

SLAYED IN ICELAND

The commercial hunting
and international trade in
endangered fin whales



Animal Welfare
Institute



WHALE AND
DOLPHIN
CONSERVATION



ACKNOWLEDGEMENTS

EIA uses IBM i2® intelligence analysis software.

Report design by:
www.designsolutions.me.uk

September 2014

No part of this publication may be reproduced in any form or by any means without permission in writing from the Environmental Investigation Agency.



ANIMAL WELFARE INSTITUTE (AWI)
900 Pennsylvania Ave., SE
Washington, DC 20003
Tel: (202) 337-2332
Fax: (202) 446-2131
email: awi@awionline.org

www.awionline.org



ENVIRONMENTAL INVESTIGATION AGENCY (EIA)
62/63 Upper Street
London N1 0NY, UK
Tel: +44 (0) 20 7354 7960
Fax: +44 (0) 20 7354 7961
email: ukinfo@eia-international.org
www.eia-international.org



WHALE AND DOLPHIN CONSERVATION (WDC)
Brookfield House
38 St Paul Street
Chippenham
Wiltshire, SN15 1LJ, UK
Tel: +44 (0) 12 4944 9500
Fax: +44 (0) 12 4944 9501
email: info@whales.org
www.uk.whales.org

COVER IMAGE: © EIA

CONTENTS

- 1 INTRODUCTION
- 2 ICELAND'S WHALING HISTORY
- 3 ICELAND'S 21ST CENTURY WHALING
- 5 OPPOSITION TO ICELAND'S WHALING
- 6 HVALUR: A WHALING DYNASTY
- 8 HVALUR'S FIN WHALE TRADE
- 10 HVALUR'S CONTROL OF THE WHALE MEAT MARKET IN JAPAN
- 11 IS THERE A MARKET FOR ICELANDIC FIN WHALE?
- 13 CONCLUSIONS AND RECOMMENDATIONS



© Life Investigation Agency



© EIA

INTRODUCTION

The fin whale is the second largest species on the planet – a giant at more than 20 metres in length but able to swim at speeds in excess of 35km per hour, earning it the nickname ‘greyhound of the sea’. For decades it was the target of industrial-scale commercial whaling operations whose factory fleets decimated whale populations in all oceans. The wholesale slaughter ended in 1986 with the implementation of the International Whaling Commission’s (IWC) moratorium on commercial whaling. However, the damage done to the fin whale was already catastrophic; almost 30 years later it remains an endangered species.¹

Despite its status and even though there is no local demand for its meat, Iceland permits the hunting of fin whales, as well as the smaller minke whale, in the North Atlantic. Since 2009, the Icelandic whaling company Hvalur hf has killed 407 fin whales, purely to exploit a limited demand for whale meat and blubber in Japan. Over the past eight years, Hvalur has exported more than 5,000 tonnes of fin whale products from Iceland to Japan, including a record single shipment of 2,071 tonnes in 2014.

These exports are worth an estimated US\$50 million and Iceland’s escalating whale hunts are clear and wilful abuses of the IWC’s moratorium as well as the ban on international commercial trade in whale products imposed by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Iceland’s whaling and associated trade are strongly opposed by the international community; dozens of governments have agreed to several strongly worded diplomatic protests (démarches) against Iceland since it resumed whaling in 2003

and the United States Government has recently implemented more extensive bilateral diplomatic measures against Iceland to protest its whaling and trade.

So far, however, political and diplomatic efforts against Iceland’s whaling have been insufficient to provoke a change in policy. After a two-year hiatus in 2011 and 2012, which it attributed to market disruption caused by the March 2011 earthquake and tsunami in Japan, Iceland resumed fin whaling with even higher quotas. In December 2013, Iceland’s Ministry of Fisheries issued a five-year block quota for 154 fin whales per year – as many as 770 over the whole period.

At the centre of the industry is Kristján Loftsson, the Executive Director of Hvalur who kept Iceland’s whaling fleet intact when most other whaling nations accepted the moratorium and repurposed or scrapped their vessels. Convinced that Japan still represents a viable market for fin whale products, Hvalur has used the resources of Icelandic fishing giant HB Grandi to keep the shipments flowing to Japan.

This report provides background information on Iceland’s whaling and whale product exports and exposes the connections between Hvalur and the Icelandic companies which – if given sufficient motivation – have the power to finally end the hunt.

Animal Welfare Institute (AWI)
Environmental Investigation Agency (EIA)
Whale and Dolphin Conservation (WDC)

September 2014



ICELAND'S WHALING HISTORY

In the long and bloody history of commercial whaling, Iceland is one of the most notorious protagonists, killing more than 35,000 whales since the late 19th century and opposing or circumventing all efforts by the international community to regulate whaling and prevent the decimation of whale populations.

The main stage for Iceland's infamy has been the International Whaling Commission (IWC), of which it was a founding member in 1946. Over time, unable to prevent Iceland and other nations from exceeding quotas, killing undersized whales and targeting protected species,² the IWC eventually recognised that nothing less than a total ban would protect whales and allow depleted populations to rebuild. In 1982, the Commission adopted the moratorium prohibiting the hunting of all the 'great whales'³ for commercial purposes, which became effective in 1986.

Although Iceland voted against the moratorium in 1982, after a bitter parliamentary debate it did not register a formal objection to the decision, unlike the Soviet Union, Japan⁴ and Norway. It was therefore legally obligated to comply with the moratorium. However,

while Iceland ceased commercial whaling in 1985 in accordance with the moratorium, it soon began exploiting Article VIII of the International Convention for the Regulation of Whaling (ICRW), the treaty which established the IWC and allows whaling under 'special permit' for scientific purposes. Iceland, like Japan, used this loophole to catch whales on a commercial scale under the guise of research to circumvent the new moratorium.⁵

Between 1986-89, Icelandic whalers killed 292 fin whales and 60 sei whales. All were killed in the name of science but most of the resulting products were exported to Japan for commercial sale, despite a 1986 consensus Resolution of the IWC stating that the whale products should be utilised "primarily for local consumption".⁶ Ultimately, it took a public boycott of Icelandic fish in Europe and the US, plus the threat of US Government-imposed trade sanctions, to persuade Iceland to quit whaling when its research whaling programme concluded in 1989.⁷ Iceland left the IWC in 1992, having ceased whaling entirely.

"Between 1986-89, Icelandic whalers killed 292 fin whales and 60 sei whales."

ICELAND'S 21ST CENTURY WHALING

Less than a decade later, Iceland was back slaughtering whales. In 2000, it joined CITES with a reservation to the Appendix I listing of great whales, including fin whales, which prohibited international trade in their products. The reservation enabled Iceland to trade whale products legally with Norway and Japan, which already held reservations against the listing for fin whales. It then tried the same tactic at the IWC annual meeting, attempting in 2001 and May 2002 to rejoin with a reservation to the commercial whaling moratorium. Although these efforts were rejected, Iceland was ultimately accepted as a member of the IWC in October 2002 after a highly contentious vote, with a slightly re-worded 'reservation' which, it claimed, revoked its previous acceptance of the ban.⁸

At that time, a large number of IWC parties asserted that Iceland's reservation was incompatible with the object and purpose of the ICRW and not permissible under international law, with 16 countries officially objecting to the reservation (Argentina, Australia, Brazil, Chile, Finland, France, Germany, Monaco, The Netherlands, Peru, Portugal, San Marino, Spain, Sweden, the UK and the US). Italy, Mexico and

New Zealand officially rejected both the reservation and Iceland's membership in the IWC.⁹

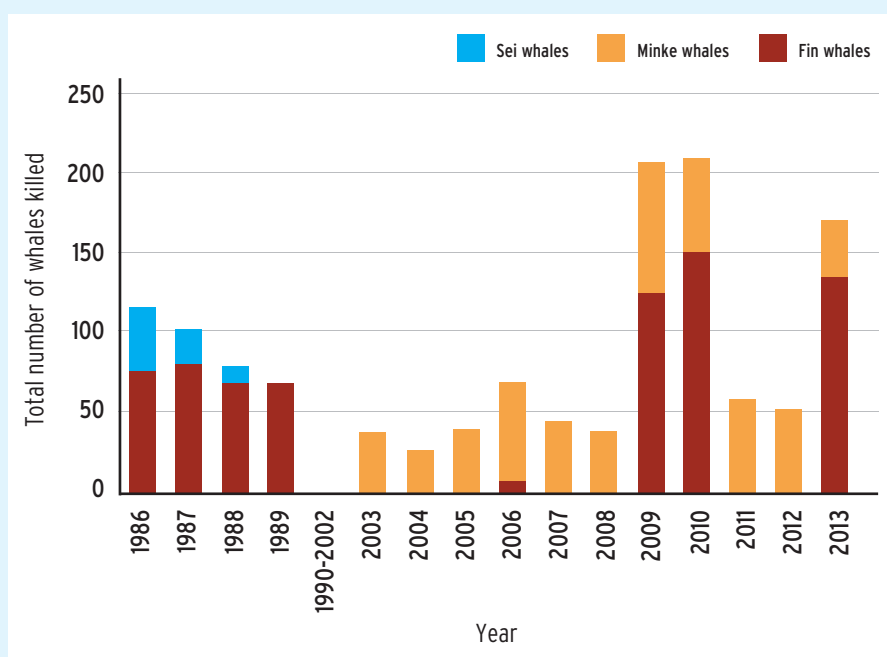
Despite this, Iceland wasted no time in resuming whaling. Iceland's disputed reservation had stated it would not start commercial whaling until 2006 but within eight months of rejoining the IWC, it announced a new special permit programme under which it planned to kill 50 sei, 100 fin and 100 minke whales annually over two years for "scientific" purposes.¹⁰ This programme was subsequently extended to five years, during which Iceland took a total of 200 minke whales in blatant defiance of the IWC's statement in 2003 that "Article VIII of the Convention is not intended to be exploited in order to provide whale meat for commercial purposes and shall not be so used".¹¹

THE RESUMPTION OF COMMERCIAL WHALING

In 2006, well before publishing any research findings from its 'special permit' hunt, Iceland resumed commercial whaling under its disputed reservation, setting itself a hunting

FIGURE 1: Number of whales killed under Iceland's special permit and commercial whaling programmes since the moratorium

Source: <http://iwc.int/catches>





© EIA



© Mike Tetley

TOP:

Fin whale landed in Hvalfjörður on August 14, 2014.

ABOVE:

Minke whales are also targeted in a commercial hunt in Iceland.

quota of 30 minke and nine fin whales,¹² ultimately killing one minke and seven fin whales, in addition to 60 minke whales killed for 'scientific' research (see Figure 1). It took six minke whales in 2007 and 38 in 2008,¹³ but numbers soon escalated. In 2009, then fisheries minister Einar K Guðfinnsson increased quotas to 150 fin and 100-150 minke whales a year from 2009-13.¹⁴ Ultimately, Hvalur took 126 fin whales in 2009 and 148

in 2010, while minke whalers killed 81 and 60 minke whales those same years.¹⁵

Between 2011 and 2012, citing Japan's March 2011 earthquake and tsunami, Hvalur did not engage in any fin whaling¹⁶ but continued to export whale products to Japan. Minke whaling, however, continued during this period, with a total of 110 killed in 2011 and 2012, mainly for the domestic market. Iceland resumed fin whaling in 2013, killing 134 fins in addition to the 35 minke whales killed that year.¹⁷

In December 2013, the Fisheries Ministry issued a new five-year block quota for 154 fin whales per year, plus a carry-over of 20 per cent.¹⁸ This was followed in March 2014 by a six-year block quota of up to 229 minke whales per year "based on advice from the Marine Research Institute" plus a potential carry-over of up to 20 per cent of any unused quota from the previous year.¹⁹ As of September 2, minke whalers have taken 22 minke whales while Hvalur has killed 100 fin whales in the 2014 whaling season.²⁰

OPPOSITION TO ICELAND'S WHALING

Iceland's whaling is controversial not just because it is conducted in defiance of the IWC's moratorium but also due to conservation and welfare concerns. Its quotas are self-allocated and have not been approved by either the IWC's Scientific Committee or the Commission. Although the commercial whaling moratorium remains in place, the IWC has developed a Revised Management Procedure (RMP) which runs simulations of possible quotas to test their potential impact on whale stocks. In the case of North Atlantic fin whales, Iceland's quotas are more than three times what would be deemed safe by the Scientific Committee under the RMP if the whaling ban were not in place.²¹

Iceland has also failed to attend to welfare issues raised by the IWC. Until 2014, for example, it had not collected any data on the time that whales take to die in either its fin or minke whale hunts, nor had it reported on the efficiency of its exploding harpoons. In fact, the whaling license issued to Hvalur does not even require it to record the number of harpoon grenades it uses.²² Iceland has also failed to provide required information to the IWC on the type and amount of products generated by its whaling industries.²³

Iceland's renegade whaling and trade in whale products has generated diplomatic protests; a wide range of countries have adopted four strongly worded démarches against the country since 2003²⁴ and several members of the European Union (EU) asserted that they would block Iceland's 2009 application to join the EU if it continued to hunt and export whales.²⁵ Whaling became a key issue in the accession negotiations, although Iceland ultimately suspended its application in September 2013.

The US Government has twice initiated diplomatic action against Iceland in response to a 2010 petition filed by conservation and animal welfare organisations under conservation legislation known as the Pelly Amendment to the Fisherman's Protective Act. In 2011 and again in 2014, President Obama asserted that "Iceland's actions threaten the conservation status of an endangered species and undermine multilateral efforts to ensure greater worldwide protection for whales" and issued a series of directives to all Cabinet Secretaries and heads of

government agencies to urge Iceland to cease its commercial whaling activities.²⁶

The public is also deeply opposed to Iceland's whaling and prepared to take action in response to such killing. According to opinion polls conducted in UK, 82 per cent of people disagree with Iceland's actions and almost two-thirds would avoid buying related Icelandic products in protest. Figures are similar in the US.²⁷ A new survey conducted in July 2014 by ORC International suggests an even greater willingness by the public to engage in activism; 90 per cent of people polled in the UK and Germany oppose Iceland's resumption of commercial whaling and more than four out of five are unlikely to purchase seafood from companies linked to whaling.²⁸

Harnessing this citizen power, conservation and animal protection organisations including AWI, EIA, ProWildlife and WDC are targeting consumers in the main markets for Icelandic exports. Pointing out the clear connections between Iceland's whaling industry and Icelandic companies exporting seafood and other products, they are working with local activists in a range of countries to urge consumers, wholesalers and retailers to avoid Icelandic fish tainted with the blood of whales. They are also targeting shipping companies, calling on them not to be involved in the transport of whale meat within Iceland or in overseas shipments.

"More than four out of five people polled in the UK and Germany are unlikely to purchase seafood from companies linked to whaling."



© AWI

HVALUR: A WHALING DYNASTY

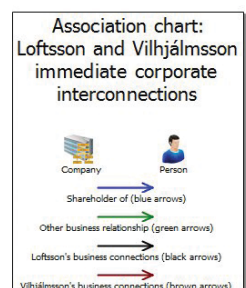
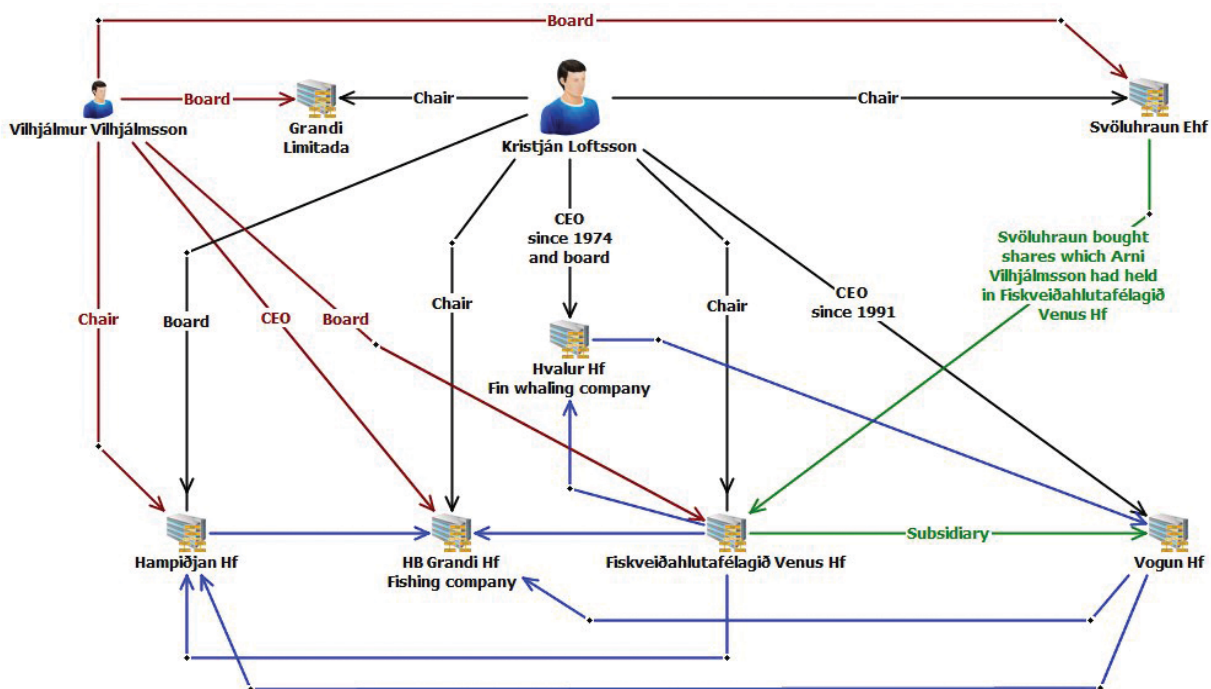
Although Hvalur began commercial whaling in 1948, the origins of the company can be traced back to 1936 when two fishermen, Loftur Bjarnason and Vilhjálmur Arnason, purchased shares in a fishing vessel named the Venus.²⁹ This was the beginning of a seafood dynasty that continues to dominate Iceland's fishing and whaling industries to this day, and descendants of both men are still actively engaged in whaling. The best-known is Loftur Bjarnason's son, Kristján Loftsson, the face of Iceland's commercial whaling industry.³⁰

Following the Second World War, Hvalur converted the former US naval base at Hvalfjörður into a whaling station, and from 1948 until 1989 the company caught an average of 220 fin whales a year.³¹ The company owns four whaling vessels, although only two, the *Hvalur 8* and *Hvalur 9*, are currently

operational. Hvalur also owns and operates a freezer facility in Hafnarfjörður, and in June of 2013 it applied for an extension of its permit from the local health authorities to cut, package and store meat at that facility. The permit was granted for a period of 12 years.³²

Hvalur, in addition to its whaling activities, is one of the largest investment companies in Iceland. **Hvalur's largest single asset (roughly two-thirds of its total assets) is its significant share in Iceland's leading fishing company, HB Grandi**, mainly via shares in the holding company, Vogun.³³ Kristján Loftsson is Executive Director of both Hvalur and Vogun, as well as the Chair of the Board of Directors of HB Grandi.³⁴ Hvalur is linked to a number of Iceland's leading companies, including Hampiðjan,³⁵ a fishing gear company, and Nyherji, an information technology firm.³⁶

FIGURE 2: The links between Hvalur and HB Grandi





1. HB Grandi logo.



2. HB Grandi facility in Akranes, where fin whale meat was unloaded on August 14, 2014.



3. The facility contains piles of boxes labelled 'frozen whale meat' in both English and Japanese.

4. Trucks transporting whale meat from the whaling station.

5. The HB Grandi facility where the whale meat is packaged.

6. It is then transported to the Hvalur freezer facility in Hafnarfjörður.



HB GRANDI: AN ACTIVE PART OF ICELAND'S FIN WHALING INDUSTRY

HB Grandi and Hvalur are inextricably linked (see Fig 2). Three companies directly connected to Hvalur - Hampiðjan, Fiskveiðihlutafelagið Venus hf and Vogun - control 49.7 per cent of the shares in HB Grandi, as of March 2014.³⁷



HB Grandi's fish-processing facility in Akranes has been used to process fin whale products every year that commercial fin whaling has taken place, including 2014. The fin whale meat is taken from the Hvalur whaling station in Hvalfjörður and transported by truck to Akranes where it is cut and packaged into boxes bearing the description "frozen whale meat" in both English and Japanese. From Akranes, the meat is trucked to the Hvalur freezer facility in Hafnarfjörður, where it is stored until export.



Today, HB Grandi holds a total of 166,500 metric tonnes of fish quotas, making it one of Iceland's largest quota holders. On a species-by-species breakdown, HB Grandi controls significant shares of a number of fish species, including cod (both Icelandic and Barents Sea), haddock, saithe and herring. The company dominates the production of redfish, holding 31 per cent of Iceland's oceanic redfish quota and 32 per cent of the redfish quota.³⁸ HB Grandi is also a significant producer of masago (capelin roe) for the world sushi market,³⁹ and is one of the largest seafood exporting companies in Iceland.

HB Grandi has numerous subsidiaries, among them Grandi Limitada and Stofnfiskur, and the company holds a 20 per cent share in the Chilean fisheries and aquaculture company Friosur.⁴⁰ In the past year, the company has bought out several others, including Vignir G Jónsson and Laugafiskur.⁴¹



HVALUR'S FIN WHALE TRADE

TABLE 1. WHALE PRODUCTS EXPORTED FROM ICELAND TO JAPAN

(HS code '02084002' - other frozen whale products)

Month of export	Kg	Value ISK
2008 - June *	81,774	94,038,488
2010 - January	134,026	308,215,584
2010 - March	88,191	152,626,830
2010 - April	149,192	216,675,981
2010 - August	129,600	210,273,467
2010 - September	129,915	209,255,604
2010 - October	133,348	197,344,751
2011 - March	289,134	463,820,820
2011 - April	129,600	98,382,018
2011 - July	133,951	134,779,969
2011 - August	131,706	208,983,318
2011 - September **	128,010	223,863,127
2011 - October	129,180	103,076,084
2012 - January	129,540	38,082,513
2012 - February	131,615	173,335,984
2012 - April	130,697	133,924,135
2012 - June	129,838	279,312,550
2012 - July	129,200	219,523,528
2012 - August	132,418	151,704,332
2012 - September	128,784	153,849,907
2012 - November	129,320	118,374,043
2013 - April	129,727	157,286,674
2013 - June	128,955	35,437,674
2013 - July	127,822	100,265,535
2014 - January	42,038	55,307,398
2014 - February	211,839	199,421,339
2014 - March	2,071,358	1,495,344,619
TOTAL	5,540,778	5,932,506,272

* exported under HS code 2084011

** includes 635kg exported under HS code 2084011

Source: www.statice.is

As of June 2014, more than 5,540 tonnes of whale products, almost all of it fin whale, have been exported to Japan from Iceland since 2008. Some 41 per cent of the total export occurred in the first three months of 2014, representing an unprecedented escalation in the international trade of whale products. The whale exports are worth an estimated 5.9 billion Icelandic krona, more than US\$50 million.⁴²

Although most minke whale meat is consumed domestically in Iceland, the same cannot be said of fin whale meat. Fin whale blubber is sold in some Icelandic supermarkets but such sales appear to be largely limited to traditional holiday times. Recent consumer surveys conducted by Capacent Gallup for the International Fund for Animal Welfare show that only three per cent of Icelanders eat whale meat regularly, while 75 per cent never eat whale meat.⁴³ With a human population of fewer than 330,000, it is clear that Iceland's whaling industry, particularly its fin whaling industry, is dependent on exports for its survival.

After an experimental export in 2008, Iceland's export of fin whale products to Japan began in earnest in June 2010, with 764 tonnes exported that year. This grew to 942 tonnes in 2011 and to more than 1,041 tonnes in 2012, even though no fin whale hunt took place in Iceland those years. Exports dropped to 387 tonnes in 2013 but have escalated dramatically in 2014. In the first six months alone, Iceland exported more than 2,300 tonnes of whale products, almost entirely fin whale, to Japan, including a record single shipment of 2,071 tonnes in March⁴⁴ which represents an entire annual quota of fin whales and exceeds the entire supply of whale products from Japan's combined 'scientific' hunts in the Antarctic and North Pacific in 2013.⁴⁵

To date, the three shipments in 2014 have been worth more than 1.7 billion Icelandic krona (US\$15 million), bringing the total value of fin whale meat exported by Iceland since 2008 to 5.9 billion Icelandic krona (more than US\$50 million).⁴⁶

Hvalur is taking advantage of a recent drop in supply of whale meat from Japan's own whaling fleet to export additional whale meat and increase its profits. Japan has taken fewer whales in the Antarctic in recent years and will not engage in Antarctic whaling in the 2014/15 season in response to the March 2014 ruling of the International Court of Justice (ICJ) against its 'scientific' whaling programme.⁴⁷ Hvalur has more than filled the gap;

TABLE 2. WHALE PRODUCTS IMPORTED BY JAPAN FROM ICELAND

Month of import	Whale meat (HS Code '020840011')		Marine mammal fat/oil and fractions thereof (blubber) (HS Code '150430090')		Total whale product
	Kg	Value (1000 yen)	Kg	Value (1000 yen)	Kg
2008 - October	66,573	120,651	-	-	66,573
2008 - December			13,866	51,605	13,866
2010 - June	33,405	32,460	68,802	163,257	102,207
2010 - July	21,600	21,964	64,740	95,525	86,340
2010 - September	109,104	100,504	19,490	48,725	128,594
2010 - November	255,000	322,312	-	-	255,000
2011 - January	86,400	72,378	43,173	77,552	129,573
2011 - May	64,425	131,083	79,892	105,825	144,317
2011 - June	103,291	71,883	33,155	44,559	136,446
2011 - August	89,775	46,149	39,698	56,390	129,473
2011 - September	128,865	83,624	-	-	128,865
2011 - November			128,228	152,947	128,228
2011 - December	29,906	34,806	82,751	115,368	112,657
2012 - January	63,675	15,950			63,675
2012 - March	54,896	51,436			54,896
2012 - May	126,376	31,593			126,376
2012 - July	82,644	80,656	44,543	38,903	127,187
2012 - September	105,675	66,847	21,867	30,624	127,542
2012 - October	188,820	250,495	62,275	88,815	251,095
2012 - December	82,720	50,812	44,804	51,610	127,524
2013 - January	115,993	93,986	10,918	15,060	126,911
2013 - March	116,941	79,531			116,941
2013 - June	58,043	44,388	52,107	62,700	110,150
2013 - July	127,650	39,515			127,650
2014 - May	97,980	56,132	48,080	52,762	146,060
2014 - June	642,217	312,153	42,825	67,299	685,042
TOTAL WHALE PRODUCT IMPORTED (kgs)					3,753,188

Source: www.customs.go.jp

it is now dominating the Japanese market. Indeed, the March 2014 shipment represents the largest single source of whale meat in the Japanese market.

DECIPHERING THE TRADE DATA

Trade statistics maintained by the Government of Japan show that as of June 2014, 3,753 tonnes of whale product, comprising 2,852 tonnes of whale meat and 901 tonnes of whale blubber, have been imported since 2008. In contrast, Iceland's trade statistics show exports totalling 5,540 tonnes to Japan.⁴⁸

Interpreting international trade data for fin whale products is hampered by Iceland and Japan using different Harmonised System (HS) codes to classify the products. While fin whale products are exported from Iceland labelled as "other frozen whale products" (HS code 02084002), the shipments are classified by Japan's Customs Authority

into two separate products – whale meat (HS 020840011) and "fats and oils of marine mammals" (HS 150430090), i.e. whale blubber.

There is also a delay between the import date of the shipment into Japan and its appearance in Japanese trade statistics. For example, while it is known that the March 2014 shipment of over 2,000 tonnes of Icelandic [fin] whale meat arrived in Osaka in early May aboard the *Alma*, the June import statistics from Japan showed only a partial import of 685 tonnes of whale meat and blubber. Iceland's growing trade in whale products with Japan and Norway takes place under CITES reservations which were never intended to be used to circumvent its protections on such a massive scale. As noted in a 2013 report to CITES by the United Nations Environment Programme's World Conservation Monitoring Centre, large-scale trade under reservation such as Iceland's may "undermine the effectiveness of Appendix I listings".⁴⁹

"In the first six months of 2014, Iceland exported more than 2,300 tonnes of whale products."

HVALUR'S CONTROL OF THE WHALE MEAT MARKET IN JAPAN

© Life Investigation Agency



© EIA



© EIA



TOP:

Icelandic fin whale meat unloaded in Osaka, Japan, May 2014.

ABOVE LEFT:

Icelandic fin whale meat on sale in Tsukiji fish market, Tokyo.

ABOVE RIGHT:

The 'office' of Misaka Company Ltd in Yokohama, 2011. The company address has since changed.

Kristján Loftsson is not just benefiting from Hvalur's sales of fin whale meat to Japan, he is actively involved in the imports. All Icelandic fin whale products imported by Japan are received by Misaka Trading Co Ltd, which was established in 2009 as a seafood import/export and trading company with capital of ¥2.5 million (US\$26,000).⁵⁰ According to interviews conducted by EIA in 2011 with Mr Sakaguchi, one of Misaka Trading's directors, he set up the company at the request of Kristján Loftsson who provided operating costs and is routinely consulted on the

company's decisions, including the price at which fin whale products are sold. Mr Sakaguchi told EIA that Hvalur paid all the import costs for fin whale meat and that Misaka Trading sold on a consignment basis, explaining that "until the products are sold, everything is belonging to Iceland. The meat and everything."⁵¹

At the time, Mr Sakaguchi estimated that Misaka Trading Ltd was making a profit of approximately ¥1 million to ¥1.5 million (US\$12,320 to \$18,480) per tonne of fin whale product.

IS THERE A MARKET FOR ICELANDIC FIN WHALE?

EIA's 2011 investigation in Japan demonstrated the growing availability of Icelandic fin whale through major wholesale markets (eg, Tokyo, Osaka, Shimonoseki) as well as via whale trading companies or online retailers such as Amazon, Rakuten and Yahoo! Japan. Although the devastating earthquake and tsunami in March 2011 destroyed key Japanese processing facilities that were important distributors of Icelandic fin whale,⁵² Hvalur nevertheless kept exporting from its stockpiles and, as the market recovered, increased its domination by the sheer volume of its product and by undercutting the prices of Japanese whale meat. For example, the most recent import of 652 tonnes of Icelandic fin whale meat was valued at ¥486/kg (US\$4.67/kg). In contrast, Japan's Institute for Cetacean Research sets the sale price for the most common cut of whale meat at almost three times the price – ¥1,400/kg (US\$13.46/kg).⁵³

Campaigns led by EIA and Humane Society International have undermined sales of whale meat in Japan, persuading several major Japanese supermarket chains as well as Amazon and Rakuten, Japan's largest internet retailer, to stop selling whale and dolphin products.⁵⁴ A spokesperson for Hino Shoten, a whale trading company which had been selling Icelandic fin whale via Rakuten, stated that "the effects of prohibiting sales of whale meat on Rakuten are enormous", noting that his company had previously been selling whale meat worth tens of millions of yen through the retail site.⁵⁵ However, Icelandic fin whale can still be easily found for sale online in Japan on whale meat company websites or via internet retailers such as Yahoo! Japan which sell a variety of products including canned fin whale, whale sashimi and fin whale bacon.⁵⁶

Activists have engaged with both the companies shipping Hvalur products and the ports through which the shipments pass in an effort to bring an end to the international trade in whale meat. For example, in July 2013 Greenpeace and other NGOs successfully protested a shipment en route to Japan via Rotterdam and then Hamburg, resulting in the 130 tonne shipment of fin whale products being returned to Iceland. As a result of the ensuing publicity, shipping companies Samskip and Evergreen pledged to no longer carry whale products.⁵⁷ The Port of Rotterdam urged



© EIA



shipping companies to stop the transport of whale meat to Japan and called on other European ports to do the same; however, no regulations have been enacted and whale products can still transit through European ports.⁵⁸ Hvalur has tried to remain one step ahead of protestors by securing other routes to Japan, including chartering a Cypriot-flagged vessel, the *Alma*, from a company linked to Samskip⁵⁹ for the massive March 2014 shipment of fin whale products to Japan. The *Alma* avoided European ports by travelling south along the west coast of Africa and then transited the Indian Ocean on its way to Osaka, Japan, stopping off only once, at Port Louis, Mauritius, but also generating public protests in Durban, South Africa.⁶⁰

TOP:
Canned fin whale meat offered for sale by Kinoya Company Ltd.

ABOVE:
Japanese website dedicated to the sale of Icelandic whale products.



© EIA

EXPORTS TO NORWAY

Iceland has recently exported whale products to Norway under both countries' respective reservations to the CITES Appendix I listing.

The first shipment of 14,141kg of whale meat took place in February of 2013, while the second, 950kg of "frozen whale products", occurred in December 2013.⁶³ While Norwegian import data shows the first shipment, no matching export data can be found in Iceland's trade database. The second, which is noted in Icelandic trade data, was subsequently re-exported to Japan in conjunction with a shipment of whale blubber from a Norwegian company, Lofothval, which is part-owned (12 per cent) by Kristján Loftsson.⁶⁴ The combined Icelandic/Norwegian shipment totalled 3,100kg and was sent to Kyodo Senpaku Kaisha, the company which conducts Japan's 'scientific' whaling, in February 2014. Kyodo Senpaku's involvement with the import of Icelandic and Norwegian commercially hunted whales is yet more proof that Japan's whaling has nothing to do with science.

Whale meat has also been sent to Japan via Canada, where the meat was transported by train from Halifax to Vancouver.⁶¹ Two containers eventually made their way to the port of Seattle in the US and were apparently cleared by officials with US Customs and Border Protection. Bill of lading information obtained by AWI identifies the shipper as Hvalur and the consignee as Misaka Trading Co Ltd. It is assumed, based on the consignee data, that the whale meat transited through Seattle and eventually arrived in Japan, but actual movements beyond the end of January 2014 are unclear.

AWI has called for a full investigation by US authorities into the matter, including the manner in which the shipment contents were described on the bill of lading and apparent misuse of a Harmonised System (HS) code indicating that the shipment contained frozen rabbit meat.⁶²

CONCLUSIONS AND RECOMMENDATIONS

Since 2006, Iceland has engaged in the killing of endangered fin whales and trade in fin whale products.

It has done so in contravention of the IWC's commercial whaling moratorium and the CITES prohibition on the international trade in great whales. It has also ignored repeated international protests and diplomatic measures seeking its cessation of commercial whaling. Iceland claims its whaling is sustainable when the best available scientific evidence reveals that its fin whale quota is more than three times greater than the level considered sustainable.

Against this backdrop, it is hard to understand why the IWC has made no formal statement concerning Iceland's commercial whaling, even more so since 19 IWC member countries formally objected to Iceland's reservation and several stated that they do not consider the Convention as being in force between Iceland and their countries. Indeed, this raises the question of whether Iceland was actually legally accepted back into the IWC with its reservation.⁶⁵

It is time for the Contracting Governments to the IWC and non-member governments worldwide to take strong diplomatic and economic action to bring an end to what is clearly the most flagrant abuse of the moratorium on commercial whaling since its inception.

Without such action, Iceland's commercial whaling and its exports of the products of endangered fin whales to Japan will continue, and Hvalur's domination of the Japanese market will grow.

AWI, EIA and WDC call on the IWC, governments and businesses dealing with Icelandic companies linked to whaling to take action to compel Iceland to cease commercial whaling and trade:

- IWC Contracting Governments should publicly denounce Iceland's commercial whaling industry, encourage Iceland to cease all commercial whaling and international trade, and withdraw its reservations to the commercial whaling moratorium and CITES Appendix I listings of the great whales;
- IWC Contracting Governments which are also Parties to CITES should challenge Iceland's abuse of its reservation which is allowing massive international, commercial trade in whale meat and products;
- the President of the United States, under the authority provided by the Pelly Amendment to the Fishermen's Protective Act, should immediately consider the imposition of targeted economic trade sanctions against Icelandic companies that are directly linked to whaling;
- EU member countries (and other countries that may provide services to conveyances carrying whale meat) should encourage ports (seaports, airports and other ports of arrival) to prohibit any conveyance (vessel, ship, air carrier, train or any other conveyance) carrying whale products, and examine all measures to permanently prevent the transit of protected whale species through their countries. The end of all commercial or 'scientific' whaling in Iceland must be non-negotiable in any potential future discussions of Iceland's accession to the EU;
- all countries should seek to use the full range of existing diplomatic measures to compel Iceland to permanently end commercial whaling;
- all companies purchasing Icelandic seafood products should conduct a full and transparent audit of their seafood supply chain to determine whether they are purchasing or selling seafood from companies linked to Icelandic whaling either directly, or else indirectly via third parties or subsidiaries. They should further publicly state their opposition to Iceland's commercial whaling.



1. 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. & Zerbin, A.N. 2013. *Balaenoptera physalus*. The IUCN Red List of Threatened Species. Version 2014.2. www.iucnredlist.org/. Last retrieved August 25, 2014. The fin whale is also listed on Appendix I of CITES.
2. EIA (1985). "Pirate whaling 1985 and a history of the subversion of international whaling regulations", London.
3. Blue, fin, sei, Bryde's, minke, sperm, gray, right, humpback and bowhead whales.
4. Japan later withdrew its objections.
5. Article VIII, International Convention for the Regulation of Whaling. See also Marine Research Institute (1985): "Introductory meeting on whale research in Iceland and plans for intensified research in the period 1986 to 1989", August 10 Reykjavik.
6. IWC Resolution 1986-2 Resolution on Special Permits for Scientific Research. The text for all IWC resolutions can be accessed at <http://iwc.int/resolutions> and Icelandic Piratic Whaling 1991 – illegal whale meat exports and history of Iceland's pirate whaling record. A report by the Environmental Investigation Agency. 15 pp
7. See for example http://articles.orlandosentinel.com/1989-01-19/news/8901200070_1_burger-king-greenpeace-iceland-fish-and-who-publicaffairs.noaa.gov/releases2004/jun04/noaa04-065.html
8. <http://www.state.gov/documents/organization/191052.pdf>. The text of the reservation reads: "Notwithstanding this [reservation], the Government of Iceland will not authorize whaling for commercial purposes by Icelandic vessels before 2006 ... This does not apply, however, in case of the so-called moratorium on whaling for commercial purposes, contained in paragraph 10 (e) of the Schedule, not being lifted within reasonable time after the completion of the Revised Management Scheme."
9. <http://iwcoffice.org/documents/iceland.htm>
10. As per supranote 5 reference to the Marine Research Institute (1985).
11. IWC Resolution 2003-2. Resolution on Whaling under Special Permit. The text for all IWC resolutions can be accessed at <http://iwc.int/resolutions>
12. See, eg, <http://www.newscientist.com/article/dn10354-iceland-whalers-kill-endangered-fin-whale.html>
13. Iceland's commercial and scientific minke whaling programs overlapped in 2006 and 2007. All catch statistics are based on information from the IWC and Fiskistofa, Iceland's Directorate of Fisheries.
14. <http://www.smh.com.au/news/environment/whale-watch/concern-over-iceland-increased-whale-kill/2009/01/28/1232818515005.htm>
15. As per <http://iwc.int/table> objection and Fiskistofa.
16. See e.g. <http://grapevine.is/news/2013/05/06/whaling-resumes/>
17. As per supranote 15.
18. 1116/2013. REGLUGERÐ um breyting á reglugerð nr. 163, 30. maí 1973, um hvalveiðir, með síðari breytingum
19. 263/2014 REGLUGERÐ um breytingu á reglugerð nr. 163, 30. maí 1973, um hvalveiðir, með síðari breytingum. The current advice for minke whales of 229 is for what is known as the CIC area, which covers Icelandic waters; in addition, HAFRO has noted an additional quota of 121 minke in the area near Jan Mayen.
20. Per information from Fiskistofa
21. The IWC Scientific Committee has tested various Implementation Simulation Trials only one of which has performed acceptable: if the Scientific Committee were to be asked to set quotas, the "acceptable" variant would yield a catch limit of 46, far lower than Iceland's 154 fin whales a year. See IWC/63/15. Agenda item 16. Information note on RMP tuning and catch limits calculated by the Scientific Committee.
22. <http://www.athlinsi.is/altext/143/5/0582.html>
23. The IWC has adopted a number of Resolutions inviting Contracting Governments to report on the availability, sources and trade in whale products, i.e. 1994-7, 1995-7, 1996-3, 1997-2 and 1998-8. This agenda item provides the opportunity for Contracting Governments to provide the information specified in these Resolutions. In addition, paragraph 27b of the Schedule calls on governments to provide information on the products resulting from their whale hunts. Iceland has not provided such data, IWC pers.com. July 7, 2014.
24. <http://uk.whales.org/news/2003/09/twenty-three-governments-call-on-iceland-to-reconsider-its-whaling-programme>; http://www.wwf.org.uk/wwf_articles.cfm?unewsid=535; <http://www.theguardian.com/environment/2009/oct/02/iceland-whaling>; and http://www.reddorbit.com/news/business/2009848/iceland_whale_slaughter_condemned_by_11_countries/
25. For example, a 2010 resolution from the Dutch Parliament on whaling and trade which called on the Dutch government to

make it a condition of Iceland's accession to the EU to stop whaling and trade in whale products and to ensure that international agreements are not breached
<https://zoek.officielebekendmakingen.nl/rkst-23987-13.html>;
Also, http://www.terraviva.org/en/reports/Whaling_could_blow_a_hole_in_Iceland_EU_talks_999.html
See <http://www.whitehouse.gov/the-press-office/2011/09/15/memorandum-regarding-pelly-certification-and-icelandic-whaling> and <http://www.whitehouse.gov/the-press-office/2014/04/01/memorandum-pelly-certification-and-icelandic-whaling>.
A 2009 YouGov poll commissioned by Campaign Whale, EIA, WDC, IFAW, WSPA and Marine Conservation of 2,249 people in the UK found that 82 per cent of those queried disagreed with Iceland's decision to kill whales, while 64 per cent stated that they would avoid buying Icelandic fish, prawns and other products in protest. A 2011 poll conducted by ORC CARAVAN for Greenpeace showed that 83 per cent of Americans believe that the ban on commercial whaling should be strengthened. A 2012 poll by the Benenson Strategy Group, conducted for IFAW, showed that 77 per cent of the American public opposes commercial whaling. A further 66 per cent of respondents said that they would be willing to stop buying products from companies engaged in commercial whaling.
2014 Whaling Study UK and Germany. ORC International. The poll was commissioned by Animal Welfare Institute (AWI), Environmental Investigation Agency (EIA), Humane Society International (HSI), International Fund for Animal Welfare (IFAW), Oceancare, Pro Wildlife and Whale and Dolphin Conservation (WDC).
http://timarit.is/view_page_init.jsp?pageid=3144079
See e.g. <http://www.undercurrentnews.com/2013/09/03/owner-with-ties-to-whaling-group-ups-indirect-stake-in-hb-grandi/>
Branch, T. A. and Butterworth, D. S. 2006. Assessment of the East Greenland-Iceland fin whale population using a four-area model. Joint NAMMCO/IWC Scientific Workshop on the catch history, stock structure and abundance of North Atlantic fin whales: 33 pp. Reykjavik, Iceland.
http://www.heilbrigdisettirlit.is/innihald_heimasida/Fundargerdir/2312406931/fundargerdir_nr_181.htm
Eigíð fé Hvalsamstæðunnar 13 milljarðar króna. Vidskiptablaðið.19.06.10. and Hrunið hafði illt áhrif á Hval, Vidskiptablaðið 01.07.2010
<http://www.fme.is/media/lysingar/2014-03-27-GRND-Prospectus-%28final%29.pdf> Vognun and Hvalur share the same addresses according to Icelandic tax documents: 48 Reykjavíkurevur in Hafnarfjörður, and the Hvalur facility at Mið-Sandur in Hvalfjörður. www.rsk.is Kristján Loftsson is linked to the boards of the following companies: Svöluhraun ehf. (Chair), KINÉ ehf. (Board member), Vænting hf. (Board member and Executive Director), Hampdijón hf. (Board member), HB Grandi (Chair), Purulube á Íslandi hf. (Board member), Sundt-Afri Iceland ehf. (Chair), Hvalur hf. (Board member and Executive Director), Vognun hf. (Board member and Executive Director), Fiskevæðihlutafélagið Venus hf. (Chair), Grandi Limitada (Chair). Another HB Grandi Board member, Halldór Teitsson, is on the boards on Hvalur, Vænting hf and Vognun. <http://www.hampdijon.is/AboutUs/Investors/BoardofDirectors/> Among the top four shareholders in Hampdijón are two share holders in Hvalur (Vognun hf, and Fiskevæðihlutafélagið Venus hf.). Kristján Loftsson is, in addition to his board membership, is also among the top 20 of Hampdijón's 1,370 shareholders, and is listed as a primary insider of the company.
http://www.hampdijon.is/media/pdf/Hampdijon_hf_2012.pdf According to a company annual report, Hampdijón, one of the world's leading fishing gear companies, has "had involvement in the planning of HB Grandi and in its key decisions." <http://www.nyherji.is/um-nyherja/hlutahaf/staerstu-hlutahafir/> The links come via shareholdings by Fiskevæðihlutafélagið Venus hf. and Vænting hf
Samstæðuársreikningur HB Grandi hf. 2013. Shareholdings are likely to have changed since HB Grandi went public on the Nordic Nasdaq in April 2014 and Vognun, Fiskevæðihlutafélagið Venus hf. and Arion bank sold shares. <http://www.newsclient.comx.group.com/cdsPublic/viewDisclosure.action?disclosureId=622129&lang=Is> Also, the buy-outs of Vignir G. Jónsson and Laugarfiskur entailed sales in HB Grandi, and as of March 2014, VGJ ehf and LF2013 ehf owned 5.5 per cent and 0.9 per cent of HB Grandi shares, respectively.
<http://www.hbgrandi.is/Veidir/Alfjaheimildir>
In 2012, then Chair of HB Grandi, Arni Vilhjálmsson, stated, "Here-in-house it is being whispered that we account for 25 per cent of the world production of capelin roe."
<http://hbgrandi.is/Frettir/Fretti/-/NewsId/799>
HB Grandi Árssýsla 2013 and as per supranote 33.
As per supranote 32. Grandi Prospectus,

42. All Icelandic export statistics are based on data from www.hagstofa.is.
43. http://www.mbl.is/frettit/innlent/2013/12/16/3_percent_neyta_hvalkjots_reglugela/
44. As per supranote 42.
45. In 2013, 1,638 tonnes of whale product were supplied to the Japanese market from Japan's scientific whale hunts in the Antarctic and North Pacific, pers Comm. EIA with Junko Sakuma.
46. As per FoB estimates from Hagstofa www.hagstofa.is
47. <http://www.icj-cij.org/docdet/files/148/18162.pdf> Although Japan will not resume in Antarctic season 2014/2015, it has indicated that it will resume in 2015/2016, <http://www.natureworldnews.com/articles/7953/20140708/whale-hunts-will-resume-in-2015-says-japan-prime-minister.htm>
48. http://www.customs.gov.jp/tokei/info/tdsl_e.htm
49. CITES Trade - A Global Analysis of Trade in Appendix-I Listed Species. Prepared by UNEP World Conservation Monitoring Centre for the Sixteenth Meeting of the Conference of the Parties, Bangkok, Thailand, March 3-14, 2013. CoP16 Inf. 34. Available at: <http://www.cites.org/sites/default/files/eng/cop/16/inf/1-E-CoP16-34.pdf>
50. As per information obtained by EIA from the Ministry of Justice in Yokohama, March 2011, available upon request.
51. EIA and WDCS (2011). Renegade Whaling.
52. For example, in 2011 EIA identified important processing companies in Otsuchi and Ishinomaki that were subsequently destroyed by the tsunami, see EIA/WDCS report 2011 - Renegade Whaling.
53. See <http://asia.nikkei.com/print/article/24639>; currency exchange rate on August 31, 2014
54. See announcement by Rakuten on April 1, 2014: http://global.rakuten.com/corp/news/press/2014/0401_04.html which states: In accordance with the March 31, 2014 ruling by the International Court of Justice, Rakuten Ichiba today asked merchants to cancel sales of whale meat products on the Rakuten Ichiba marketplace. Rakuten has also requested these merchants to remove all related items from their online shops within the next 30 days.
55. See article August 12, 2014, ICJ ruling darkens future for Japanese whale meat businesses <http://ajw.asahi.com/article/bahind/news/social/affairs/AJ201408120005>
56. See e.g. <http://www.iceland-whale.com/>, <http://store.shopping.yahoo.co.jp/kitachokuhan/namanagasukujiraakaniku20010.html> and <http://kujirabioryi.jp/SHOP/1672299975/list.html>
57. <http://grapevine.is/news/2013/07/10/whale-meat-being-returned-to-iceland/> and <http://www.dominicantoday.com/dr/world/2013/7/11/48269/After-Greenpeace-protest-Shipping-companies-committing-themselves-to-send>
58. <http://www.greenport.com/news101/europe/rotterdam-bans-shipping-of-whale-meat>
59. As per Equivass vessel data and also pers comm. Benjamin Emmert, Frigship Chartering, May 7, 2014. Samskip holds a 25 per cent indirect share in the Silvergreen Shipping company in Norway via its 50 per cent holding in SilverSea AS. Silvergreen is also listed as a chartering agent for the Alma <http://silvergreen.no/Fleet/default.aspx#> and <http://www.proff.no/selskap/silver-sea-as/bergen/shipping-og-sj%C3%BBtransport/ZOIAVTRR/>. The vessel is managed by a Ukrainian company, Yugrtransflot.
60. <http://grapevine.is/news/2014/04/14/ship-containing-whale-meat-turned-away-from-south-african-port/> and <http://www.tradewindnews.com/weekly/336516/whale-meat-refeers-cold-reception-in-port-search>
61. <http://www.vancouverun.com/news/Shock+over+meat+endangered+whales+shipped+through+Canada/9501269/story.html>
62. According to the Bill of Lading, the six digit HS Code used was 020810 which would indicate that the cargo was frozen rabbit meat instead of whale meat which would be HS Code 020840. Although classification is largely uniform among countries using the HS System, national differences exist due to judicial or customs rulings or national legislation, which can complicate tracking of goods.
63. As per information from Norway's statistics database at www.ssb.no, and www.hagstofa.is
64. <http://www.proff.no/roller/loftoval-as/reine/fisk-og-skaldyr/ZO14LA9U/> "Åksjonærer".
65. In 2002, 48 countries from Norway's statistics database to the ICRW and 19 countries objected to Iceland's accession with a reservation. Therefore, it can be argued that Iceland did not meet the Vienna Convention's requisite for two-thirds of the members of the IWC and signatories to the ICRW to modify the Treaty and it can be argued that its reservation was not therefore accepted by the competent organisation despite the 2002 procedural vote.

www.eia-global.org
