

How could we miss the salmon tsunami?

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This time of the year, “it’s beginning to look a lot like...”



“If you choose NOT to
enjoy the snowfall
you will have less
joy in life,
but
the same amount of snow”
Voss lyric club



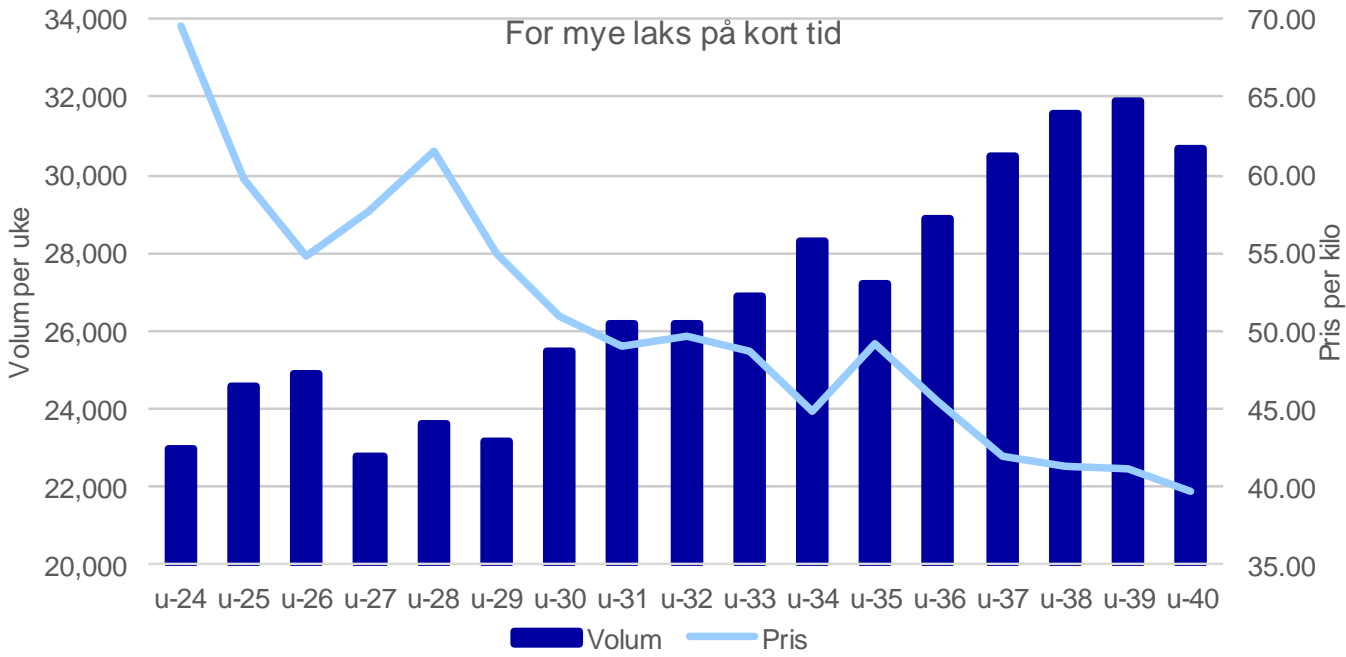
«Dersom du vel å ikkje
gleda deg over snøen,
vil du ha mindre
glede i livet,
men
same mengde snø»
Voss lyrikklag

So – (except the “s”)
what is the connection between snow and salmon?

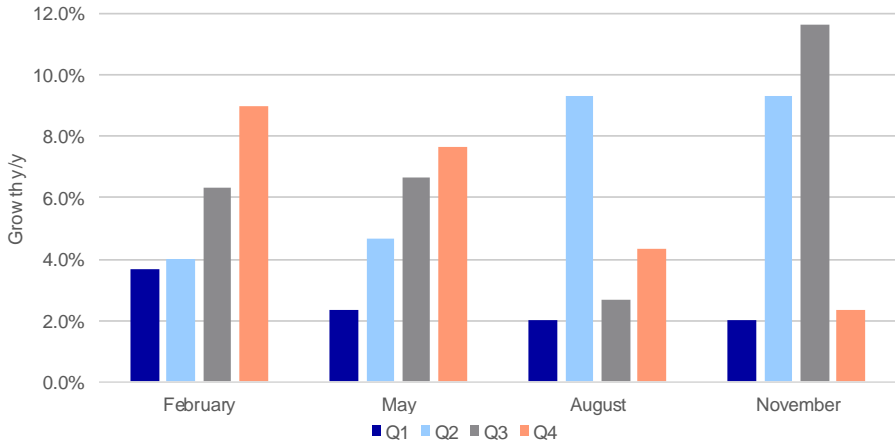
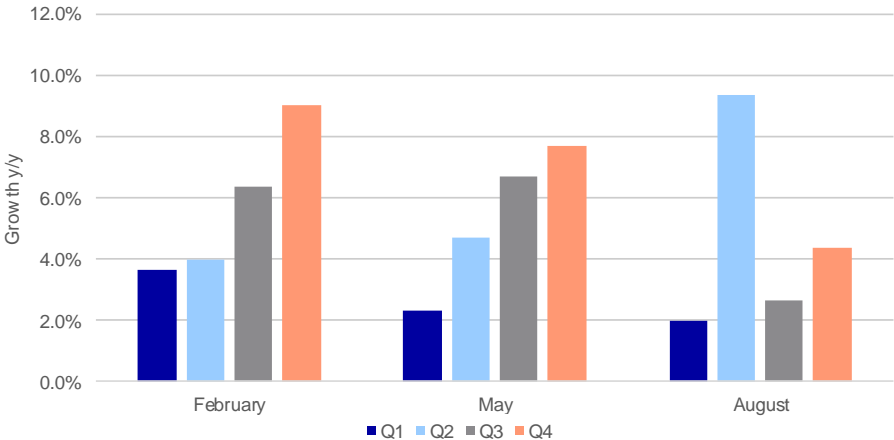
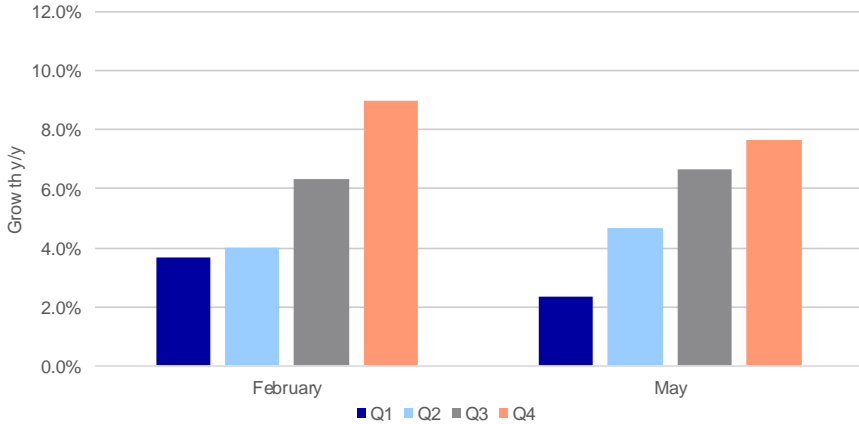
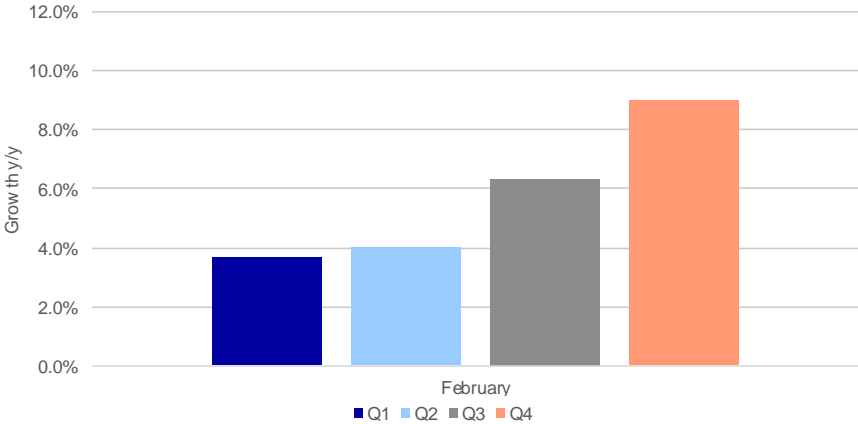
Salmon is nice and joyful...



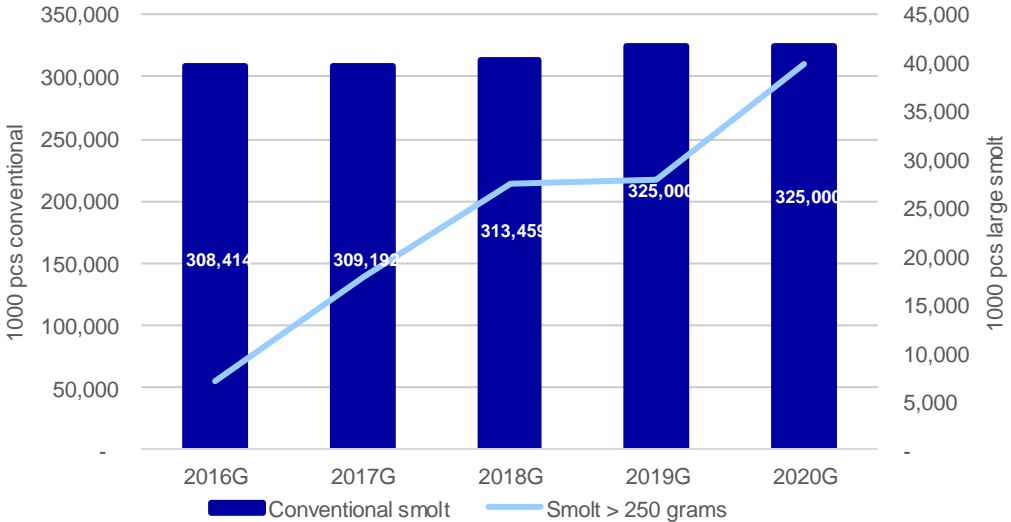
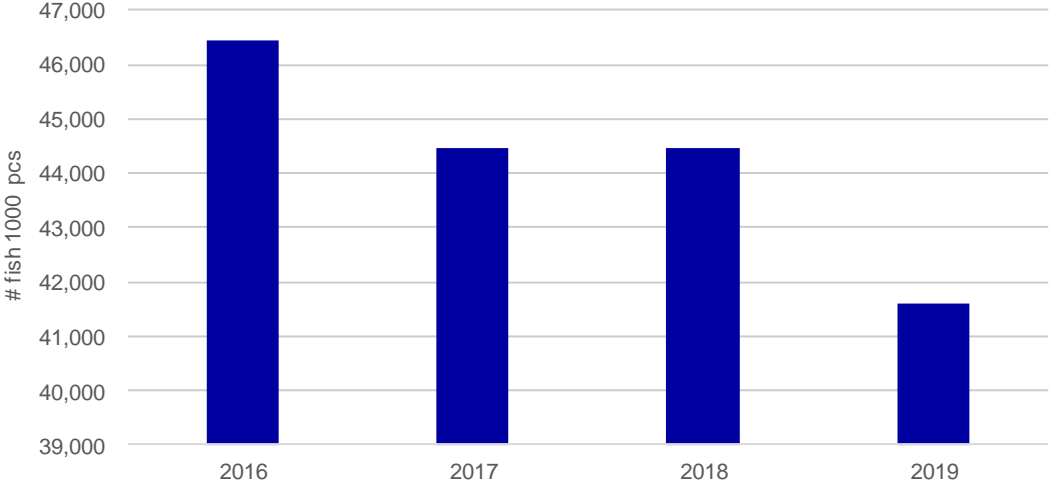
....however, too much in too short time is challenging....



So – what was the supply forecasts this year?

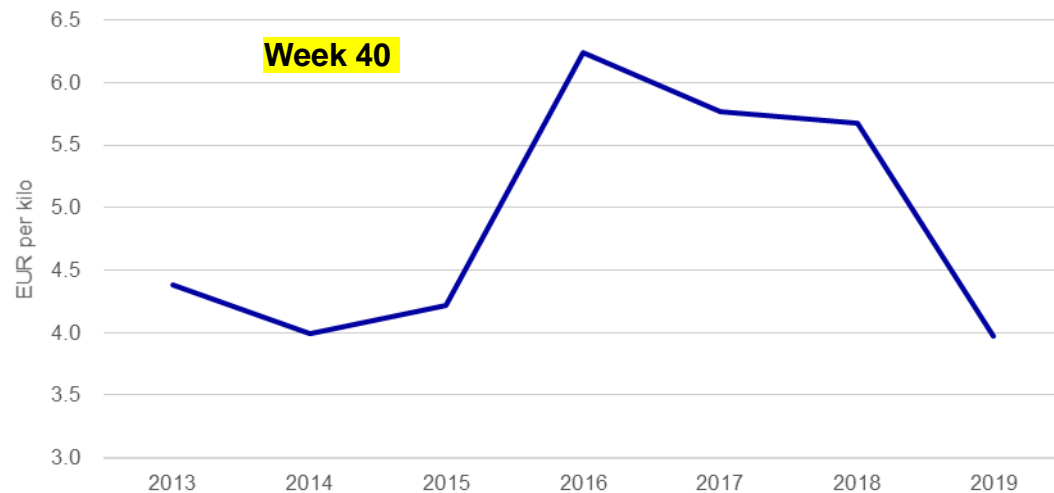


Lower mortality – and higher number of fish



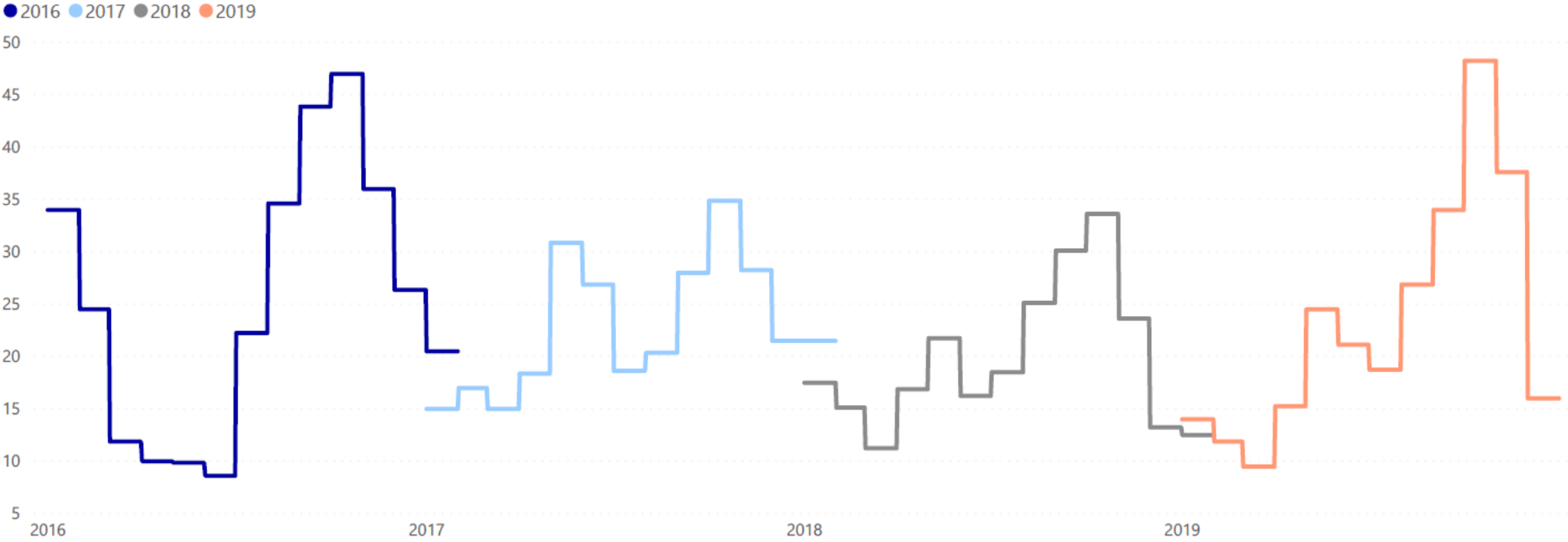
Price crash 1.0 – driven by positive biological conditions

1. Too much fish surviving
2. The “surprisingly” high number of fish pressuring biomass
3. MAB threshold challenged
4. Forced harvesting due to better biological conditions
5. Overflow of salmon in the market and single week prices (EUR) lowest since 2012

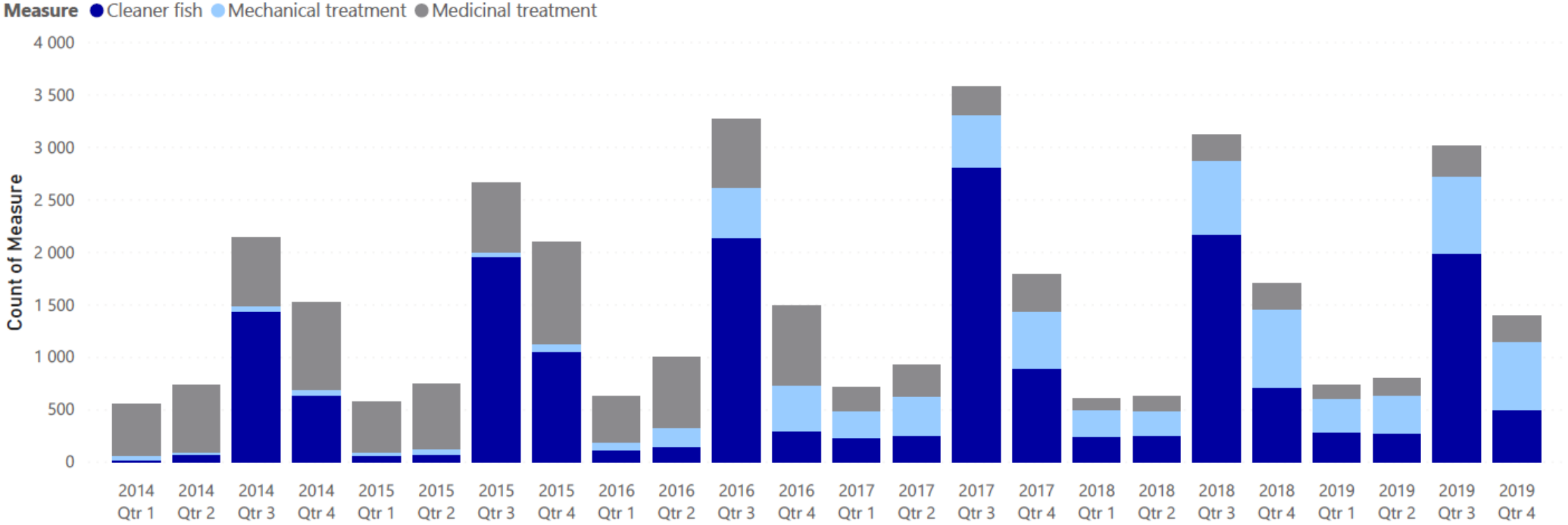


Price crash 2.0 driven by negative biological conditions

Sea lice 2016-19

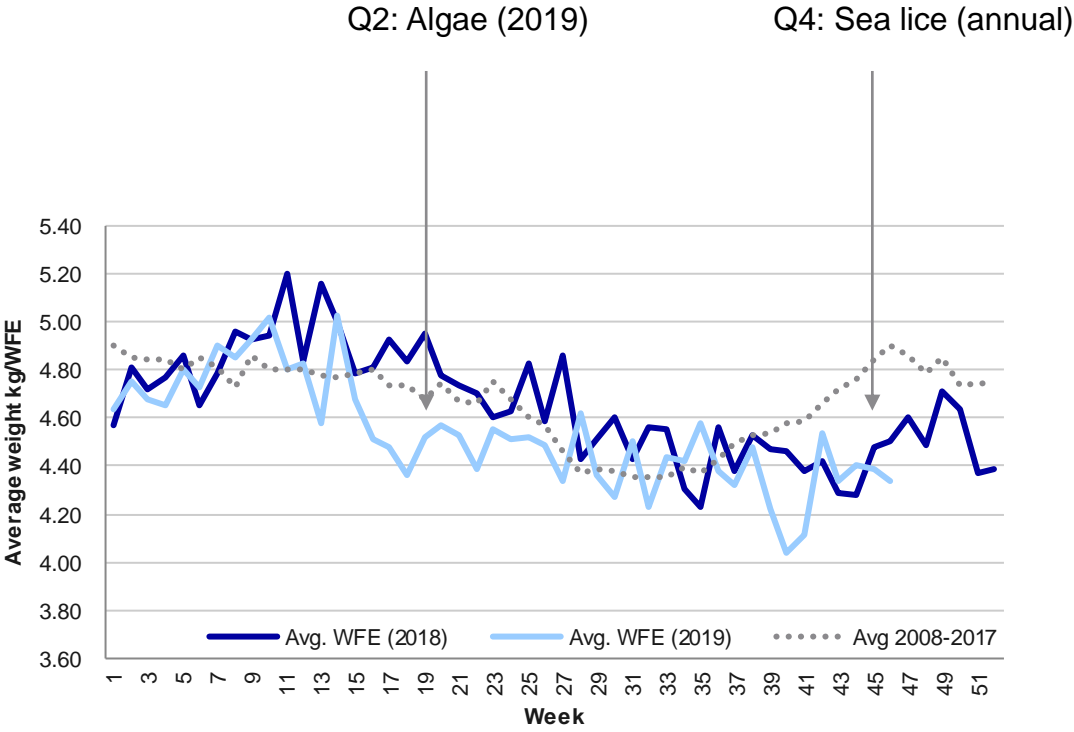
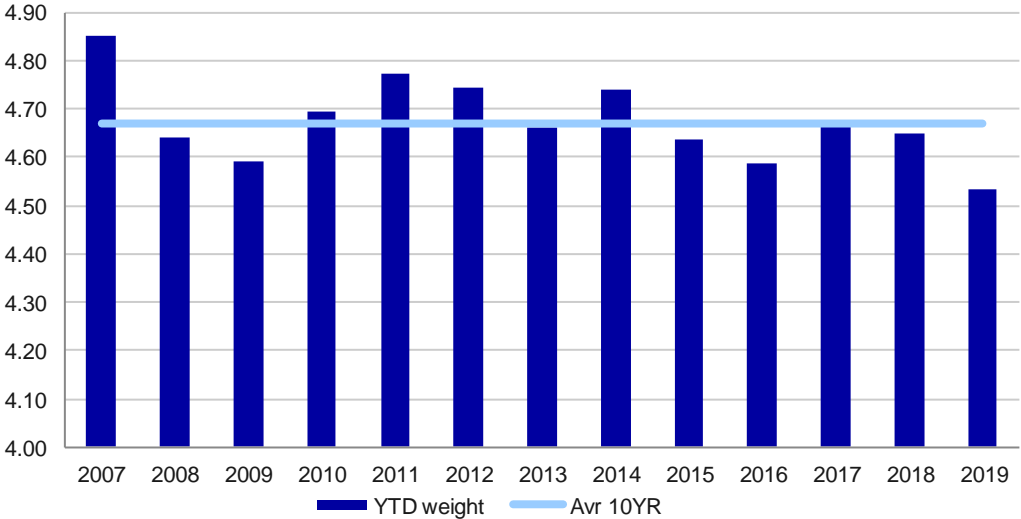


Number of treatments down, phasing out medical treatment



Lower average weights is the trend

Annual figures YTD



Missing the tsunami - lessons

- This is a biological production, conditions varying a lot between years and intra-year
- Regulatory issues playing an important role
 - Too good biology => massive MAB pressure => forced harvesting
 - Too bad biology => sea lice /disease => forced harvesting
- Contributing to maintain a «roller coaster» spot market, which could be mitigated by higher contract share
- This is however challenging for the fish farmers (too high contract share ties up flexibility in production)
- Industry in Europe responding by increasing their raw material flexibility, producing products when the prices are lowest and gain freedom to say no when prices go from EUR 5 to EUR 7 per kilo in e.g. 3-4 weeks
- The main change in this could be if a landbased salmon farming becomes a reality in large scale.
- There are currently 80-100 initiatives globally and plans for scaling up to 1.2 million tonnes by 2030 (from 10,000 tonnes in 2019....)
- As per now the «jury is still out» on how much of this is realistic and by what time.
- The market is however big enough: Advanced 1 million tonnes in the period 2010 to 2018!

Thank you!

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