

FOOD GIANT SAFEWAY TURNS ITS BACK ON CHILEAN SALMON

Contributed by Benjamin Witte
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SalmonChile head César Barros defends ailing industry
 Photo by Benjamin Witte

A recent spate of bad press is beginning to take a very real toll on Chile's once booming salmon industry. This week, just days after publication of a scathing New York Times article, the U.S. supermarket chain Safeway went public with a decision to reduce purchases of Chilean raised salmon. Safeway is the third largest U.S. food retailer after Wal-Mart and The Kroger.

"We are restricting the purchase of Chilean salmon because of the ISA issue. It was starting to affect the quality of the product," Safeway Public Affairs Vice President Brian Dowling explained in an e-mail sent to the Patagonia Times.

ISA (Infectious Salmon Anemia) is a highly contagious virus that can be lethal to fish but does not affect humans. Chile's National Fishing Service (SERNAPESCA) first confirmed outbreaks of the illness in mid 2007. Since then the government body has gradually expanded its official list of ISA-infected fish farms to 19. SERNAPESCA classifies several dozen other Chilean sites as "suspicious";

"We have been looking at this for quite some time," Dowling went on to explain. "We are monitoring the situation and keeping in contact with our vendor in Chile. (We) hope at some point to resume sourcing product from this region."

The decision has Chilean salmon producers understandably concerned. The United States buys an estimated 38 percent of all Chile-raised salmon, purchasing approximately US\$700 million worth annually. Safeway — which buys its product from industry leader Marine Harvest — spends only about US\$12 million on Chilean salmon, a relatively small amount. Still, the move threatens to set a costly precedent, especially if U.S. chains Wal-Mart or Costco are to follow suit.

"In response to the New York Times articles and the subsequent reaction by an important supermarket chain in the United States, SalmonChile would like to say the following: first, that we categorically reject the New York Times report, which offers a series of false information that hurts the Chilean salmon industry," César Barros, president of Chile's private salmon producers' association (SalmonChile) announced during a press conference Tuesday.

Entitled "Salmon Virus Indicts Chile's Fishing Methods," the New York Times article highlights the industry's current struggles with ISA and raises serious questions about Chilean aquaculture practices, suggesting among other things that producers here may overuse antibiotics. The story also alludes to the use in Chile of growth hormones. First published last week, the article has since appeared in major newspapers throughout the United States.

SalmonChile insists its producers use no such hormones. The trade group also claims that while Chilean salmon farms employ more antibiotics than their counterparts in Norway — the world's leading salmon producer — their use is by no means "excessive";

"Salmon production in Chile is strictly regulated and there's an active participation by SERNAPESCA, which constantly verifies that norms are followed," said Barros. "We lament the fact that foreign media try to weaken Chile's third most important export industry, an industry that employs more than 50,000 people and that has played a key role in our national growth."

For the industry's many critics, the recent wave of less than favorable press is long overdue. Santiago-based environmental groups such as Terram, Oceana and Ecoceanos have complained for years that the US\$2.2 billion industry takes advantage of poor government regulation to abuse the environment and run roughshod over workers' rights.

"The expansion of the ISA epidemic and the outbreak of sea lice offer clear evidence that the industry hasn't done well in terms of the environment. It's taken no precautions and has favored short-term economic interests over longer term environmental concerns," Terram economist Francisco Pinto noted in a press release.

"We're very concerned that the industry's own trade association, in the words of (SalmonChile) President César Barros, won't make any kind of mea culpa. Instead he continues to insist that the industry is successful and that all these are short-term problems caused by 'his enemies,'" Pinto added.

The Chilean salmon industry is in the midst of a major slowdown. Between 2004 and 2006 the industry grew by 25 percent, 20 percent and 28 percent respectively. Last year, in contrast, Chilean salmon exports grew by only 2 percent, according to SalmonChile. Chile's Industrial Promotion Society puts the figure even lower — at just 0.7 percent.

While ISA is to blame for much of the industry's current difficulties, a historically low U.S. dollar and high oil prices haven't helped matters. Norwegian-owned Marine Harvest has been particularly hard hit. Ten of the 19 outbreak sites are owned by Marine Harvest, which has closed several facilities and plans to lay off some 1,200 workers this year — roughly 25 percent of its entire Chilean workforce.

By Benjamin Witte (benwitte@santiagotimes.com)