella, which had been devised by the political authority in conjunction with the then banking monopoly to consolidate the



Faroese fish processing industry. Worse, the powers that be had deemed the Frost plant unfit to play an active part in the new seafood industry, shutting it down with no plans of reopening in the foreseeable future.

But the people of Leirvík were not going to sit idly by, as Tavan's manag-

ing director and co-owner Joen Magnus Rasmussen recalls.

"Me and Ingvar Joensen used to work at Frost and like all the other employees we'd been made redundant," he says. "So we wanted to do something about the situation and were joined by two local businessmen, Osmund Justinussen and Jógvan Elias Joensen, to form a new company with the aim of getting the facility up and running again."

That new company, named Tavan, obtained a leasing contract with United Seafood to use the Frost premises on condition of avoiding certain fish species as a non-competition clause. Three years on, however, Tavan was able to purchase the processing plant to develop the business in accordance with their own preferences.

**ONE SHIPLoad A DAY:** "Prior to the closure of Frost, we'd been involved in experiments with fish mince," Mr. Rasmussen says. "The species of choice for this purpose was silver smelt and the results had proven encouraging; therefore our idea for the new company was to start producing minced silver smelt on a commercial basis."

With Mr. Rasmussen himself in charge of sales, an outreach effort was directed at Norwegian and Swedish seafood buyers and before long, the first orders were shipped.

"We managed to persuade a few buyers, especially in Norway, to test



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Processor and exporter of seafood products, fresh and frozen, specializing in minced silver smelt and loins of saithe.

Managing Director:  
Joen Magnus Rasmussen

*Managing director Joen Magnus Rasmussen; processing silver smelt (opposite top); hand cutting loins of saithe (opposite bottom).*

day, 6 days a week, producing more than 10,000 tonnes of mince on an annual basis. On a daily basis during the season, that means one shipload of silver smelt, approximately 100 tonnes go through the mincing process. For the remainder of the year, saithe occupies the filleting machines running about eight hours a day to process about 2,000 tonnes of loins, or 20 tonnes per working day.

Most important, Mr. Rasmussen says, is delivering top quality.

"Our main clients are supermarkets who use our fish mince to produce ready-made meals and other value added products for the retail market. They are happy with our product and praise its superior quality, which of course is a source of both pride and responsibility for us."

Only six fishing vessels have the license to catch silver smelt in Faroese waters and half of them have long been loyal suppliers to Tavan. The owners of Stjørnan and Polarhav, two of those trawlers, also hold significant shares in Tavan.

Together with others, Tavan is working on a plan to achieve Marine Stewardship Council accreditation for the Faroese silver smelt fishery, according to Mr. Rasmussen.

our product by initially ordering small quantities," Mr. Rasmussen says. "They quickly provided valuable feedback, which helped us early on to bring product quality into alignment with their requirements. The biggest order of that period was a container full of fish mince and, by the way, that buyer remains our best client to date."

Tavan's by far largest market is still Norway, followed by Sweden, with Ger-

many and France trailing. While blocks of frozen silver smelt mince are clearly the number one seller, individually quick frozen saithe loins represent another primary product with roe and blocks of saithe in the periphery.

The Faroese silver smelt fishery takes place within the half-year period spanning from April to September. During this period, Tavan's processing lines are kept very busy, usually 20 hours a