

## Earnings at Peruvian fishmeal producer Exalmar nosedive 84% after anchovy season abandoned

**The abundance of juvenile fish in the second season conspired to pull down the company's performance.**

Peruvian fishing and processing company Pesquera Exalmar reported an 84 percent drop in first quarter 2020 earnings before interest, taxes, depreciation and amortization (EBITDA) after expected harvests were vastly reduced by the cutting short of the anchovy fishing season.

EBITDA came in at \$3.9 million (€3.6 million) down from \$24.3 million (€22.2 million) a year earlier as the company incurred higher costs.

The early abandonment of the second anchovy season in north central waters in January dragged sales down by 64 percent to \$32.7 million (€29.8 million) from \$91.3 million (€83.3 million).

The second season was cut dramatically short, with only 36 percent of the 2.78 million metric tons quota harvested thanks to an abundance of juvenile fish.

The unexpectedly high numbers of juveniles sparked an ongoing official investigation into charges that high quotas had been fixed allegedly to favor the fishmeal industry and its suppliers, accusations producers reject.

With the first season for 2020 gradually getting underway fishing companies are expected to prioritize customers whose contracts were not met last time around.

Earlier this month Peru's Ministry of Production authorized a 2.41 million-metric-ton anchovy quota for the first season in north central waters.



Speculation has swirled that non-fulfilled pre-sales run to 100,000-150,000 metric tons and that the new quota could produce 570,000 metric tons of fishmeal, meaning there would be sufficient supplies to make up the shortfall.

A day before the quota announcement Peru's government laid down new health and safety rules for a staggered restart to fishing aimed at preventing coronavirus contagion aboard fishing vessels and in processing plants.

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