



## Flights, deliveries to Europe resume



PHOTO BY STEINNI FJALL, HOTEL RANGA, ICELAND

*By Christine Blank, SeafoodSource contributing editor*

22 April, 2010 - U.S. seafood exporters and importers are expressing relief that many European flights resumed on Wednesday after being grounded due to Iceland's Eyjafjallajokull volcano, which is still erupting but spewing less ash.

According to Eurocontrol, the European Union's air traffic agency, approximately 22,500 flights were expected to take off in European airspace on Wednesday, 80 percent of the total number of flights on a typical Wednesday, and nearly 100 percent of flights is anticipated on Thursday.

Still, U.S. seafood dealers are concerned about the long-term impact on pricing and demand.

"I was pleasantly surprised when the rest of [flights in northern Europe] started again ... except to the UK. We hadn't been able to ship up until Tuesday," Michael Tourkistas, president and CEO of East Coast Seafood in Lynn, Mass., a major lobster exporter, told SeafoodSource.

U.S. lobster exports should not be harmed this season because of the timing of the grounded flights, said Tourkistas. "It would have been a worse problem if it happened one or two weeks from now. The big production seasons are about to open in Newfoundland and New Brunswick," he said.

However, U.S. imports of farmed Norwegian salmon have been significantly hampered by the flight disruptions. "Our salmon business out of Europe has grounded to a halt. We need the assurance that flights will resume before we can pull fish and process it," Rich Stavis, president of Stavis Seafoods in Boston, told SeafoodSource.

Still, Stavis has been able to continue to supply its U.S. customers by buying from other countries. "We have been bringing more out of Canada and Chile. We have to be more creative," said Stavis.

The flight disruptions, which have forced traders to use more expensive freight options, have pushed wholesale salmon prices up by 20 percent over the past week, noted Stavis. "You have everyone bidding for salmon," he explained.

And higher prices in the short term may negatively impact long-term demand. "Retailers will have taken their focus off of salmon somewhat, because of what they have been seeing for pricing. As product becomes available, the demand may not go back up," said Stavis.

**Flights, deliveries to Europe resume (cont.)**

However, executives with the Norwegian Seafood Export Council don't expect the disruptions to hamper short-term demand for salmon.

“With the current market conditions — very strong demand and high prices — we do not expect this to have any significant impact on the market situation in the short run,” said Egil Ove Sundheim, the council's director of market information.

While airborne shipments to Asia and the United States have been delayed, most of Norway's salmon is delivered to European markets by truck and some is shipped via boat, according to Sundheim. “Products that were packed for air cargo were sold to other markets and segments when the flights were grounded,” he said.

Additionally, the three-day European Seafood Exposition is still on track to kick off in Brussels, Belgium, on Tuesday, according to show organizer Diversified Business Communications, which also publishes SeafoodSource. Brussels Airport reopened on Tuesday, according to the airport's Web site.

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