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Profitability in Norwegian salmon farming: The impact of firm size and price variability

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ABSTRACT

In this paper, we investigate the impact of firm size and price variability on firm profitability. We use data from a sample of Norwegian salmon farming companies to analyze the relationship between firm size and profitability. The analysis shows that larger firms tend to have higher profitability. This is likely due to economies of scale and better access to capital markets. Financially, larger firms are more profitable. This is reflected in their higher return on assets/current assets and higher return on equity. Finally, larger firms are more likely to offer a profitability offer, which is a common practice in the industry.

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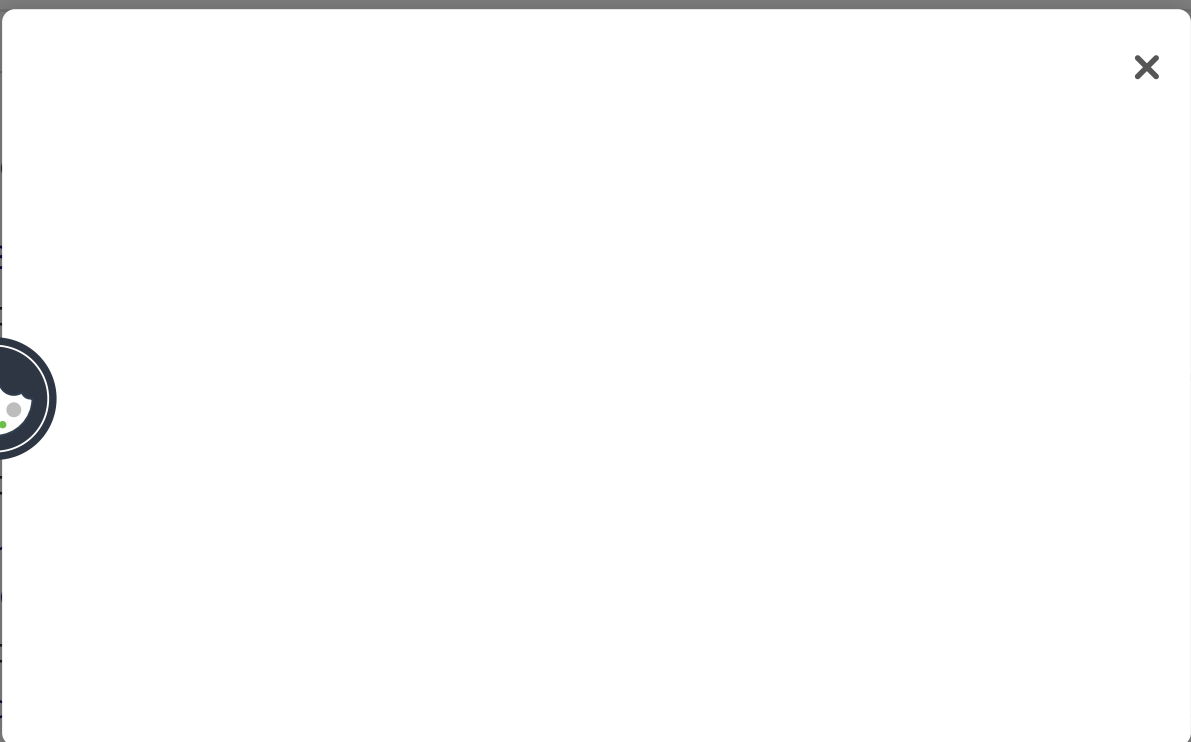
Markets can also create additional risks through reputation effects (Bronnmann & Asche, [2017](#); Liu, Lien, & Asche, [2016](#); Sha, Roheim, Insagnaris, & Asche, [2015](#)) and regulations (Chu & Tudur, [2014](#); Osmundsen et al., [2017](#)).

After adjusting for inflation this number is 10.7 million in 2015.

Additional information

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