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Photo: Nova Austral

The pan-Atlantic push of Sixty South salmon

News by William Stoichevski - 25 March 2018

Nova Austral readies US, European supplies of super-premium brand

Forget Miami. Think Clearwater, Florida — the lush, palm-dotted home of Nova Austral's Sixty South brand sales director, Alex Malaguti.

While sales are orchestrated from Clearwater, the Chilean grower is processing 2,400 tonnes per month of its Sixty South brand of Atlantic salmon. According to reports, however, it's selling just 4.5 t a month in test-market Florida, although Malaguti says the company's 2018 production is expected to be around 30,000 t.

Sales are expected to ramp-up considerably after a trial-run by Walmart; growing US restaurant sales, moves into Europe and impending production growth from Nova Austral's marine farms in

Chile's cold, lice-free Antarctic region.

Health-conscious

Nova Austral unveiled the Sixty South brand at the Boston Seafood Expo last year, and its range of certifications has won over popular Florida restaurants and Walmart. The US retailer has its own online ordering platform for salmon and other fresh grocery items.

To appeal to Americans with blackbelts in shopping, Nova Austral has turned to the salmon's farmed origins in Chile's pristine and fairly polar, Region XII. Walmart is said to be impressed by the farming-operation's Aquaculture Stewardship Council and Monterey Bay Aquarium certifications.



The latter, Monterey Aquarium label, specifically names the Sixty South brand, and it's the only label health-conscious Americans are likely to have heard of. Monterey is understood to confirm Nova Austral's 100-percent antibiotic-free and pesticide-free claims.

Walmart and Europe

Walmart has reportedly sold the salmon for USD 22.58 per kilogram (USD 10.24 per pound), however *SalmonBusiness* saw no sign of it among a range of salmon brands: wild and farmed; Coho and Atlantic; sockeye and pink. Walmart, however, was just the start.

Walmart is using the Southeast region as a test market, Malaguti says, adding that US shoppers aren't the only ones needing to see those certificates of farmed-fish health. Sixty South has made inroads in Europe, he confirms, although he didn't disclose a distributor or retailer.

"ASC certification is very important for high-end customers in the European market and has enabled us to sell our fish to leading retailers and value-added brands in Europe," Malaguti says. Citing Kontali's four-percent-less supply growth forecast and upward price trends, he says the company will focus on offering long-term pricing to build relationships with key retailers and food service.

The screenshot shows a Walmart search results page for 'salmon fillets'. The page features a navigation bar with the Walmart logo, a search bar containing 'salmon fillets', and utility icons for Reorder Items, Sign In, and Cart. A left sidebar contains a category menu with options like 'Fish', 'Frozen Seafood', and 'Shipping & Pickup'. The main content area displays ten product listings in a grid. Each listing includes a product image, a price, and a 'Purchase' status (e.g., 'In-store purchase only').

Product Name	Price	Purchase Status
Acme Smoked Salmon, 4oz	\$89.95	In-store purchase only
Kosher Smoked Salmon, Sliced from Norway - Approx. 2.2 lbs	\$89.95	In-store purchase only
Fresh Farm Raised Atlantic Salmon .70-1.2lbs		In-store purchase only
Wild Planet Wild Alaskan Pink Salmon - No Salt Added - Case Of 12 ...	\$111.09	In-store purchase only
Vita Classic Premium Sliced Smoked Atlantic Nova Salmon, 4 Oz		In-store purchase only
Fresh Farm Raised Atlantic Salmon .81-1.1lb		In-store purchase only
C. Wirthly & Co. Teriyaki Salmon, 10 oz		In-store purchase only
Acme Smoked Nova Salmon, 8oz		In-store purchase only
Frontier Harvest Alaskan Jack's Honey Teriyaki		In-store purchase only
Fresh Skinless Atlantic Salmon, .7-1.3lbs		In-store purchase only

Sixty South supplies

SalmonBusiness reached out to the company to know the true availability of the Chilean Sixty South salmon brand. One possible bottleneck for supplies seemed to be the 1,500 kilometres between its hatcheries in Region IX and X north of Puerto Montt and its southern Region XII production area at Porvenir, a town of 7,000 on Del Fuego Island, an archipelago shared with Argentina. Antarctica is just 1,000 km away.

While all the company's fresh-water supplies of ova and smolts have come from third-party suppliers operating north of Puerto Montt, that will change in third-quarter 2019. "The good news is that we are building our own facility in the Tierra del Fuego Island, in the Magallanes region. We expect to start hatching eggs the last quarter of this year and deliver the first smolts during Q3-'19.

"This is a very strategic investment because of the integration, but mainly because the hatchery is located in the same region, reducing our sailing time," he says, adding that it now takes a week for wellboats from Puerto Montt to reach grow-outs in the Magellan Strait. The hatchery will mean "significant cost reductions" and "a reduction of biological risk", Malaguti says, adding that there is a perceived risk of bringing bacteria, viruses or parasites from the main farming areas, "Because we sail through it".

Wellboats

Apart from eliminating long wellboat trips, the new hatchery will eliminate bottlenecks to

growth at a dozen Tierra del Fuego fish farms.

“The (hatchery) capacity is enough for all our needs,” he says.



Nova Austral marine grow-outs and processing in the area are sizable, to be sure: “We can do about 30,000 to 32,000 tonnes of salmon per year, fresh and frozen, into different cuts from gutted fish to fillets and portions,” Malaguti says, adding that they now produce fresh and frozen products at Porvenir.

At present, a “world-class processing plant with 40,000 tonnes of capacity” handles the salmon locally before it flies out to Santiago — over 2,000 km away. Then, its onwards to Miami, for some supplies, on a nine-hour flight.

“The closest salmon farmer is almost 300 km north of our areas and the closest small city is eight hours sailing,” says Malaguti.

“Nova Austral is expected to become the number one player in the sustainable salmon industry with more than 70 percent of its volumes ASC certified by 2017,” a statement from the company’s 2016, Oslo bond sale says. The successful debt-finance — USD 300 million of it — is understood to have been the finance for hatchery, extra grow-out and modern, local processing.

Young Americans

Selling debt was a statement of confidence in Sixty South Salmon as a brand akin to New Zealand King or “Scottish” or “Icelandic”. Faith in the brand is strong in Malaguti, company founder Nicos Nicolaidis and Yngve Myhre, the Norwegian chairman who *SalmonBusiness* first tried to contact.

The duo decided Sixty South was needed in the US, where young Americans talk about what’s in their food. Florida restaurant chains like Crabby Bill’s, Indian Rocks Beach and Seabreeze Island Grill have also been telling their customers about the brand.

But, Sixty South is now available across the US and in several segments, “not just Miami”, Malaguti says, adding that more supplies are on the way.

“Volumes of Sixty South salmon to Miami and other important cities in the US and across the world will have stable supply. Our new hatchery will seed our farms all year round,” he says,

adding that each smolt delivery to the pristine South will yield Sixty South salmon 18 months later.

