

Cargill and Skretting join forces to reduce environmental impact in Norway

Fish feed suppliers Cargill and Skretting will collaborate on transport of fish feed in Norway, under the name “Fjordfrende”. Instead of ships with Cargill’s EWOS feed sailing right behind ships with Skretting feed along the Norwegian coast, feed from both companies will be shipped by the same vessels. This will limit shipping traffic and reduce greenhouse gas emissions by one fifth for the fish feed transport.

The two companies have selected shipping company Eidsvaag to be responsible for planning and handling of transport, including ships currently under contract.

Parallel sailing

‘With this cooperation we will increase the utilization rate of our fleets and significantly reduce our environmental footprint,’ commented Fredrik Witte, Managing Director, Cargill Aqua Nutrition, North Sea.

The two companies believe that the collaboration will over time create efficiencies in transportation and increase service levels for Norwegian salmon farmers.

‘We are creating an efficient system by optimizing capacity over time, giving aquaculture a better distribution model. Load capacity will be better utilized, there will be shorter sailing distances and investment opportunities will increase,’ commented Erlend Sjødal, Managing Director of Skretting Norway.

‘We have named the collaboration “Fjordfrende”, which in English means fjord friend, because it is about working together for fjord friendly transport,’ commented Fredrik Witte.

Greenhouse gas reduction equal to 7,500 cars

In the early years of the cooperation, it may already be possible to reduce the fleet capacity, while increasing the utilization rate of the cargo capacity. This efficiency improvement will reduce emission of harmful greenhouse gases by one fifth per ton of fish feed transported. That equals 15-20 million kg of CO₂ per year, which is equivalent to removing 7,500 cars from the roads every year.

In future, investments in new feed vessels will contribute to a better adapted and multifunctional feed fleet, while the emissions of greenhouse gases will be reduced. One fleet serving both parties will not only maintain today’s level of service, but also form a better basis for innovation and development.

The companies stress that they will remain fierce competitors:

‘We will continue to compete on every aspect of our business, including product performance and prices. The difference will be that the feed will be delivered by the same ship operator,’ commented the directors.

The parties commissioned an independent third party, Tri-Vizor, as a trustee to ensure they continue to operate independently from each other.

Efficiency

In addition to the environmental benefits, the background for the collaboration is also to increase efficiency by avoiding parallel sailing.

‘We have to take action in order to run our business as efficiently as possible, and when we see environmental benefits on top of that, we know that this cooperation will pay off,’ commented Sødal.

The EU Commission encourages environmentally friendly transport collaborations

The project is based on guidelines and models that have been developed by environmental projects for horizontal logistics cooperations, which are financed and supported by the EU Commission.

As Cargill and Skretting are competitors, antitrust compliance is crucial, and implies that certain information cannot be shared amongst both parties. Therefore, Tri-Vizor has established a framework that will be operated by Eidsvaag.

This framework will ensure efficient collaboration, guarantee that it is not possible for competitive-sensitive information to be shared between the companies, and avoid conflict with competition law. The process has also been closely monitored by specialized legal advisors.

Tri-Vizor is a Belgian company with expertise from comparable processes, and has participated in similar European projects helping several companies to set up horizontal transportation cooperations.

Continued cooperation

The companies will continue their cooperation with the existing transport companies, AquaShip/Artic Shipping, NTS/Rotsund and Eidsvaag.

‘They are all leaders within ocean transportation. Existing contracts will be maintained and we will continue our good relationships. The new element is that we will have one joint planning center where Eidsvaag will have the complete responsibility for planning and handling the transport. This will ensure the smartest transport that will benefit both the environment and the aquaculture industry,’ commented Witte.

About Skretting:

Skretting er en av verdens største produsenter av fôr til havbruket og leverer fôr til mer enn 60 arter i 40 land. Globalt har Skretting en omsetning på ca. 25 milliarder og produksjon i 19 land. Skretting Norge har en omsetning på om lag 6 milliarder og har fabrikker i Stokmarknes i Vesterålen, Averøya utenfor Kristiansund og i Stavanger. Hovedkontoret for både Skretting Norge og Skretting Group er i Stavanger. Her ligger også det globale forskningscenteret ARC med over 100 ansatte. Skretting eies av det internasjonale fôrkonsernet Nutreco (12.000 ansatte) som er en global leder innen ernæring til både husdyr og fisk.

About Cargill:

Cargill has more than 150 years’ experience in providing food, agriculture, financial and industrial

products and services to the world. Cargill has 155,000 employees in 70 countries and a head office in Minneapolis.

Cargill's entry into Norway happened with the EWOS acquisition in 2015. EWOS is a global leader in feed for salmon. Cargill has around 366 employees in Norway including three feed factories and a state-of-the-art research centre.

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Image caption:

Managing director at Cargill Aqua Nutrition, North Sea, Fredrik Witte (left) and Skretting Norway's MD Erlend Sødal say they will still be fierce competitors on every aspect of the fish feed business, but that a transport collaboration will provide a more efficient fish feed distribution and reduce emission of harmful greenhouse gases. Photo: Leif Kjetil Skjæveland



