

The Hvalur Group and Seafood Shipments to the United States Market

Iceland's whaling industry has longstanding connections to several Icelandic individuals and companies. These corporate and familial connections to what is called the "Hvalur Group" have been in existence for decades and involve many of the country's major seafood industry firms. Hvalur hf, Fiskhlutfelagið Venus, Vogun, Vænting, HB Grandi and Hampiðjan form the core of the Hvalur Group. Each of these companies have several subsidiaries. Many Hvalur Group companies export seafood to the United States.

The Hvalur hf company has been responsible for the deaths of 414 endangered fin whales¹ since Iceland resumed commercial whaling in 2006, in defiance of the International Whaling Commission (IWC) ban on commercial whaling. In addition, Hvalur has shipped nearly 3,000 metric tons of fin whale meat, blubber and other products to Japan in defiance of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) ban on trade in whale products.²

Individuals and companies that are invested in several Hvalur Group subsidiaries control the majority of shares in HB Grandi, Iceland's leading seafood company. In addition, individuals who manage Hvalur Group companies are also key members of HB Grandi's corporate leadership (see Annexes 1 and 2).

HB Grandi controls the largest share—12 percent—of fishing quotas in Iceland. Its current quotas amount to a potential catch of 166,500 metric tons of fish. The company maintains four freezer trawlers, three wetfish trawlers and four pelagic vessels. On shore, the company operates groundfish processing plants in Reykjavík and Akranes, producing IQF (Individually quick frozen) fillets and fillet portions of redfish, cod, Greenland halibut, haddock and saithe. HB Grandi operates fish meal and fish oil production plants located in Akranes, Reykjavík and Vopnafjörður, as well as pelagic freezer plants in Vopnafjörður and Akranes. The company also processes herring, capelin, mackerel and blue whiting.³

HB Grandi: actively engaged in the whaling industry

The links between HB Grandi and Icelandic whaling are overt. The company has played an active role in Iceland's whaling industry both by promoting whaling and by providing its facilities for the production of fin whale meat for the export market.

Following Iceland's resumption of commercial fin whaling in 2006, HB Grandi began providing space at its Akranes fish processing facility to Hvalur hf, and has continued to do so in each of the subsequent seasons in which commercial fin whaling has taken place. The fin whale meat is transported by truck from the Hvalur whaling station in Hvalfjörður to the HB Grandi facility in Akranes, where it is cut, packaged, boxed and made ready for export. The most recent export of

¹The fin whale (*Balaenoptera physalus*) is listed as endangered by the IUCN, due to the fact that the global population has declined by more than 70% over the last three generations. Reilly, S.B., Bannister, J.L., Best, P.B., Brown, M., Brownell Jr., R.L., Butterworth, D.S., Clapham, P.J., Cooke, J., Donovan, G.P., Urbán, J. & Zerbini, A.N. 2013. *Balaenoptera physalus*. In: IUCN 2013. IUCN Red List of Threatened Species. Version 2013.2. <www.iucnredlist.org>. Downloaded on 04 March 2014.

²Kristjan Loftsson, the director of Hvalur hf and Chairman of the HB Grandi board of directors, also holds a 12.2% share in the Norwegian whale meat company Lofothval. Lofothval has exported minke whale meat from Norway to the Faroe islands on numerous occasions and, in conjunction with the Icelandic minke whaling company IP Dreifing ehf, has exported both Icelandic and Norwegian whale blubber to Japan.

³As per www.hbgrandi.com

whale products from Hvalur took place in January 2014—a shipment that went from Iceland to Japan via Canada.⁴



This photo was taken at the Hvalur hf whaling station in Hvalfjörður in September 2013. To the left, a recently landed fin whale is being flensed, while to the right, tubs of whale meat are being loaded on to an Eimskip truck for delivery.



The photo on the left shows the same truck arriving at the HB Grandi processing facility in Akranes. On the right is a screenshot of a photo from the webpage of the Akranes Trade Union (VLFA), showing workers cutting whale meat inside the HB Grandi facility in 2013. The same building has also been used on occasion to process fish roe.⁵

Hvalur Group shipments to the United States

HB Grandi

HB Grandi is known⁶ to have exported seafood products to several different companies in the United States in the last six years. Those companies are: Legacy Seafood (Bristol, RI), International Proteins Co. (Minneapolis, MN, a subsidiary of the Scouler Company), O'Hara

⁴ See <http://www.vancouversun.com/news/Shock+expressed+over+meat+from+endangered+whales+being+shipped/9501269/story.html>. According to Greenpeace, the meat was shipped from Iceland to Canada on board the Eimskip-operated vessel *Westerkade*.

⁵ See www.vlfa.is and <http://www.visir.is/hrognafyrsting-byrijud-i-heimaskagahusinu/article/2013303049981>

⁶ All information is based on US Customs data. If any errors in the information provided here are noted, please contact the web administrator and a correction will be made.

Corporation (Rockland, ME), Coastal Bait and Supply (Portland, ME), Versacold (various locations), Atlantic Intermodal Transport (Virginia Beach, VA), Cold Stone Storage (Brunswick, ME), and High Liner Foods (Portsmouth, NH).

In addition, in the last six years HB Grandi seafood from Iceland has transited through US ports to the following Canadian companies: Breakers Fish Company (Halifax, NS), Pubnico Trawlers (Yarmouth County, NS), Rio Import & Export (Dartmouth, NS), Entreprises Shippagan Ltée/International Bait and Supply (Shippagan, NB), and Triple M Seafoods (Yarmouth, NS).

Recipients of HB Grandi seafood to date in 2014 are High Liner Foods, Legacy Seafoods and Breakers Fish Company.

Vignir G Jónsson ehf

The Vignir G Jónsson ehf (“Vignir”) company is 100% owned by HB Grandi. At the 2012 HB Grandi Annual General Meeting, it was announced that, “[h]ere in-house it is being whispered that we account for 25% of the world production of capelin roe.”⁷ Vignir specializes in products made out of fish roe, including roe from cod, lumpfish, saithe, capelin, haddock and salmon. In addition, the company also exports cod livers, monkfish livers, and mussels. In addition to its sales of fish roe, Vignir has been recognized as part of Icelandic Group PLC’s Icelandic cod and haddock fishery chain of custody certificate by the Marine Stewardship Council.⁸

Based on US customs data, the following US-based companies have received roe products from Vignir in recent years: Nishimoto Trading Company (Santa Fe Springs, CA), TN Foods (Chino Hills, CA), Pacific Giant (Vernon, CA), SIS Seafood (Los Angeles, CA), Pacific American Fish Co. (Vernon, CA), Interstate Seafood (Los Angeles, CA), API International (Yonkers, NY), Uoriki Fresh (Secaucus, NJ), Optimus (Miami, FL), and Aquaför (Bridgeport, CT).

In addition, Fisher King Seafood (Halifax, Nova Scotia) has transited Vignir products via US ports.

So far in 2014, Pacific American Fish Company, Pacific Giant, and Uoriki Fresh have received shipments from Vignir.

Friosur

HB Grandi holds a 20% stake in the holding company Deris SA in Chile.⁹ Deris SA is a fisheries shareholding company that comprises Pesquera Friosur S.A., Emdepes and DOSA (which in turn is owned in part by the Japanese company Nippon Suisan Kaisha, more commonly referred to as NISSUI,¹⁰ also known for its links to the Japanese whaling industry).¹¹

⁷ See <http://www.hbgrandi.is/Frettir/Frett/~/NewsId/799>

⁸ See http://www.msc.org/track-a-fishery/fisheries-in-the-program/certified/north-east-atlantic/isf_icelandic_cod/assessment-downloads-1/20130429_cert_sharing_list_COD231.pdf

⁹ As per supra note 6. and http://issuu.com/technopresss.a./docs/aqua_158 at page 84.

¹⁰ http://www.nissui.co.jp/ir/eng/090804_NISSUI-1QFY2009.pdf

¹¹ See <http://eia-global.org/news-media/we-dont-buy-it-nippon-suisan-maruha-and-kyokuyos-continuing-support-for-jap>

According to HB Grandi annual reports, Deris SA owns 55% of Friosur, 100% of Pesquera Sur Austral S.A., 100% of Friosur Salmones S.A., and 45% of Emdepes S.A.¹² HB Grandi ties to Friosur date back to 1992. Friosur owns three freezer trawlers and three fresh fish trawlers and operates two fish processing plants in Chile.¹³ In 2012, Friosur bought out Chilean salmon farming company Pesquera Landes,¹⁴ and on June 13, 2013, signed an agreement with AquaChile, thereby allowing it to use AquaChile's marketing offices in North America to promote sales of its products on the US and Canadian markets.¹⁵

The following US-based companies are known to have imported Friosur seafood products into the US in the past six years: AquaChile (Miami, FL), Stanley Pearlman Enterprises¹⁶ (Jessup, MD), Santa Barbara Smokehouse (Santa Barbara, CA), One Source Protein (Red Bank, NJ), South Pacific Specialties, Inc. (Miami, FL), Vita Food Products (Chicago, IL), Friosur Trading LLC (Miami, FL), Seacorp Seattle (Seattle, WA), Pacific Seafood (Clackamas, OR), Macknight Smokehouse (North Miami Beach, FL), Orca Bay Seafoods (Renton, WA), PFG Customized Distribution (Kendalville, IN), and Tampa Bay Fisheries (Dover, FL).¹⁷

The following international companies have transhipped Friosur products via US ports: Alcamar 2000 SL (Spain), Lenmore Products (Russia), SC Ocean Fish SRL (Romania), OOO Akra (Russia), OOO Protifish (Russia), BGL Brokerage¹⁸ (Canada), High Liner Foods (Canada),¹⁹ and Yusen Logistics (various locations).

To date in 2014, AquaChile, Inc, Stanley Pearlman Enterprises, One Source Protein, and PFG Customized Distribution have imported Friosur products.

Hampiðjan

The Hampiðjan Group, one of the largest fishing gear and rope manufacturers in the world, is also associated with Iceland's whaling industry. The Hampiðjan 2012 annual report outlines its ties to HB Grandi and Hvalur as follows:

In August 1988, Hampiðjan along with other companies bought the Reykjavikurborgar shares in what was then known as Grandi hf (NB: now known as HB Grandi), which was 78% of the share capital issued by the company. Since that time, three of these companies, Hampiðjan, Hvalur hf and Fiskveidihlutefelagid Venus ehf have been the backbone of the company's owners. Hampiðjan, Fiskveidihlutefelagid Venus hf and

¹² HB Grandi Arsskýrsla 2004, 2005 and 2006

¹³ See http://www.friosur.cl/friosur_i.html

¹⁴ See <http://www.undercurrentnews.com/2012/09/09/nissui-chile-firm-finalizes-salmon-acquisition/#.Ubrw3OxblJ>

¹⁵ See http://www.df.cl/aquachile-y-salmones-friosur-acuerdan-comercializar-sus-productos-en-eeuu-y-canada/prontus_df/2013-06-13/162415.html AquaChile exports to the following US companies: Acme Smoked Fish (Brooklyn, NY); AquaChile, Inc (Weston, FL); AquaChile/Blue Lagoon (Miami, FL).

¹⁶ Stanley Pearlman Enterprises has also been identified via bills of lading as being linked to a "Great Fish Company" as well as doing business as NAFCO Wholesale Fish Dealers. http://www.truckdriver.com/trucking-company-directory/ShowDOTCo.cfm?CENSUS_NUM=491997 and <http://www.nafcofish.com/>. NAFCO in turn is described as being "a sister company" to Congressional Seafood, which serves restaurants, country clubs, hotels and high end retail markets in the Washington DC/Baltimore metro area. In addition, NAFCO is also the sole distributor of products for the Baltimore Crab Company, which appears to import products from China, see for example <http://www.baltimorecrab.com/whiting-fillets.php#>

¹⁷ The US government via the Defense Commissary Agency has had contracts with Tampa Bay Fisheries, for a total of 13 transactions between 2009 and the close of the third quarter of 2012, at a total cost of \$6,774,941.

http://www.fedspending.org/fpds/fpds.php?combDuns=830263120&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

¹⁸ The BGL shipment from Friosur was identified as also containing sturgeon roe, in addition to salmon.

¹⁹ Also described as a shipment of frozen sturgeon roe and salmon

Vogun, a subsidiary company of Hvalur hf, had at the end of 2012 a total of 53,2% of the shares in HB Grandi. Hampiðjan has had involvement in the planning of HB Grandi, and in its key decisions.

The following US-based companies have imported products from Hampiðjan and its subsidiaries into the United States: Hampiðjan USA (Seattle, WA), F/V Lydia and Maya (Scarborough, ME), Trawlworks (Naragansett, RI), and Swan Net East Coast Services (Gloucester, ME).

Eimskip

Although not a member of the Hvalur Group, Eimskipafelag Islands (“Eimskip”) has been actively supporting the whaling industry in Iceland. In addition to transporting whale products between the whaling station and the processing facilities within Iceland, it has shipped whale meat from Iceland to Canada for onward transport to Japan. In addition, since 2013, all of the HB Grandi direct seafood shipments to the United States have arrived at the Eimskip facility in Portland, ME on vessels belonging to Eimskip, as have many of the shipments for HB Grandi subsidiary Vignir G. Jónsson. Two of HB Grandi’s other seafood consignees, Versacold International Corporation and Atlantic Intermodal Transport (AIS), are also tied to Eimskip:

Eimskip was originally the parent company of Versacold, a cold storage warehouse company. In 2009, the US-based Yucaipa Companies organized a US\$2 billion global restructuring of Eimskip, and acquired a 49% share in Versacold as well as shares in Eimskip. In December 2010, Versacold’s warehouses and operations in the United States were acquired by the Americold company, one of the largest suppliers of storage and transportation services to the food industry,²⁰ whose main shareholder is also the Yucaipa Companies. This acquisition was funded by Goldman Sachs Capital Partners and China Merchants Holdings (International) Company Limited (CMHI). Today, Yucaipa-owned companies hold more than 25% of shares in Eimskip, and the current chair of Eimskip’s board of directors is a Transaction Partner at Yucaipa.²¹

AIS, a transport company that maintains facilities at port and rail locations in Charleston, SC; Savannah, GA; Charlotte, NC; Jacksonville, FL; and Atlanta, GA, is the “full service trucking arm” of Eimskip, sharing an address with Eimskip Logistics USA,²² a subsidiary of Eimskip that handles forwarding of refrigerated containers as well as warehousing and cold storage of products, and other logistic activities.²³

Since 2007, Eimskip (Iceland) has sent hundreds of shipments of frozen fish to the US recipients include Bristol Seafoods (ME), Icelandic USA (VA), FW Bryce (MA), MB Logistics (for Top Catch, Inc [NY]) and Eimskip Logistics (VA and MA).

²⁰ Americold currently maintains 177 warehouses around the world. www.americold.com

²¹ The chair of Eimskip’s Board is a transaction partner at Yucaipa. <http://www.insideview.com/directory/the-yucaipa-companies-llc>. See also <http://eimskip.is/investors/About/Corporate-Governance/Board-of-Directors.html> and www.eimskip.is

²² The address on bills of lading for HB Grandi shipments to AIS is 1424 Baker Road, Virginia Beach 23455. This is the same address as Eimskip Logistics USA,

²³ See http://www.atlanticintermodal.com/?page_id=10 and www.portofvirginia.com/media/10800/warehouseguide.pdf Eimskip also exports fish to the US and is also a consignee for fish shipments according to US customs data.



To the left is a screenshot of a VLFA webpage photo showing workers packing fin whale meat at the HB Grandi facility in Akranes; the boxes are printed in Japanese and English with the phrase “Frozen Whale Meat, Product of Iceland”. The photo on the right shows a pick-up of products at the Hvalur hf freezer facility in Hafnarfjörður, by an Eimskip truck.

Iceland Seafood International

Iceland Seafood International (ISI) was formed by a merger of three entities, the Union of Icelandic Fish Producers (SIF), the Herring Board, and the Seafood Division of Samband of Iceland.²⁴ The company was established in November 2004 essentially to “handle SIF’s traditional marketing and sales of primary-processed seafood,” selling fresh, frozen and salted products from Icelandic producers through an international marketing network.²⁵

ISI has confirmed that the company sources from HB Grandi, and that “it would be difficult for ISI to stop sourcing from Grandi in light of historic ties as well as the various different species of fish they were sourcing from Grandi and the quality of the fish available.”²⁶ An Iceland Naturally promotion identified Iceland Seafood as “Iceland Seafood International (Samband®)”. The Samband® trademark was described as being a “Registered Trademark used for House Mark for a full line of frozen seafood products and owned by Icelandic USA, Iceland Seafood Corporation.” The brand is currently said to reside with High Liner Foods,²⁷ which is known to purchase from HB Grandi.

The ISI company produces seafood products under a number of other labels, including Iceland Gold, Islandia; Tros, Armengol, Iceland, Banord, ISI Seafood, and Baraka/Calembo.

²⁴ See http://www.is.is/library/IcelandSeafoodguide2011_web.pdf and http://www.fishupdate.com/news/archivestory.php/aid/12144/Changes_at_the_top_for_Iceland_Seafood_International.html

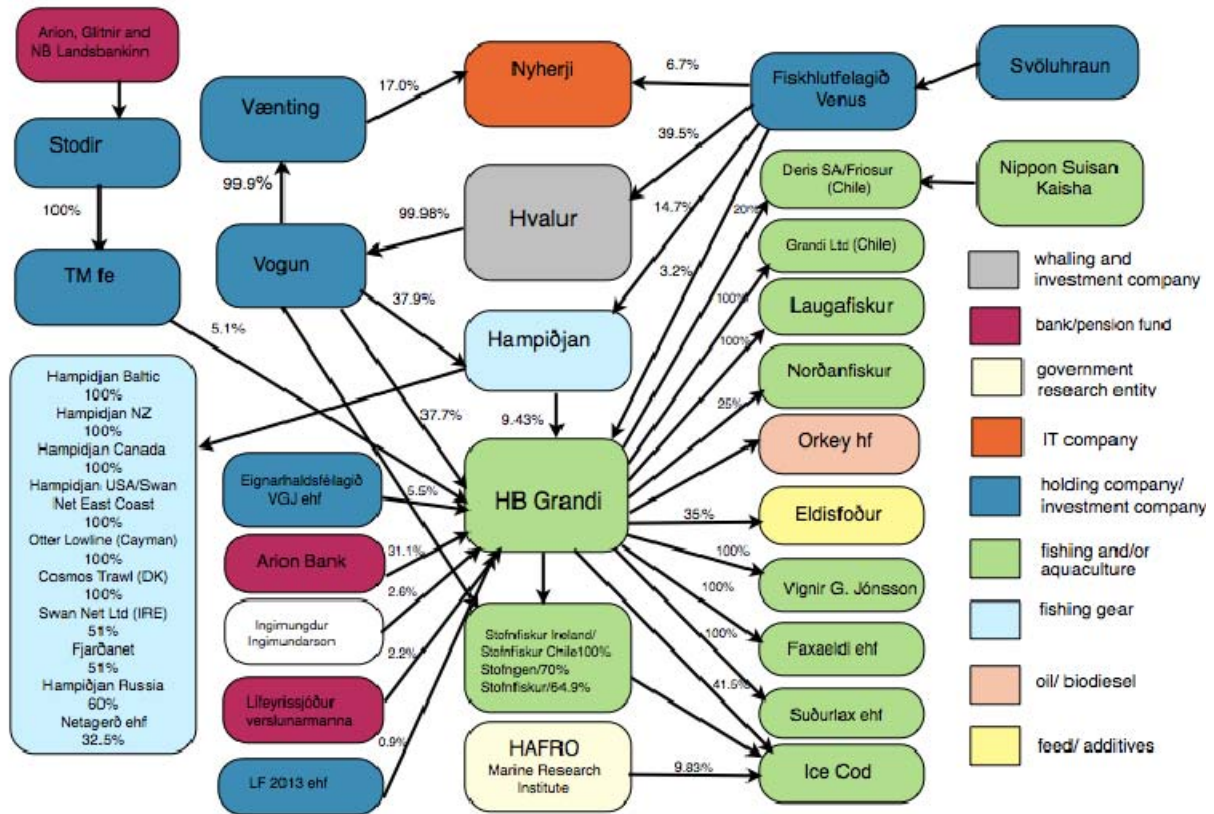
²⁵ See <http://www.answers.com/topic/labeyrie-s-a-s#ixzz2WKLSu2A> and http://www.fishupdate.com/news/archivestory.php/aid/3115/SIF_sells_entire_holding_in_Iceland_Seafood_International_and_Tros.html

²⁶ Daniel Braun, Sales Manager of ISI Germany, confirmed in a phone call on the 7th of March 2012 to Whale and Dolphin Conservation (WDC) and on the 14th of May 2012 to Greenpeace Germany.

²⁷ See http://www.inlofna.org/SIR/Pgm_12/item_1.html; <http://food.zibb.com/trademark/samband/29521020> and <http://www.trademarks411.com/marks/78608490-samband-of-iceland>

Annex 1.

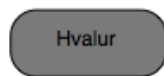
Hvalur Group/HB Grandi Corporate Connections



When known, shareholding percentages are listed. The direction of the arrows indicates ownership of the shares. Regarding Svöluhraun, its main shareholders include Kristján Loftsson and his sister Birna Loftsdóttir. Kristján Loftsson and Vilhjálmur Vilhjálmsson, CEO of HB Grandi are also board members of Svöluhraun.

Annex 2

Hvalur Group Board Memberships and CEOs



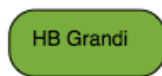
Kristján Loftsson, CEO

Greta B. Kristjánsson, Chair

Birna Loftsdóttir, Board Member

Halldór Teitsson, Board Member

Geir P. Zoëga, Board Member



Vilhjálmur Vilhjálmsson, CEO

Kristján Loftsson, Chair

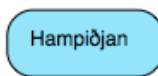
Halldór Teitsson, Board Member

Jóhann Hjartarson, Board Member

Hanna Ásgeirsdóttir, Board Member

Rannveig Rist, Board Member

Ingibjörg Björnsdóttir, Alternate



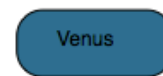
Jón Guðmann Pétursson, CEO

Vilhjálmur Vilhjálmsson, Chair

Kristján Loftsson, Board Member

Hjörleifur Jakobsson, Board Member

Auður Kristín Árnadóttir, Board Member



Ingibjörg Björnsdóttir, Director

Kristján Loftsson, Chair

Vilhjálmur Vilhjálmsson, Board Member

Birna Loftsdóttir, Board Member

Annex 3

Products associated with Hvalur Group companies

Seafood products

Saithe (coalfish) fillets, fresh or chilled
Saithe fillets, frozen
Cod fillets, fresh or chilled
Redfish fillets, fresh or chilled
Mackerel, frozen
Fish fillets, frozen
Haddock fillets, frozen
Redfish (Ocean perch) fillets, frozen
Capelin roe, frozen
Capelin, frozen
Herring, frozen
Fish fillets, dried
Fish fillets, salted
Capelin meal
Fish solubles, animal feed
Herring meal oil, fish, industrial
Arctic char
Greenland halibut
Salmon, fresh or chilled
Frozen Atlantic salmon
Greenland halibut frozen
Cod fillets, frozen
Herring fillets, frozen
Fish, minced or strained and frozen
Lobster and scampi
Frozen blue whiting
Flatfish, frozen
Saltfish, dried
Saltfish
Capelin oil
Herring oil meal
Fish oil
Animal feed oils (natural, hydrogenated, not elsewhere specified)
Brood stock/ova for various species
Atlantic salmon, red abalone, Arctic char, cod, halibut

Fishing gear

Backstops, bridles and sweepstakes, headlines, mooring ropes, purse seine lines, warps, standard shrimp trawl, widebody shrimp trawl, high opening shrimp trawl, groundfish trawls, semi-pelagic trawls, midwater trawls, bottom trawls, purse seines, aquaculture cages, trawl doors and brailers