

## News from Wester Ross .....

### Market

A very buoyant Christmas Market saw Spot Market Prices reach new highs; however there was an enormous disparity between wholesale and retail salmon prices.

#### Christmas 2010 Retail Whole Salmon Prices

Asda: £4.80/kg save £5.17/kg better than half price

Morrisons: £4.99/kg half price

Sainsburys: £6.00/kg half price the reduced to £5.00/kg better than half price

Tesco: £5.00/kg half price

Waitrose: £5.99/kg save £3.00/kg

2011 Market outlook .....we're predicting a repeat of 2010 prices and probably even higher:-

1. Direct Hedge salmon exchange shows that buyers are offering more that NOK 41.75 (£ 4.49/kg ) for salmon contract in June 2011, a 50p/kg increase on 12 months earlier (source: [www.intrafish.com](http://www.intrafish.com) )
2. Chilean production increases are modest for 2011, and will not have an impact on global supply
3. Norwegian licence capacity has only increased 5 % ; less than the forecast growth in global demand for salmon
4. Norway is exporting significant volume to the Russian, far east ad emerging markets; reducing the amount for the more established markets.
5. Vertical integration is likely to continue "Morpel buys Norwegian Salmon Farm Jokelford" (source: [www.intrafish.com](http://www.intrafish.com)) 13 1 11 Eventually this will impact on availability for the spot market.
6. Consolidation of the industry is likely to continue; currently only 6 significant suppliers of Scottish salmon left.
7. Preference for supply contracts will continue, further reducing volume for spot market; and therefore volatility on spot market will increase.
8. Food price inflation will also impact salmon.

**Wester Ross Fisheries Ltd.** have won the Partnerships for Success Award at the recent Highlands & Islands Food & Drink awards.

**The strongest partnerships for success demonstrate collaboration throughout all the key stages in the supply chain; during the last 2 years s Wester Ross have further strengthened their relationships with both their feed supplier, Skretting and their largest customer, Loch Fyne Oysters Ltd. The key sustainability progress made by Skretting has been recognized by Loch Fyne, and reinforces a partnership stretching the full length of the 3 year growth cycle.**

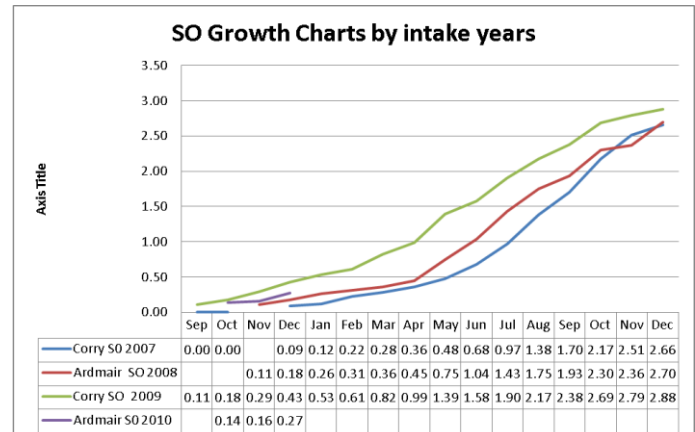
Highlighting the key elements of the award entry, Gilpin Bradley commented: "In 2010, Skretting developed a unique, well balanced diet exclusively for **Wester Ross**. Our salmon are fed a customized feed incorporating high quality fishmeal. This special fishmeal is manufactured exclusively from trimmings of fish for

human consumption, assuring the most sustainable use of a natural resource."



David Robinson receiving award from Nick Nairn, and award sponsors, C2

**Growth Rate update** - this chart shows the significant difference in growth rates we experience between intakes – the 2009 intake reached 2.17 kg by August 2010, allowing a harvest of 350 tons by December. This improvement is largely are result is an earlier transfer to sea and therefore improved growth rate as a result of slightly higher seawater temperatures. Note the difference with the Ardmair 2010 intake – availability of 2/3kg in December 2011 will be a lot lower as a result. Our business will always be vulnerable to the vagaries of prevailing growing conditions.



Sea Trout (*Salmo Trutta*) were harvested regularly until Christmas; however the average size really needs to be larger, so we'll resume harvesting in April 2011, before the wild sea trout season begins. This is a small trial, so all feedback on the likely future demand is useful in assisting our decision about future intakes of Sea Trout.

#### Ardessie Site – second group

Currently the Ardessie site has 14 \* 15m. Square steel pens on site; plans are in progress to install a second group of 12 \* 15m pens; this will increase our annual production capacity by 25 %.