

REFRESHING INVESTMENTS YIELD ADDED FISH VALUE

Compelled by environmental and market demands, Kongshavn invests in new sorting and chilling technologies.

KONGSHAVN, THE FISH landing station at Runavík, is investing in new equipment for fish sorting and chilling. The new investment is designed to cut operational costs and respond to pending fisheries legislation while securing accelerated market penetration for its fish-trading business partners.

According to Managing Director Ragnar Olsen, Kongshavn decided to invest in new, state-of-the-art chilling technology and extend its automated sorting system following recent reports of tightened fish-sorting requirements soon to be introduced industry-wide.

Mr Olsen said that while the investments are responsive to the expected legal requirements of a legislative overhaul by the Ministry of Fisheries and Maritime Affairs, the intention is also to avoid a jump in manual labour relating to increased workload likely to result from the

legislation known as the 'Fish Package.' At the same time, however, he noted that this was an opportunity to enhance product quality and refine product composition, thereby increasing marketing opportunities.

"Upcoming fisheries legislation will prescribe new sorting measures for the fish-catching side of the industry," Mr Olsen said. "As a fish landing station in strategic partnership with both shipowners and fish traders, we deem it appropriate, if not necessary, to take a proactive approach to this development, which appears to coincide with a number of other changes in the business environment. It seemed self-evident that stepping up our commitment to our overall business objectives for the benefit of our partners and customers was the only right thing to do. We, therefore,

Ragnar Olsen, Managing Director, with 'Bakur' berthed by the 'Kongshavn' fish landing station.

decided to opt for increased sorting capacity in addition to renewed chilling and preservation capabilities."

For Kongshavn, a subsidiary of Beta, the Faroe Island's leading harvester of coley a.k.a. saithe (*Pollachius virens*), both compliance with expected legal requirements and perceived strengthened competitiveness through added customer value are crucial in the face of growing global-



records have been kept, rendering the kind of statistics of which management, normally, can only dream.

Over those 26 years, from 1979 through 2004, coley represented 75.71 percent—or 177,051 tonnes—of the total harvest of the four and now three pairs of trawlers. Cod represented 10.98 percent, haddock 4.79 percent,

redfish 2.68 percent, ling 1.41 percent, and so forth. All in all, the trawlers so far have caught 233,845 tonnes of fish, mostly in Faroese waters.

The extension of Kongshavn's

fish sorting unit was completed during the first quarter of 2005, doubling the landing station's output capacity while at the same time making new variations to the product range possible, according to Mr Olsen. "The ability to more effectively sort the fish will enable us to attract new customers," he said. "It also offers new possibilities to move upwards in the value chain by getting closer to retailers."

As to the new chilling system, a no less significant step forwards, installation is scheduled in early summer 2005. "We expect these investments to pay for themselves in a matter of months," Mr Olsen remarked. "With this new advanced chilling system, we firstly save cash by producing our own ice. Secondly, we save manpower because the system delivers the ice through piping at multiple points, making shoveling unnecessary. Thirdly, this is a highly sophisticated chilling system that produces variable-state ice, which effectively means higher quality, more

BETA

PO Box 111, FO-600 Saltangará.

E-Mail: beta@beta.fo
Tel.: +298 470070

Managing Director: Ragnar Olsen

Fishing vessel company with subsidiary fish landing station (Kongshavn).

Harvesting, landing and redistribution of saithe (coley) and other groundfish species including cod, haddock, halibut etc.

Sales through trading partner FoFish — <http://www.fofish.com>

Pair trawlers:

'Bakur' and 'Stelkur' (464 GT)
'Gorpur' and 'Skrápur' (388 GT)
'Skarvur' and 'Trastur' (388 GT)

Other trawlers: 'Havhestur' (388 GT)

freshness and longer shelf life for the fish. The system works both as an ice machine and as a slurry, a liquid and a dry ice local distribution line; it's fully scalable and adaptable to all the different preservation needs during all the stages, from incoming landing to outgoing shipment. Our hope and ambition is that these improvements will greatly add value to the fish and extend our global market reach."

PERFORMERS AT SEA: THE 'CUBA TRAWLERS'

For more than 25 years, no Faroese fishing vessels have harvested saithe like the 'Cuba Trawlers'—and none have kept the books like their owners, either.

ONE SET OF records represents the price development for coley a.k.a. saithe (*Pollachius virens*) and a number of other groundfish species including cod and haddock. Another tracks the annual catch of the company's vessels, which in 2003 and

2004 totaled 11,232.51 and 9,031.13 tonnes, respectively, and translates into a total value of just over DKK 92 (EUR 12.358 / USD 16.137) million. Since the late 1970s, at the offices of Beta, the owner and operator of the 'Cuba Trawlers', comprehensive

in Faroese waters, the four pairs have remained with Beta—and proved their worth. Still, after all these years of high performance at sea, renewal is becoming inevitable and so in 2002, two slightly bigger, 464 gross tonnes newly-built vessels, 'Stelkur' and 'Bakur' were purchased from Spain. With the higher fish catch-

ing capacity of the new generation of 'Cuba Trawlers', Beta has decided to gradually reduce their fleet from eight to six.

"The ambition is to purchase new vessels," Mr Olsen said, "but such investments are heavy and have to be made in a measured manner; we expect the process to take a few years."