

Finfish production rent - illustration

One of our salmon farming tenants reports that one of their leases produced 500 tonnes of salmon in a 6 month reporting period. Using actual pricing data for January to June 2021, monthly FPI price data for the period would be as shown below:

| Monthly and annual average | | | | | | | | | | | | | | | | | |
|----------------------------|------|------|------|------|------|-------------|------|------|------|------|------|--------|------|------|------|--|--------|
| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | | |
| Month | | | | | | Weeks | | | | | | NOK/kg | | | | | EUR/kg |
| Jan | | | | | | Weeks 1-4 | | | | | | 45,87 | | | | | 4,43 |
| Feb | | | | | | Weeks 5-8 | | | | | | 49,91 | | | | | 4,86 |
| Mar | | | | | | Weeks 9-13 | | | | | | 64,54 | | | | | 6,37 |
| Apr | | | | | | Weeks 14-17 | | | | | | 63,42 | | | | | 6,32 |
| May | | | | | | Weeks 18-21 | | | | | | 68,30 | | | | | 6,78 |
| Jun | | | | | | Weeks 22-26 | | | | | | 59,17 | | | | | 5,83 |

The average price for the period is €5.765 kg.

This is equivalent to €5,765.00/tonne.

The average HMRC exchange rate for the same period was 1.1445 EUR per GBP.

€5,765.00 /tonne / 1.1445 EUR per GBP = £5037.13/tonne

Where the rate is 1 % of the price, £5037.13 / tonne x 0.01 = £50.37 per tonne.

Where the rate is 1.5 % of the price, £5037.13 / tonne x 0.015 = £75.56 per tonne.

The rent paid for the lease for this 6 month period where it fell between January 2023 and December 2025 would be 500 tonnes x £50.37 per tonne = £25,185.00

The rent paid for the lease for this 6 month period where it fell after January 2026 would be 500 tonnes x £75.56 per tonne = £37,780.00

For marine grown trout, the rent owing for the two periods would be 50% of that in the example above, namely £12,592.50 between January 2023 and December 2025, and £18,890.00 after January 2026