



Krill Industry Report Number 6

Antarctic and Southern Ocean Coalition

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The Krill Industry Report provides reports, information and commentaries on the Antarctic krill industry.

Ice-Strengthened Vessels

The recent sinking of the *MV Explorer* after hitting ice in the Antarctic Peninsula highlights the need for all vessels operating in Antarctic waters to be ice strengthened.

The *Explorer* was operating in an area where krill have been fished.

The Antarctic fisheries agreement (CCAMLR) has a non-binding resolution (20/XXII) which calls on: *“Members to licence to fish in high-latitude fisheries only those of their flag vessels with a minimum ice classification standard of ICE-1C₂ which will remain current for the duration of the planned fishing activity.”*

CCAMLR has a good track record of turning non-binding resolutions into binding conservation measures.

Many of the proposed krill fishing vessels are not ice-strengthened or double hulled. It is essential that the krill fishing companies take seriously the hazards in Antarctic waters and ensure their vessels are up to the potential conditions.

A recent incident this summer in the Ross Sea highlights the potential problems facing fishing vessels in Antarctic waters. The *Argos Georgia*, a legal toothfish longliner, was stuck in ice in the Ross Sea for over a week after a major engine failure.

The ship is registered in St. Helena and owned by Argos Holdings based in the Falkland Islands. The vessel had a mixed nationality crew of 25 on board. Luckily the

vessel was able to repair itself after a US air force plane dropped the required parts to the vessel. Later in the season, weather conditions may have prevented such an aircraft drop. A further icebreaker was needed to deliver extra parts.

ASOC will introduce an Information Paper on ice-strengthening standards for all Antarctic vessels at the International Maritime Organization’s MEPC meeting this April, in London. The paper, which covers a range of other issues pertinent to vessel safety and protection of the Antarctic marine environment, is posted on the ASOC website (www.asoc.org).

Past IUU Fisher Could Fish Krill

According to a recent report in Forbes Magazine (16 Nov 2007), alleged toothfish poacher Pacific Andes is looking at fishing for krill in the future.

Pacific Andes, a Hong Kong based company controlled by the Malaysian Ng family, has been associated with IUU toothfish fishing utilizing the so-called alphabet boats. These boats included 13 longliners, which the Australian authorities found were linked to a range of companies including Pacific Andes. More recently it has been linked with Spanish-operated IUU vessels known as the Galician syndicate.

When China became a member of CCAMLR this year it excluded Hong Kong from its ratification. This exclusion raised questions of whether Hong Kong would continue to be a haven for IUU fishers and their associates.

Pacific Andes is considered the largest frozen fish importer into China and now operates a fleet of over 34 boats. The

company had reported revenue of over \$US650m in its last financial year (2006-2007).

The company has an expanding operation based in Peru where it owns four fishmeal plants and 26 purse seine vessels. Peru has ratified the CCAMLR treaty but is not a member of the CCAMLR Commission.

Aker Expands Krill Oil Marketing

Norwegian-based krill fisher Aker Biomarine is gearing up to promote its krill oil product as a dietary supplement in the Nordic Countries and the United States

Aker has entered into a distribution agreement with Jedwards International covering the US dietary supplement market. This company is a leading omega-3 oil distributor and holds around 25-30 percent of this market.

To expand the Nordic Market, Aker has developed an agreement with Life Europe AB. This company promotes itself as the Nordic region's leading retail chain for health food, wellness and lifestyle products. Life Europe was established in December 2005.

Aker is entering into these alliances as a means of promoting its new refined krill oil product. Aker projects that this product will show very high growth over the next few years.

Neptune Expands in Australia

Canadian-based krill oil product manufacturer Neptune Technologies & Bioresources Inc. has gained permission from Australian authorities to market krill oil as a complementary medicine.

The approval from the Australian Therapeutic Goods Administration of the Department of Health will also allow promotion in New Zealand through joint

recognition agreements between the two countries.

Neptune is proposing to promote the krill oil in association with a yet to be disclosed local partner.

Globally, Neptune has already signed agreements with food giants Nestle and Yoplait to develop products containing krill oil.

Neptune Expands in the US

Neptune has expanded its interest in the US by entering into a distribution agreement for krill oil with Schiff Nutrition International.

The oil will be promoted under Schiff brand names and will be launched in January 2008. The product will be promoted via the warehouse retailer Costco which operates in over 385 locations across the US. The US dietary supplement market is estimated at \$22 billion.

Krill Oil Used in Skin Care Products

OceanGrown International is developing skin care products containing krill oil. The company already has products containing seaweed ingredients Astaxanthin and Fucoxanthin.

Astaxanthin is the most commonly-occurring red carotenoid in marine animals including krill. It is responsible for creating the pink colour in salmon and for that reason krill is of interest to salmon farmers.

OceanGrown International is a lifestyle health products company based in Utah.

Disclaimer: The material in this newsletter is intended to assist people in understanding the nature of the krill industry. While we take steps to ensure that information is accurate and up to date, the Antarctic and Southern Ocean Coalition gives no warranty as to its accuracy.

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