



# FEATURES OF CHILEAN SALMON FARMING

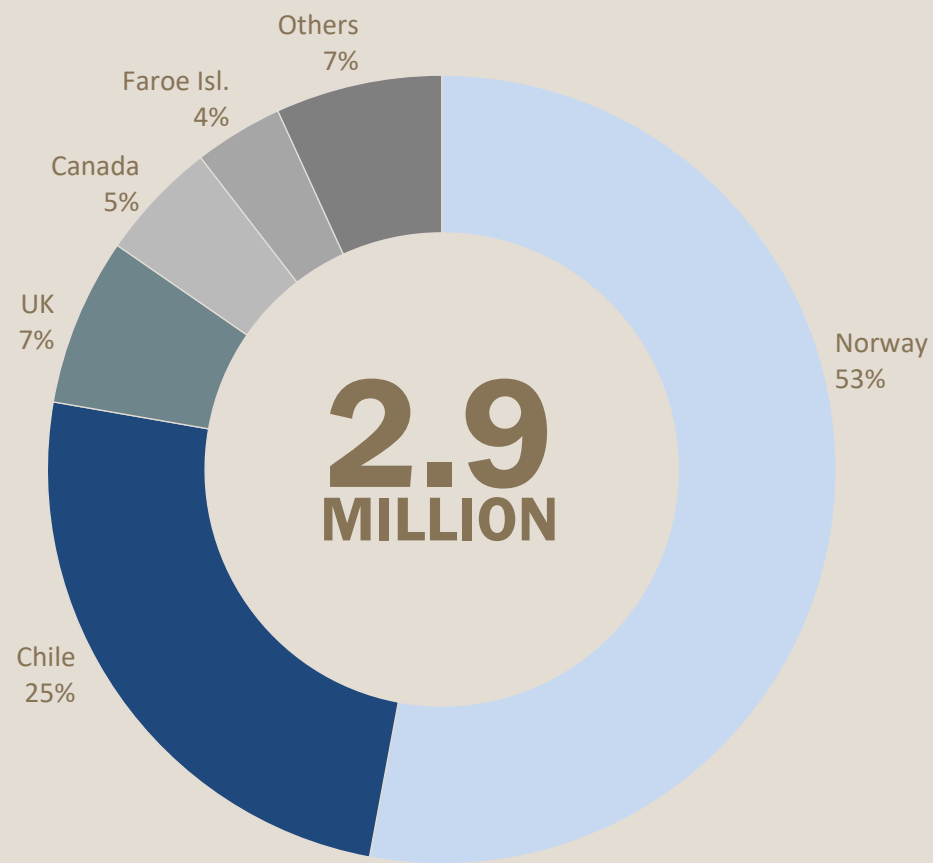


TORE VALDERHAUG, BOARD MEMBER

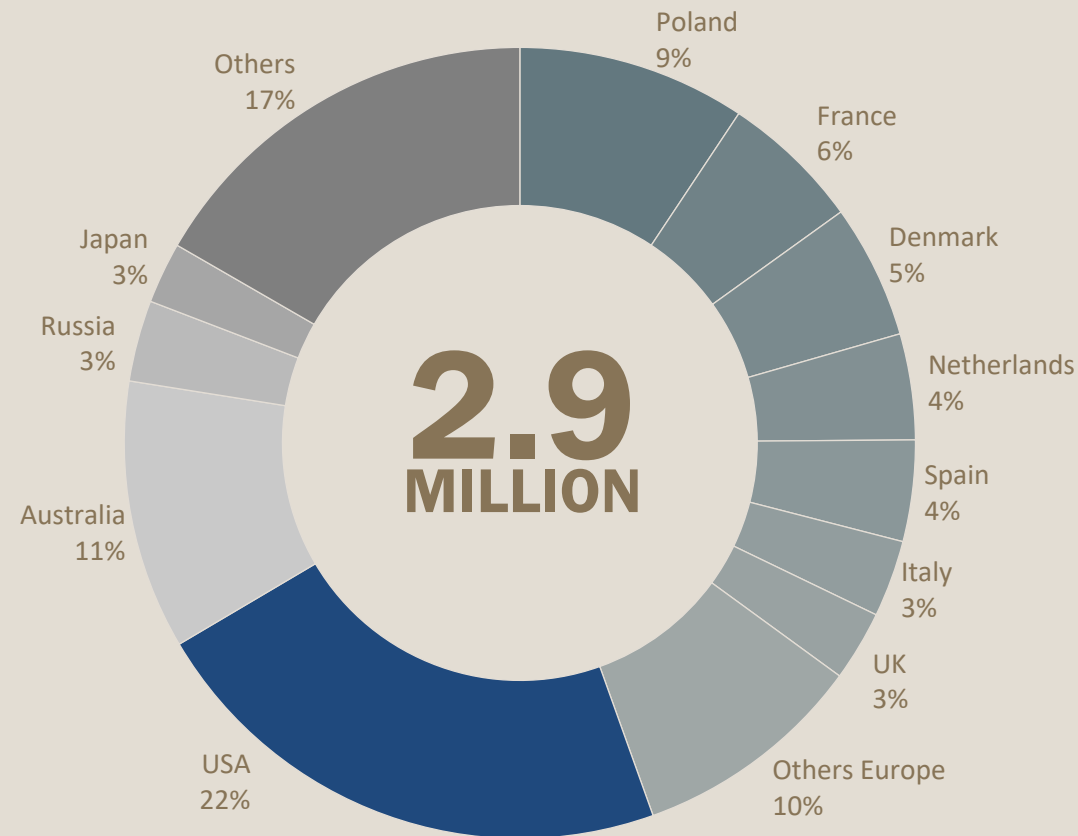
16 JUNE 2022

# CHILE : WORLD'S 2ND LARGEST FARMING COUNTRY

## USA : WORLD'S LARGEST MARKET



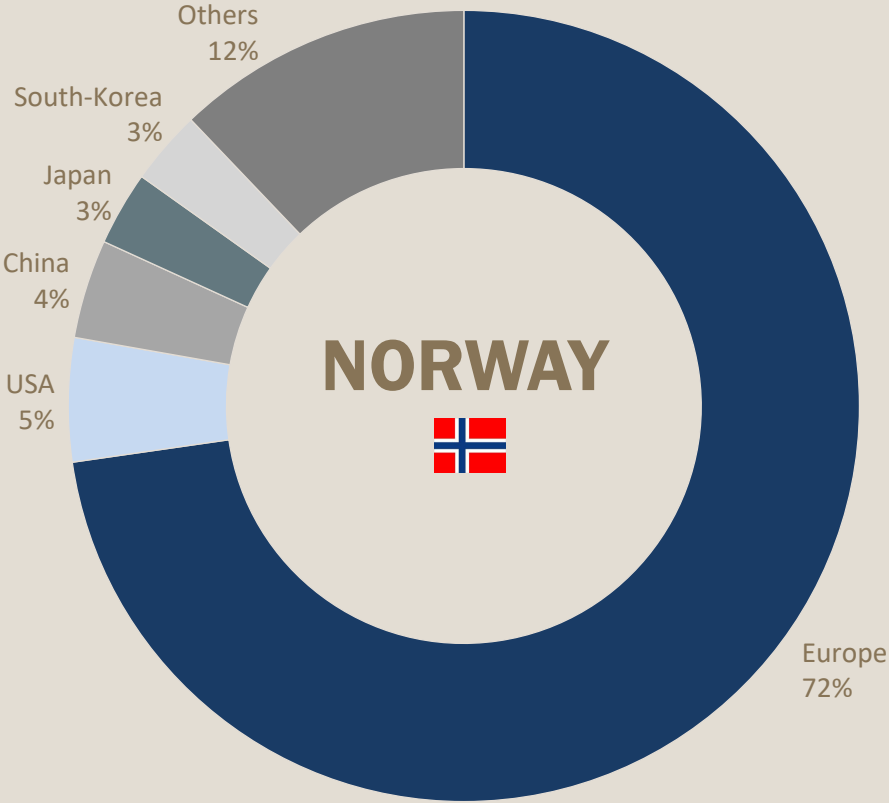
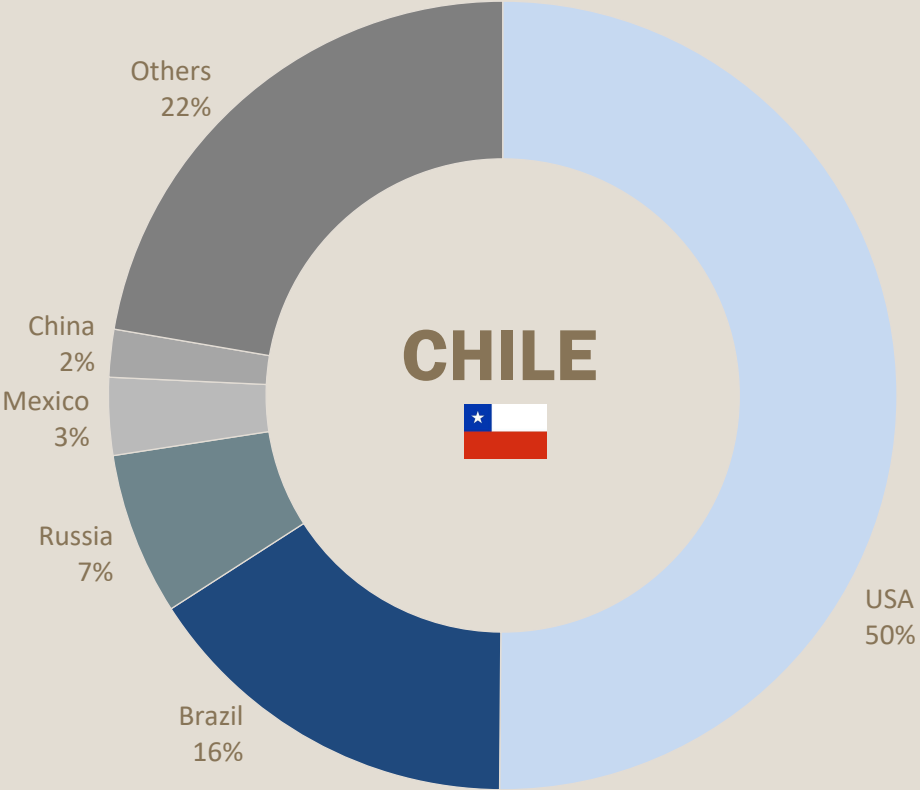
MT WFE ANNUAL PRODUCTION



MT WFE ANNUAL DEMAND



# CHILE: PREFERRED PROVIDER OF LARGEST SINGLE COUNTRY



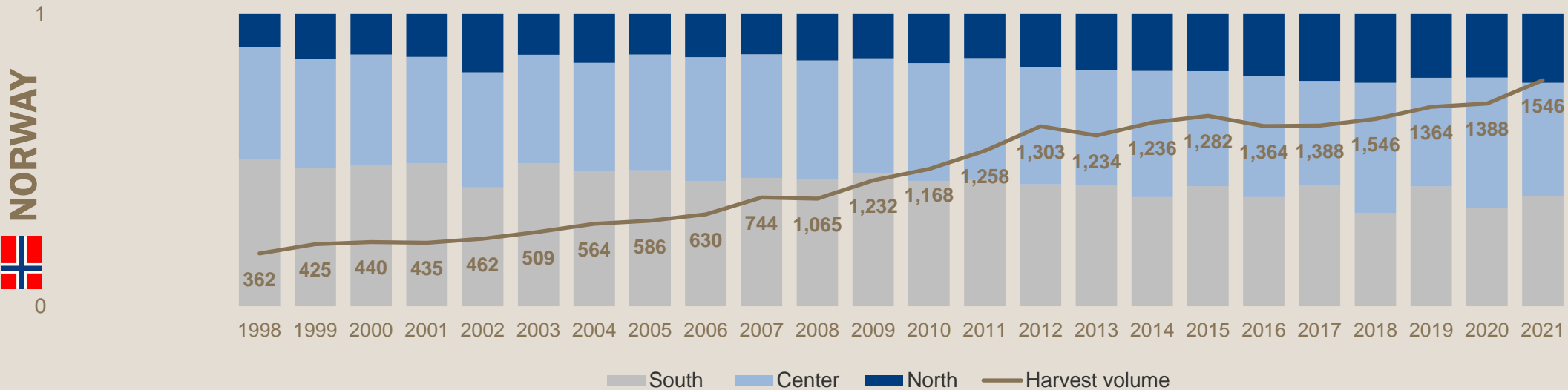
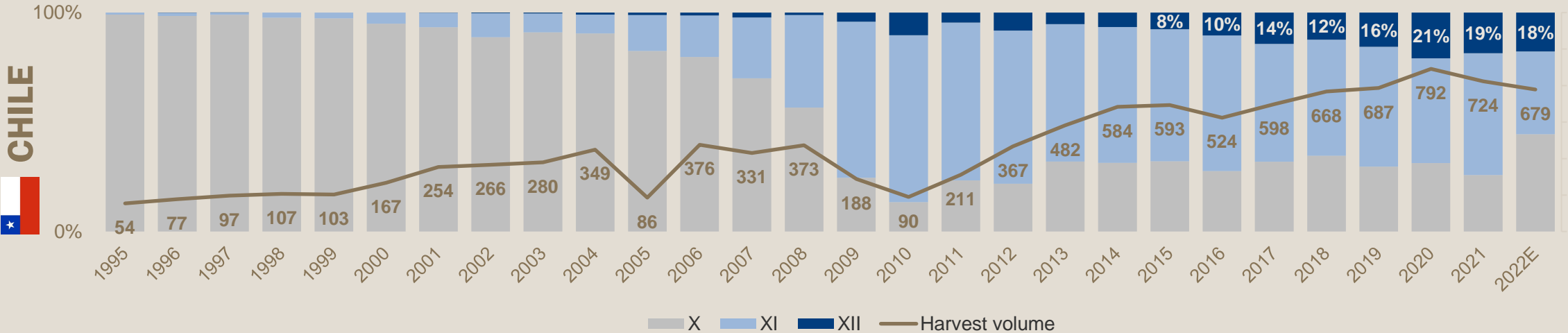
# WORLD PRODUCTION: FLATTENING SINCE 2015

ATLANTIC HARVEST VOLUMES GROWTH  
% CHANGE YOY



# DEVELOPMENT OF CHILEAN FARMING REGIONS

ATLANTIC HARVEST VOLUMES  
THOUSAND MT WFE



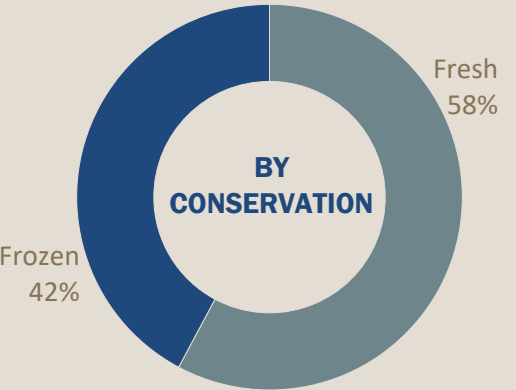
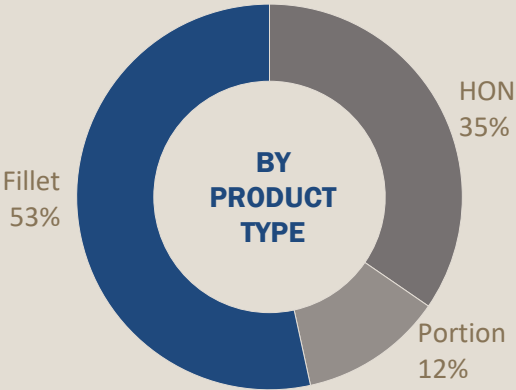
# SERVING USA, CHILE FOCUS IS ON VALUE ADDED

CHILE: HIGHER PRODUCTION VA TARGETING FINAL BUYERS

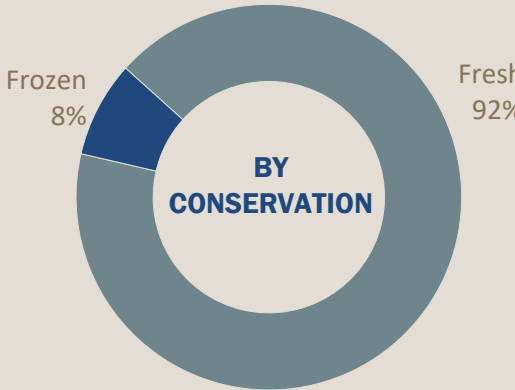
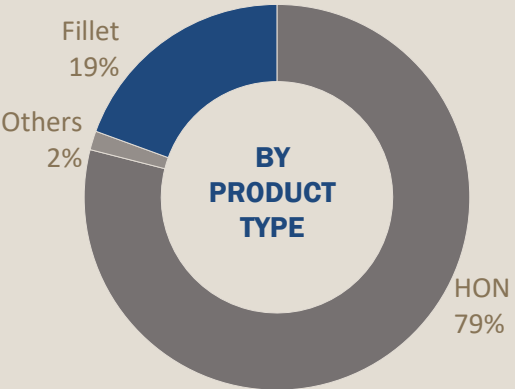
CHILE LARGER FREEZING CAPACITY

NORWAY: HIGHER FRESH HON TARGETING VA PROCESSOR IN EU

## 2021 EXPORTS



USD 3.9 BILLION, 687 THOUSAND MT WFE  
IN % OF VOLUME WFE

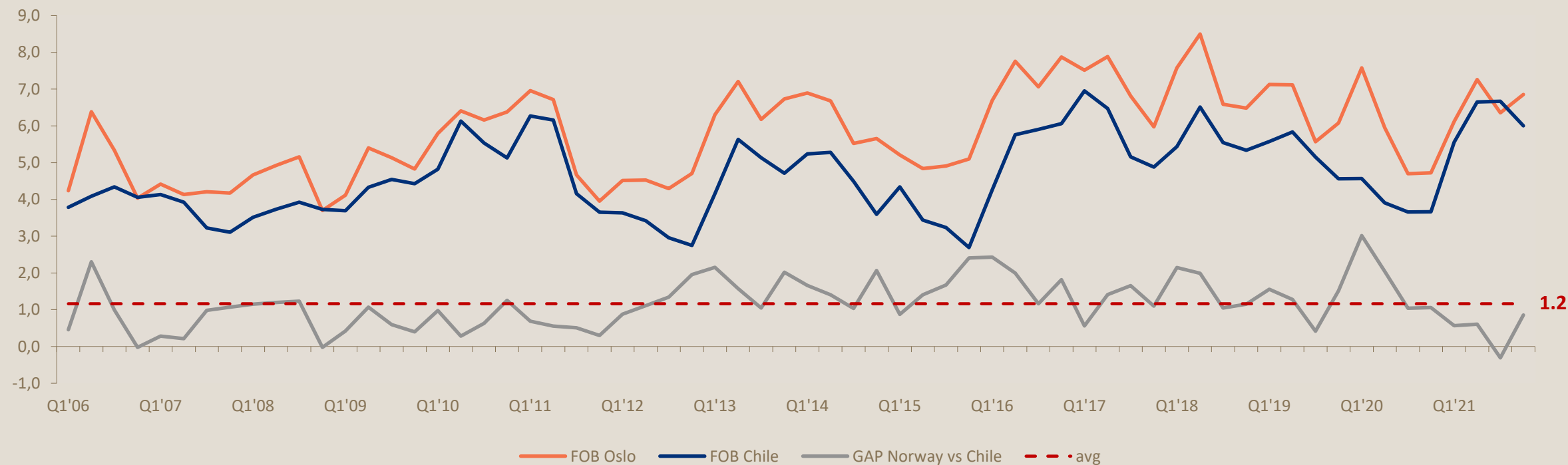


USD 8.8 BILLION, 1,546 THOUSAND MT WFE  
IN % OF VOLUME WFE



# ATLANTIC PRICE GAP: CHILE VS NORWAY

FOB OSLO VS FOB CHILE (2006-2021)  
USD/KG HOG



# CHILE VS NORWAY REGULATION

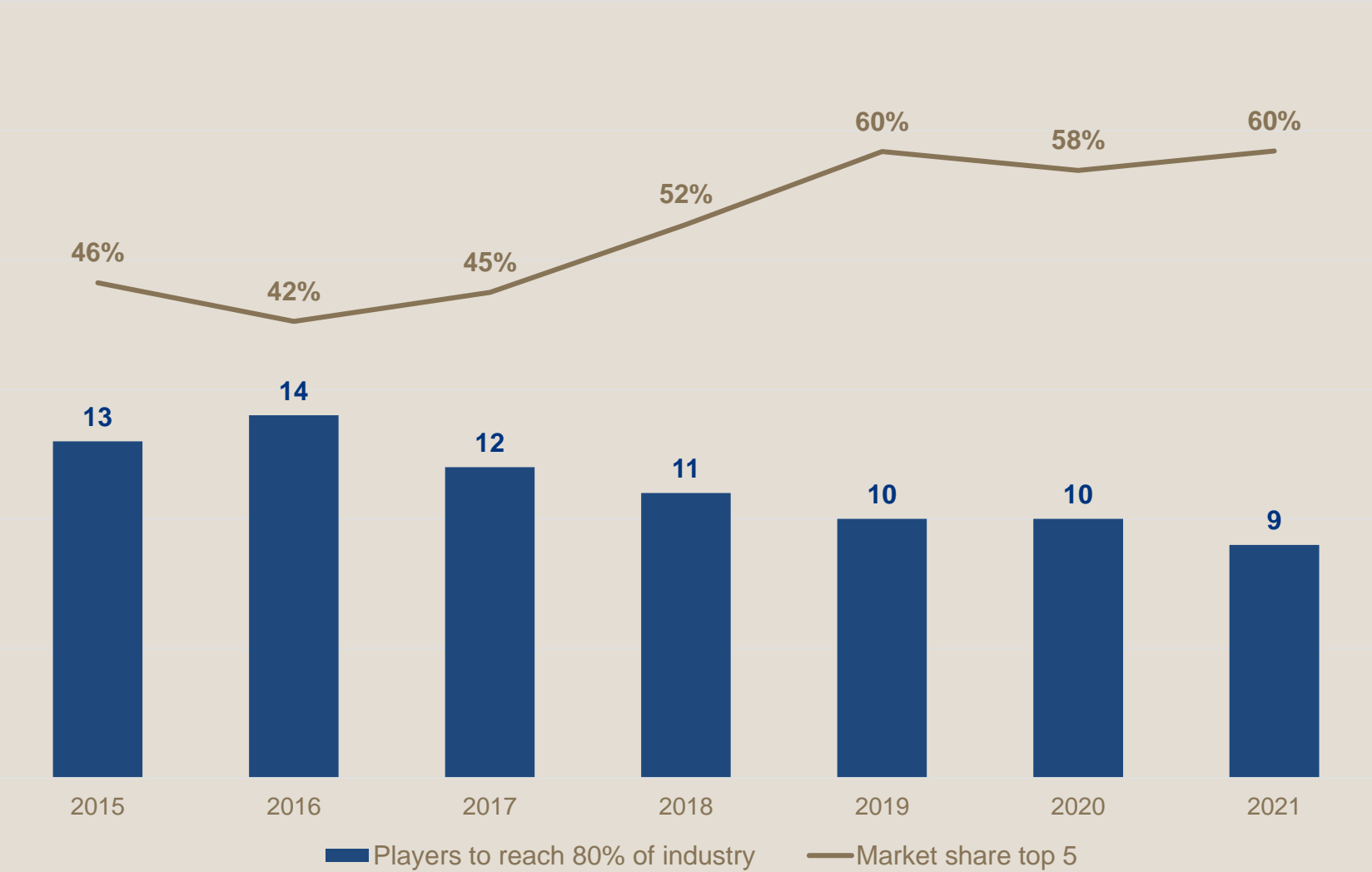


<ul style="list-style-type: none"> <li>• <b>96 “NEIGHBORHOODS” USED TO ENFORCE FISH HEALTH AND ENVIRONMENTAL PROTECTION, AT AN INDIVIDUAL SITE LEVEL</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>13 “SALMON REGIONS” - PRODUCTION GROWTH BASED ON SEA LICE LEVELS IMPACTING WILD SALMON</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>STOCKING PLAN CAN OPT OVER 2 SYSTEMS: HIGHER PEN DENSITY BUT LIMITED GROWTH, OR LOWER DENSITY AND HIGHER GROWTH. INCENTIVE TO LIMIT STOCKING/GROWTH</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>1 SYSTEM: “TRAFFIC LIGHT” DETERMINES GROWTH BY REGION BASED ON SEA LICE IMPACT; NEXT PRODUCTION CYCLE MAY BE REDUCED (OR INCREASED).</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>KEY INDICATORS: MORTALITY, FUTURE GROWTH; SEABED IMPACT, SEA-LICE PHARMACEUTICAL BATH, AND ANTIBIOTIC USE</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>KEY INDICATORS: SEA-LICE, ENVIRONMENTAL SITE´S PERFORMANCE, MONITORING IMPACT AT SEABED AND AROUND THE SITE – PENALTY RISKS MORE THAN GROWTH LIMITATIONS</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>PRODUCTION LIMITS BASED ON SPECIFIC STOCKING NUMBER OF FISH AND HARVEST BIOMASS PER CYCLE</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>PRODUCTION LIMITS BASED ON MAXIMUM ALLOWED BIOMASS (MAB) DEFINED AS THE MAXIMUM VOLUME OF FISH THAT COMPANIES CAN HOLD AT SEA AT ALL TIMES (GROUP AND SITE MAB RELEVANT)</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>FARM LOCATIONS DETERMINED BY CENTRAL AUTHORITY AND RESTRICTED TO PRE-DEFINED AREAS</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>CONCESSIONS DETERMINED BY CENTRAL AUTHORITIES BUT NO PRE-DEFINED AREAS. AREAS DEFINED BY REGIONAL AUTHORITIES</b></li> </ul>





# CHILE: INDUSTRY CONSOLIDATION

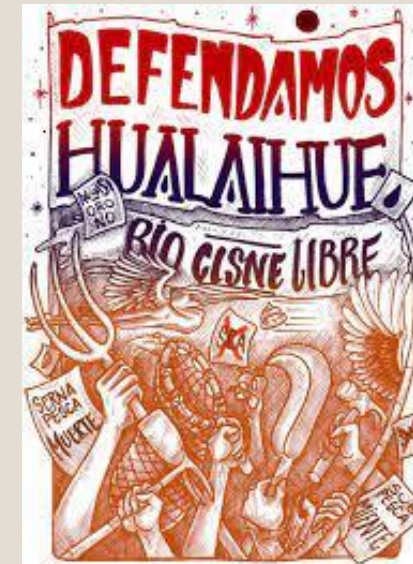


# WHERE ARE THE CHILEAN LIMITATIONS COMING FROM?

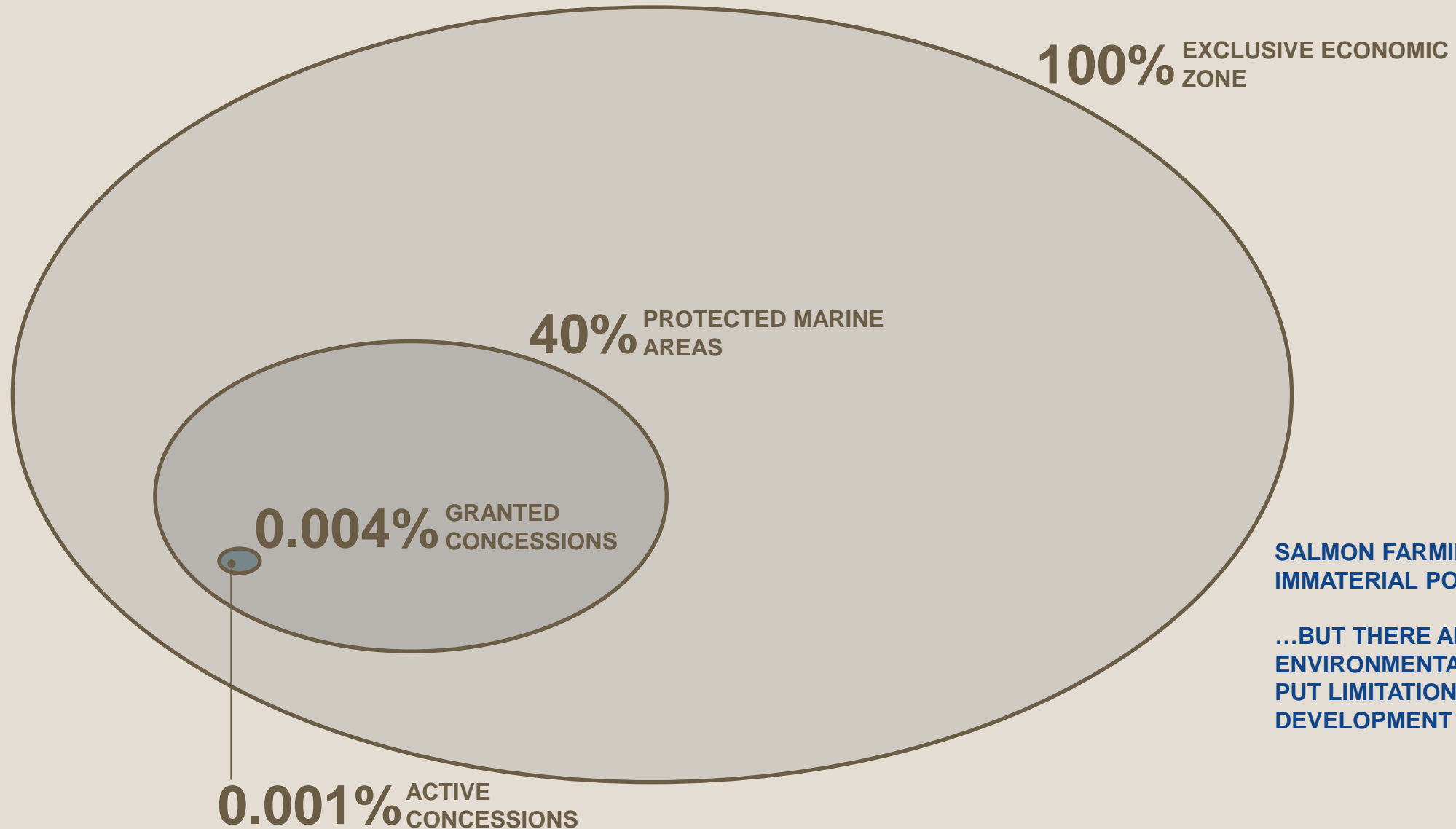


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# CHILEAN OCEAN AREAS UTILIZATION\*

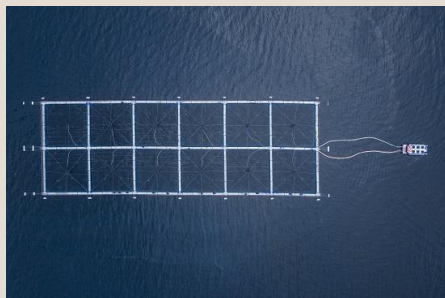
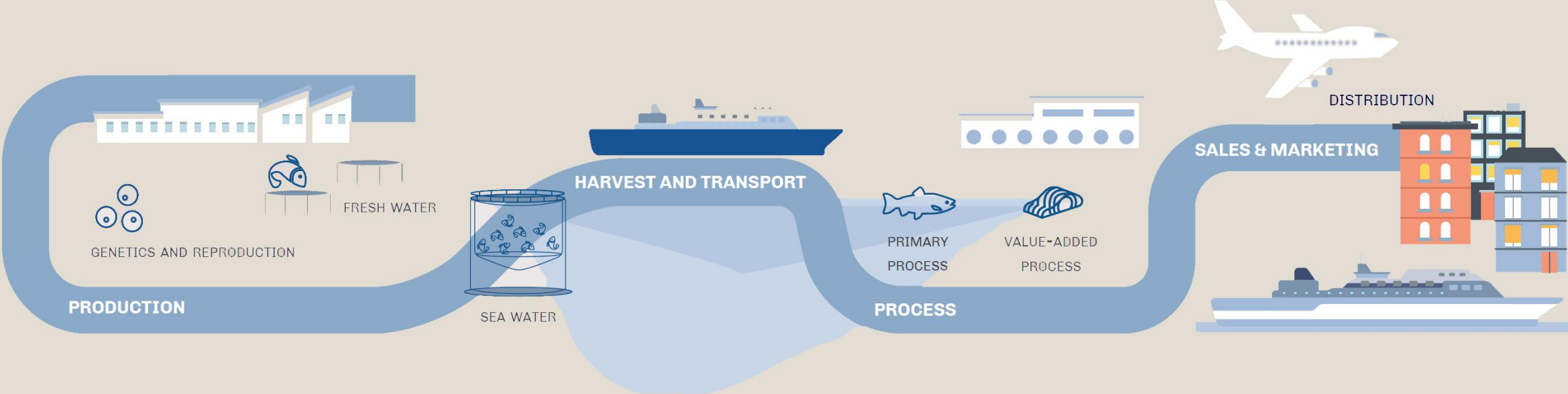


**SALMON FARMING USES AN IMMATERIAL PORTION OF THE SEA...**

**...BUT THERE ARE CERTAIN EXTREME ENVIRONMENTALISTS WORKING TO PUT LIMITATIONS TO ITS DEVELOPMENT – DESPITE THIS**



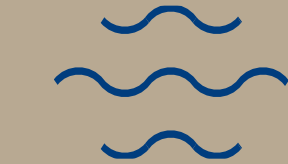
# SALMONES CAMANCHACA: INTEGRATED VALUE CHAIN



# OUR 2025 VISION



RESOURCE  
EFFICIENT  
GROWTH



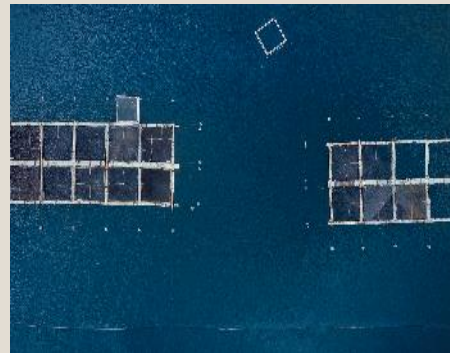
OCEANOGRAPHIC  
RISKS  
DIVERSIFIED



VALUE  
ADDED  
STRATEGY



LEADING  
SUSTAINABLE  
FARMING IN  
AMERICA



DEEPENING  
MARKETING  
STRATEGY







# SUMMARY

1. CHILE IS 2<sup>ND</sup> IN PRODUCTION AND SERVES LEADING THE LARGEST & MOST PROMISING SINGLE MARKET
2. CHILE & NORWAY: SAME FISH, DIFFERENT STRATEGIES
3. CHILE: FOCUS ON MARKET DIVERSIFICATION AND VALUE ADDED.
4. WORLD PRODUCTION IS FLATTENING AND CREATES A DILEMMA: MOST EFFICIENT FOOD LIMITED, PRICE RISES, REGULATOR ACTIONS UNCERTAIN
5. REGULATIONS GETTING TOUGHER ON EXPANSION AND ENVIRONMENTAL IMPACTS. GREATER THREAT ARE RADICAL ENVIRONMENTALISTS
6. SALMONES CAMANCHACA AIMS TO REACH NEW LIMITS BY 2025, AND A FRIENDLIER MORE SUSTAINABLE SALMON FARMER



