

NEWS

PescaChile's salmon subsidiaries Acuinova and Nova Austral have defaulted on their loans after the sale of the parent company was delayed. Pescanova had promised to provide €30 million (\$40.8 million) before Jan. 16 to cover the loan maturity of the salmon producers, but this money did not arrive, according to reports in *Faro de Vigo*. The loans expired on Jan. 12, and one of the creditor banks, Banco de Crédito e Inversiones (BCI), has already filed a default, the paper suggested.

Greek bass and bream producer **Dias Aquaculture** announced the memorandum of understanding (MoU) to merge with competitor **Selonda** is no longer in effect. The merger of the two companies, which was approved by the Competition Commission last year, was put on ice after Dias filed for bankruptcy protection under Chapter 99 in September 2013. Basil Sudborough, marketing manager at Selonda, confirmed the news but said he was unable to comment further as of press time. "It had to do with regulations of the MOU for the merger," he said.

Marine Harvest shareholders approved the consolidation of shares at the company's general meeting Monday, paving the way for its listing at the New York Stock Exchange. The Norwegian giant called for a vote on its proposal to reverse split its stock at a ratio of 10:1. A reverse stock split is a process by which shares of corporate stock are effectively merged to form a smaller number of proportionally more valuable shares. The move by Marine Harvest means its shareholders will now have 1 share for every 10 shares held earlier, but amounting to the same value.

What could be salmon's next market?

Can the ever-popular species break into the Southeast Asian country a NSC regional director calls the 'Sleeping Tiger,' which will wake up in the next few years?

Elisabeth Fischer

About 86 percent of fresh salmon sold in Indonesia comes from Norway. Clearly, a win for Norwegian producers, but in relative volume terms the picture seems to be a different one.

Norway this year will export about 2,100 metric tons of salmon to Indonesia, Christian Chrøner, regional director of Southeast Asia at the Norwegian Seafood Council (NSC), said – a blip on the export volumes the country ships overall.

But it is a starting point, he said, describing the country as a "sleeping tiger," which will gradually wake up in the next few years.

Driven by the large population of 246 million people – Indonesia is the world's fourth most populated country – the young population, urbanization, and a growing economy mean the trend toward healthier food is developing, Chrøner said.

It is a market to watch, he said,

and already "established on the radar of Norwegian exporters."

According to the latest statistics by NSC, salmon exports to Indonesia totaled to 1,965 metric tons so far this year, compared to 2,159 metric tons in the first 10 months of 2012.

While exports have tripled over the past six years, they remained relatively stable from last year to today, Chrøner said.

Apart from the skyrocketing prices, several reasons that obstruct Norwegian exporters from getting a greater market share in the Southeast Asian country.

Firstly, the time to market. Norwegian salmon – and other fish for that matter – has to be kept up to 48 hours in quarantine before it is allowed into Indonesia. However, Norwegian authorities are currently working on harmonizing the systems, Chrøner said, which should speed things up.

In addition, there is a limit on how much one country can sell into Indonesia. Trade ministries have to apply for "quota licenses," which is blocking free trade.

Thirdly, there is a 5 percent import tax on products from Norway, which makes salmon from Australia – which has a free trade agreement with Indonesia – a lot more affordable.

Nevertheless, the NSC is



BREAKING IN: The NSC hosted an event at Indonesian retailer Farmers Market to showcase Norwegian salmon.

working on several promotions in the country and is pushing salmon to both retailers and foodservice, mainly in Jakarta and Bali.

"Indonesia is there and growing, and exporters are taking part. It's great to see they are going for the opportunity," Chrøner said.

Big aspirations for Oz barramundi producer

Dominic Welling

In December of last year, Australia-based barramundi farmer Mainstream Aquaculture officially opened the world's largest barramundi hatchery, capable of producing half the global demand for seed stock of the species.

The new hatchery has two fundamental purposes, Boris Musa, CEO of Mainstream Aquaculture, said.

"Firstly it underpins our expansion as a barramundi producer for many years to come.

We have aspirations to become a significant producer of barramundi food fish and in order to achieve this we need a high volume of high quality seed stock," he said.

Secondly, the provision of seed stock to other barramundi farms has become a very important business for Mainstream Aquaculture, Musa continued.

The company prides itself on the its advanced selective

breeding program which supplies high quality juvenile barramundi demonstrating rapid growth, low growth variance, high fillet yield and resistance to disease.

Prior to the construction of the new hatchery in Melbourne, Mainstream produced fingerlings at its hatchery in Townsville, Queensland.

This year that hatchery in Townsville is on track to produce 6 million "commercial grade" fingerlings, Musa said, but as things stand the company is either retaining all these for its own purposes or selling them all.

Therefore until this point the company simply has not had enough capacity to underpin its planned expansion, and to support the continued growth of fingerling sales around the world.

"As a consequence we haven't been able to market the fingerling business because we simply don't have the surplus supply to provide to potential clients,"

Musa said.

The new Melbourne hatchery, however, will have the capacity to supply well in excess of 30 million commercial grade fish a year.

"By my calculations of the size of the barramundi culture industry globally, that equates to 50 percent of the demand for barramundi seed stock around the world," the top executive explained.

"Clearly we are not going to go from the position we are in now to 50 percent of the global market in the short term, but in the medium to long term that should be a target for us," he said.

The company currently sells its fingerlings into 14 different countries across four continents, Musa said.

In particular, there are three geographic regions the company is focused on developing, including North America, the Middle East and South East Asia.

According to Musa,

Mainstream Aquaculture already has existing business in all three regions and the United States, Singapore and Malaysia are its largest markets.

"But we are in negotiations with some large scale farms looking to convert a big part of their production system to barramundi in the Middle East.

"I wouldn't be surprised if Saudi Arabia and Emirates became significant markets for us in the short term," he said.

However, it distributes its food fish predominantly into foodservice around Australia and is not focused on exporting its barramundi products.

"The economics are more attractive for us on food fish in Australia," said Musa.

"The Australian consumer market for barramundi is the largest in the world, it is also the most attractive from a pricing architecture standpoint. We also need to get significantly larger on that side before looking at export opportunities," he said.