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## FEIKE NEWS

November | December 2008

fisheries  
aquaculture  
ecosystems

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### Editorial Write

We must have ostriches in charge of abalone conservation in South Africa.

How else does one explain the complete silence and failure to address the international embarrassment caused by our country's admitted incompetence and failure to endorse a single CITES abalone export permit as required by CITES? The fact that not a single official will be fired, disciplined or sanctioned for this embarrassment can only mean that our Minister of Environmental Affairs and Tourism knew all along that his department lacked the capacity, knowledge and resources to implement CITES.

Soon after Feike broke the news about the Department of Environmental Affairs and Tourism's CITES blunder (Feike News, October | November 2008 edition – [www.feike.co.za](http://www.feike.co.za)), TRAFFIC and the abalone farmers' industry association confirmed that DEAT was simply not able to endorse a single permit.

It took almost a month for DEAT to issue a response in the Cape Times albeit in the form of a letter to the editor. They simply refused to respond to questions posed by the Cape Times. In the letter to the Cape Times (17 November 2008) MCM acknowledged that CITES permits are not endorsed. The letter states that MCM did not take into account the quantity of abalone produced by the abalone farms and also refers to a lack of resources and skilled staff to process the CITES permits! This is an admission of incompetence and deceit. How can highly paid officials admit – without being dismissed – that they did not know “how many” abalone needed to be exported and that they needed skilled staff to implement CITES' requirements? Is this the new level of mediocrity we have sunk to?



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## 1. MCM PROMISES

### Doug Butterworth awarded "Order of Manpungubwe: Silver"

Doug Butterworth was awarded the "Order of Manpungubwe: Silver" for his "excellent contribution to the betterment of the environment and sustainability of fisheries".

This is South Africa's leading award for "excellence and exceptional achievement", having been given to only 21 people since it was initiated in 2002 (these co-incidentally including Doug's Departmental colleagues George Ellis and Daya Reddy). It comes in four classes: platinum, gold, silver and bronze, with Nelson Mandela being the only recipient to date at the platinum level.

Douglas Stuart Butterworth is a professor of Applied Mathematics at the University of Cape Town (UCT). He holds an MSc from the same university. He read Fundamental Particle Physics at University College, University in London where he received his Ph.D.

Butterworth's primary contribution has been towards developing the "Management Procedure" approach to regulate fisheries. This provides a structured basis to take proper account of uncertainties in implementing the Precautionary Principle advocated by the 1992 UN Conference on Environment and Development in Rio. He was one of the prime movers in the development of this approach in the International Whaling Commission. Through his and his colleagues' efforts, South Africa is now recognised as the world leader in applying this approach to its fisheries.

Butterworth has an impressive research output. He has published over 180 research articles, and produced some five times this number of technical reports. The students he has trained now make important contributions to fisheries management not only locally, but also in Europe, the USA and Australasia. Through the impact of his work, both locally and internationally, Butterworth has brought distinction to South African scientific research.

Feike congratulates Prof Butterworth for his pioneering and important contributions!

Over the past two years, Marine and Coastal Management and the Minister of Environmental Affairs and Tourism made a series of promises and commitments. A number of draft documents, draft policies and draft laws were issued. As these all impact on the business of fishing and the sustainability of the industry. Feike has dusted off the drafts, re-read the promises and commitments and tried to evaluate the status of the promises.

### Financial Health

Marine and Coastal Management has been in cardiac arrest since late 2005. In 2006, a statement was made by MCM stating that "the fact that the allocation of long-term fishing rights is almost behind us MCM can turn wholeheartedly to the task of establishing better financial systems and controls". The bleak financial status of MCM's Marine Living Resources Fund (MLRF) has however improved. The latest report of the auditor-general gave MCM a clean bill of health, confirmed that the books balance and that the maladministration that defined the previous year's audit had passed. Feike did however in its September | October 2008 newsletter that the balancing of 2007 financials came at a substantial cost to fisheries management and compliance (which the auditor general does not report on, of course). Be that as it may, we need to applaud the fact that MCM and the MLRF are free of maladministration and even corruption. We do however need to force MCM to ensure that its officials increase the income base and spend the industry's money more efficiently (less entertainment and no business class jaunts) and spend more money on compliance, management and research.

### Ecosystem Approach to Fisheries

In 2006 MCM confirmed that it was "going to have to spend more time discussing and debating the benefits of EAF with stakeholders." Principles of the Ecosystem Approach to Fisheries (EAF) Management have quickly found their way into a number of fisheries' annual fishing permits, particularly those regulating offshore and high seas fisheries. The implementation of EAF was always going to be an expensive and difficult task but it appears that South Africa could be one country that will be able to confirm to the world that in 2010, the majority and if not all the offshore and high seas fisheries have implemented EAF management. In this regard, we must recognise the commitment shown by both industry and MCM to EAF.



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#### MCM Website "Under Construction"

The MCM website has been under construction for an unduly long period now. Accessing rights registers, permit conditions and other records is now impossible. Don't despair though, as you should rather visit [www.feike.co.za](http://www.feike.co.za) or contact us if you require any fishery related data.

#### Performance Measuring Exercises

In terms of South African law, performance by right holders in a number of commercial fisheries were to have been reviewed in a staggered format during 2007 and 2008. Despite promises in 2007 by MCM to commence with performance measuring exercises, these have not materialised. It was however recently reported in the media that the Resolve Group was allocated a R9 million tender to advise the Marine and Coastal Management on the performance review process. It is worth noting that the R9 million bill is more than R2 million higher than Resolve's bill for the entire long term commercial rights allocation process. Does this mean that right holders are to expect a process even more detailed and complex than a full rights allocation process? Feike understands that details about the performance measuring process will be made known during January or February 2009. Quota holders better prepare themselves for a substantial review.

#### Feike Now on Facebook

Feike now has a presence on Facebook. So please visit us and post your comments on issues affecting fishing and natural resource management in your area of operation.

Simply search for "Feike Natural Resource Management Advisors" on the Facebook home page.

#### Marine Protected Areas

In June 2004, the Minister of Environmental Affairs and Tourism announced that it was committed to the development of "one of the largest Marine Protected Areas (MPAs) in the world around the Prince Edward Islands" as well as the establishment of a substantial marine protected area along the west coast to protect hake stocks. Unfortunately neither have come to fruition and perhaps even more unfortunate is the fact that the non governmental organisations who claim to look after the interests of our ecology and environment have been silent on forcing government's hand. After all, if we fail to protect our hake and Patagonian toothfish stocks, we risk collapsing and losing more than half of our commercial fisheries GDP and probably some 11000 direct jobs. So perhaps COSATU too should be concerned.

#### Cost Recovery Framework

In early 2007 MCM "embarked" on a process to inform stakeholders in the fishing industry of the concept of a Cost Recovery Framework for the Marine Living Resources Fund. The cost recovery framework supposedly formed part of the strategy to stabilise the Marine Living Resources Fund, as was outlined during a fishing industry stakeholder meeting with the Minister and the Director-General in 2006. The implementation of such a framework was envisaged to improve service delivery to stakeholders. The "road show" took place between 29 January 2007 and 12 February 2007. A draft cost recovery policy was promised by April 2007. What has happened to the Cost Recovery Framework? Very expensive consultants were hired to research cost recovery strategies; they even had travel to New Zealand and Australia to study case



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studies. So where is the draft policy that was supposed to save our fisheries management from the financial crisis it currently faces – notwithstanding that we have balanced the budget our fisheries management budget in 2008 is equivalent in value to what was spent in 2003/2004.

#### IUCN is 60

To celebrate the 60<sup>th</sup> "birthday", IUCN has produced a special double issue of *World Conservation*: looking back over 60 years of conservation and ahead to the next 60. What are the issues, approaches and ideas that will influence conservation in the coming decades? Several prominent figures including IUCN's Presidential candidates outline their vision for the environment. IUCN profiles some of the people who are instigating change from the ground level to the international policy arena. IUCN also takes a look at some of the big issues up for discussion at the IUCN World Conservation Congress in Barcelona which kicked off on 5 October.

Read more at:  
[http://www.iucn.org/resources/world\\_conservation/index.cfm](http://www.iucn.org/resources/world_conservation/index.cfm)

#### Integrated Coastal Zone Bill

The Integrated Coastal Zone Bill was gazetted on 14 December 2006 and was open for public comment for 90 days. A statement by the office of the Minister of environmental affairs on 8 December 2006 stated that "the new Integrated Coastal Management Bill is both far-reaching and progressive. It is of great importance not only to us all, but also to future generations. I urge anyone who has an interest in the protection and sustainable use of the coast to participate in the process of finalising the Bill by contributing positive suggestions as to how we might further improve it. We are now on an accelerated path to decisive action that will eliminate historical confusion, provide clear parameters for the planning of future coastal developments, and create economic opportunities by increasing access to our coastal public property." The Integrated Coastal Zone Management Bill is indeed an important piece of legislation that will fill the many current gaps in the ability of national, provincial and local authorities to protect our coastal resources from unscrupulous developers and greedy politicians. The Bill was recently passed by the Council of Provinces in the National Assembly with only a series of minor amendments. These amendments should be incorporated into the final bill that should be put before the President early in 2009 – hopefully prior to elections in March.

#### New Fisheries

The 2006/2007 Report by the Auditor-General on the Marine Living Resources Fund stated that one of the mandates of the Directorate: Research, Antarctica and Islands was to establish 3 new fisheries. The department did not establish 3 new fisheries, instead an experimental octopus fishery was initiated and horse mackerel was stated as a new fishery. A short "directed horse mackerel survey was undertaken". Such a statement can either be described as "stretching the truth" or a "blatant lie". The Octopus fishery commenced in 2004 and the directed horse mackerel has existed for some time and was even allocated long term fishing quotas in 2005! If we are interested in the truth, Marine and Coastal Management has utterly failed to protect poor and marginal fishers by not investing in the development of new fisheries to mitigate the impacts of overfishing a number of inshore stocks.



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### **MCM Caught in a Conflict of Interest?**

In the Cape Argus of 8 December 2008, it was reported that the Department of Environmental Affairs and Tourism has denied any impropriety in awarding a contract to a company of which the son of a senior department official was a director.

MCM has awarded contracts worth more than R28 million to the consultancy firm, the Resolve Group. One of these contracts was awarded in July, while Simpiwe Mayekiso, son of MCM chief Monde Mayekiso, was a director at Resolve. Simpiwe Mayekiso joined Resolve's board in January this year and resigned at the end of August, according to Resolve CEO, David Storey.

Both the department and Storey said all dealings were above board.

According to the Department, Resolve had declared Mayekiso's membership and that the Department had followed proper bidding procedures.

Storey said Mayekiso had been appointed to Resolve's board as a non-executive director by his previous employer, Kagiso Trust Investments, a Resolve shareholder. Due to this, according to Storey no direct or indirect benefit was accrued by Simpiwe.

### **The Abalone Social Plan**

At a recent meeting between the Minister of Environmental Affairs and Tourism and the abalone fishing industry, MCM officials admitted that there was never a viable social plan to mitigate the closure of the abalone industry. So who lied to Cabinet to convince them that the socio-economic impacts resulting from the closure of the abalone industry would be managed? The recent local government by-election loss by the ANC in the Overberg region may be an indication that Minister van Schalkwyk and his department's deceit on this matter does have consequences.

### **Transfer of Fishing Rights**

On 21 December 2007, the Minister of Environmental Affairs and Tourism issued a draft policy for the transfer of commercial fishing rights. The draft policy had been in the making for the better part of 3 years. Feike News (January 2008), noted that the draft policy was so flawed that it had to be redrafted in its entirety. We noted that the draft policy "...is yet another indication that MCM's management simply does not understand that the commercial fishing industry is just that – a commercial industry that is dependent on the ability to compete domestically and internationally in a rapidly diversifying and consolidating environment. The fishing industry is not some sort of social experiment." Although the draft policy has been shelved and not a word about has ever been spoken by DEAT about it since December 2007, MCM has been failing the South African fishing industry by not managing rights transfer applications with due recognition of the extremely difficult economic conditions we find ourselves in.

Amongst some of the regulatory gloom, there are a number of significant positive developments which must be mentioned. Firstly, the strides made in regulating fish farming with a suite of very well intended, realistic and well drafted policy documents must be complemented. A strong, well regulated and commercially focussed fish farming division at MCM will only serve to attract the large capital investments and risk appetite required to commence fish farming projects. Secondly, South Africa demonstrated impressive leadership as chair of the Abidjan Convention restructuring process, which commenced earlier this year and is scheduled to be completed by 2010 with the full transfer of the Abidjan Convention Secretariat from the UNDP in Nairobi to the Convention Secretariat which will be located in Abidjan. Finally, the dismissal by the Cape High Court of a number of review applications in the hake trawl sector confirmed the lawfulness and fairness of the long terms rights allocation process.



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## 2. M&A ACTIVITY IN FISHERIES

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Merger and acquisition activity in the fishing industry? Was this all expected or even predicted? Oceana has been threatening for some time - at least since the allocation of long-term fishing rights that it intended was looking to acquire additional fishing quotas. However, the timing is interesting considering the difficult economic market conditions, especially for hake, which is predominantly sold into the EU (read Spanish) market, which is now an economic bloc in recession. The question has been raised as to whether the acquisitions and intended mergers are good or bad for the fishing industry. Consolidation in the white fish market, particularly from a South African trade perspective, is necessary especially since we contribute less than 0.5% of the global white fish consumed and as global economic conditions remain as negative as they presently are. What follows is a brief chronology of M&A activity involving Sea Harvest, Oceana and I&J, and their controlling shareholders.

- In June 2007 there was a cautionary announcement issued by Oceana Ltd that the group had entered into negotiations which could have a material effect on the price of its shares.
- There was some speculation at the time that Oceana intended to merge with or take over Sea Harvest. At the end of 2007 the Oceana cautionary notice was withdrawn.
- On 31 October 2008, Brimstone Investment Corporation secured control of Sea Harvest for R541 million from Tiger Brands which held 73.16% of Sea Harvest.
- Brimstone already had a 21.52% stake in Sea Harvest and has an 11% stake in Tiger Brands which controls Oceana.
- A market commentator noted that either Brimstone had negotiated a great deal or Tiger Brands took a dim view on hake and sold Sea Harvest for a rather modest price.
- Tiger Brands' interim results showed a difficult period for Sea Harvest with increased sale volumes offset by declining catch rates, under-recoveries in fleet and factory as well as increased overheads and fuel costs.
- Oceana reported a 63% increase in earnings per share for the 6 months ending March 2008, while Sea Harvest recorded a decline in operating income despite strong turnover growth.
- Half of Oceana's output was sold in the export market, posing the group to benefit from a weak Rand.
- On 17 November 2008, Tiger Brands let it be known that it was considering making a cash and share offer for Anglo Vall Industries, which owns I&J, of R24 per share, implying a total equity value of some R8 billion.



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- When Tiger Brands proposed the R8 billion deal, it represented a 62% premium on the R14.80 price that AVI closed at on the day of the offer.
- AVI's share price rose 46% in the 5 days after Tiger Brands expressed its intention to acquire AVI to over R21.
- AVI's management rejected Tiger Brands' proposed offer saying it did not make commercial sense. AVI said the offer was the third attempt by Tiger Brands to buy the company.%

### 3. IS THE FEAC A LAW UNTO ITSELF? UNLAWFUL DECISION-MAKING ON VESSEL CHANGES

Quota holders across the global fisheries change vessels every now and again. Some change them more often than others. Vessel changes are almost always motivated by commercial reasons – vessels sink, breakdown, relations between chartering parties breakdown, costs escalate and so forth. Regulators are often called upon to administer and record vessel changes. However, in South Africa, Marine and Coastal Management's Fishing Effort Advisory Committee (FEAC) appears to have taken upon itself to make up its own ad hoc rules based on some strange understanding of fisheries economics as to when it will “allow” a vessel to be changed! The impacts of MCM's illegal actions have perhaps been most acutely felt in the large pelagic sector and particularly the swordfish sector, which has been paralysed because of MCM's insistence that it will not “allow” any foreign flagged vessel into the sector. Such a “decision” is unquestionably irrational and unlawful for the simple reason that the 2004 Large Pelagics Policy (which happens to be law and therefore binding on even civil servants), states that foreign vessels that meet certain criteria may be utilised for both tuna and swordfish long lining in South African waters because we simply do not have the capital, the vessels or skills to harvest what we are allowed to under regional catch allowances. In terms of the United Nations Law of the Sea Convention (UNCLOS), where a sovereign coastal state is unable to fully harvest a domestic resource, foreign flagged vessels should be permitted to harvest the balance. Can MCM and its officials elect to ignore South African and international laws? Apparently they believe they can!



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#### 4. WHAT HAS FEIKE BEEN UP TO?

##### US\$20 Million for Eel Project

The Development Bank of South Africa (DBSA) has signed a loan agreement, worth US\$ 20 million, with Ripple Fish International towards the establishment of eel farms and wild eel fisheries in the coastal areas of Mauritius, Madagascar and South Africa. The agreement was signed in the Mauritian capital by Leon Cornelius, Country Manager of the DBSA, and Jeremy Lewis, Chief Executive Officer of Ripple Fish International, a global fishing supply entity. DBSA Senior Investment Officer Elmarie Oosthuizen said the agreement was not only the first for the DBSA in terms of investing in a regional aquaculture project. It also represents the first-ever initiative to farm Long Fin eel and the African Mottled eel in the Southern and Eastern African regions.

She indicated that the roll-out for the project had started on the first acquired farm land close to the eastern Madagascar town of Manajary and would be followed by additional farms in the Manakara region. Initially the farms would be established in Madagascar, followed by South Africa and Mauritius with a potential for further regional expansion.

The first phase of the project is expected to take between two and three years to complete and the annual production capacity would be around 2 500 tonnes. It was indicated that Mauritius will be the logical hub where all live and processed fish products will be collected and exported to the Far-East and Europe.

We wish to thank all of our clients over the past year that helped us pay the bills! We have been rather fortunate to have been involved in a number of extremely interesting and challenging projects, some of these are highlighted below.

- **Somalia, Puntland Province:** Feike has been requested to advise the regional government on the establishment of green fields fisheries management institutions and the design and implementation of an anti-piracy and fisheries compliance system.
- **Restructuring the Abidjan Convention:** Feike advised both the United Nations and the World Conservation Union (IUCN) on the restructuring and transfer of the Abidjan Convention Secretariat.
- **Eskom:** Feike advised Eskom on a number of strategic issues relating to a series of site safety reports Eskom is obliged to produce.
- **Western Cape Transport Ministry:** Feike continued to provide advice to the Western Cape government on the restructuring of the mini-bus taxi industry, as well as the processes required to implement a bus rapid transit system.
- **Robben Island Museum:** Feike continues to assist the newly appointed Robben Island Museum Board with restructuring initiatives, particularly initiatives involving the Mayibuye Centre located at the University of the Western Cape.
- **FINSS:** Feike has been appointed by the Mozambique Government to implement the FINSS software programme. For more information on this free fisheries management software programme, please visit <http://www.feike.co.za/finss.html>.
- **The South African Social Security Agency:** Feike was appointed by SASSA to build the first comprehensive database to identify and list individuals whom the apartheid state acted against and who suffered physical, emotional or mental disadvantage.

During 2009, Feike's professionals will be deployed not only in South Africa but also in Namibia, Mozambique and Somalia! In Namibia, we will be installing FINSS for the Namibian Ministry of Fisheries and Marine Resources. In Mozambique, Feike will continue assisting and training Mozambique fisheries officials on FINSS and in Somalia, we hope we are not kidnapped while implementing strategies to manage Somali fisheries and combat piracy in the Gulf of Aden.



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In South Africa, Feike will remain committed to ensuring that Marine and Coastal Management is held accountable and we will continue to break important news stories even faster than in 2008 – so keep an eye on our new Facebook page.



**The Feike Team:** Front (left to right), Shamila Sondag (office manager) and Nozi Lucingo (Junior Associate). Back (left to right), David Arnott (Junior Associate), Shaheen Moolla and Horst Kleinschmidt

## 5. EU TUNA FLEETS TO MOVE AS TUNA FISHING DECLINES IN THE MEDITERRANEAN

Key tuna species are under threat from overfishing in Asia's diverse Coral Triangle region and a drastic rethink is needed to prevent collapse according to the WWF. South Africa is directly affected by this development as this is the breeding ground for the bluefin and bigeye tuna that traverses SA waters every season before they turn back to their breeding ground. Feike has warned in the past that the relevant fisheries organisation, CCSBT, based in Canberra, Australia is an ineffectual vehicle where Japan and others report their transgressions each year, pay their fine and thus help to underwrite the very tool that is meant to police them.

Tuna species in the triangle, including the heavily overfished bluefin and bigeye tuna, are under increasing pressure as fleets move in from depleted fishing grounds in other parts of the world according to WWF researcher Lida Pet Soede.



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### ICCAT making a Mockery of Science?

Countries involved in the Mediterranean bluefin tuna trade have voted to maintain catches nearly 50% above what scientists say are "safe" levels. Environment groups labelled the International Commission for the Conservation of Atlantic Tunas (ICCAT), as a mockery of science.

They put most blame on the European Union which, according to the environmentalist used trade issues to bully smaller nations into giving support. ICCAT's scientists had said next year's TAC should not exceed 15,000 tonnes, but on the final day of its annual meeting, ICCAT members set a figure of 22,000 tonnes. The scientists had warned the commission that "a collapse in the near future is a possibility" given the high number of boats engaged in the lucrative trade. They also rejected the scientists' call for a closure of the fishery in the spawning months of May and June. "The spawning closure was probably more important than the TAC issue because actually the TAC was never respected," said Sergi Tudela, head of the fisheries programme at the environment group WWF. "The decision is a mockery of science and a mockery of the world, ICCAT has shown that it doesn't deserve the mandate to manage this iconic fishery."

Earlier this year, an independent expert report branded ICCAT's management of the tuna fishery a "disgrace", and put the blame on the shoulders of major fishing nations which, it said, routinely flouted the rules. In 2006, ICCAT scientists estimated that illegal fishing in the Mediterranean added about 30% onto the official catch figures. At the World Conservation Congress in October, Spain, the biggest tuna-fishing country, backed a suspension of the fishery, and Italy was reported to have gone further and called for a moratorium. The EU's opening statement at ICCAT acknowledged that "the situation of the bluefin tuna is critical", and that "urgent action is needed to ensure the sustainability of this emblematic stock".

The reasons why the European Commission decided, against this backdrop, to argue for catches considerably above the scientific advice are not yet clear. Some conservationists at the meeting said the EU had threatened developing nations with trade penalties on goods such as bananas unless they backed the

The Coral Triangle - which is bounded by Indonesia, Malaysia, the Philippines, Papua New Guinea, the Solomon Islands and East Timor - contains spawning and nursery grounds as well as migratory routes for up to 89% of the world's tuna catch.

The initial decision, subsequently watered down to the point of being meaningless by Spain, Japan and other countries to close down bluefin tuna fishing in the Mediterranean could mean more fishing vessels will move into the triangle.

Representatives from the six Coral Triangle nations, fishing companies and WWF are meeting in the Indonesian capital to discuss ways of curbing overfishing in the area. Discussions are set to include the creation of a carbon-trading style system to pay countries with large spawning grounds such as Indonesia in return for reducing fishing of tuna.

A senior official in the Indonesian fisheries ministry said the country was struggling to regulate tuna fishing by a fleet of mostly small, unlicensed boats. Indonesia has no effective quota system for species apart from the lucrative bluefin tuna, prized for sushi and sashimi.

The excessive northern tuna fishing capacity will be, and some would say, is already being deployed to waters of the developing world, including South African waters, due to dwindling catches in the developed countries waters.

## 6. FISHERIES WASTE BILLIONS

The world's fishing fleets are losing billions of dollars each year through depleted stocks and poor management, according to a UN report. The World Bank and the UN Food and Agriculture Organization (FAO) calculate the losses at some \$50billion (+-R500 billion) per year.

The report was launched at World Bank headquarters in New York and was debated at the World Conservation Congress in Barcelona, Spain.

Entitled *The Sunken Billions: Economic Justification for Fisheries Reform*, it argues that reforming the way fisheries are managed could restore stocks and build profits. According to Rolf Willman, a senior fisheries planning officer at FAO and one of the report's authors, there are two reasons why there are these huge losses.



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### World Fish Catch is being Wasted

One-third of the world's ocean fish catch is ground up for animal feed, a problem for marine ecosystems and a waste of a resource that could directly nourish humans.

The fish being used to feed pigs, chickens and farm-raised fish are often thought of as bait, including anchovies, sardines, menhaden and other small- to medium-sized species, researchers wrote in a study to be published in the Annual Review of Environment and Resources.

These so-called forage fish account for 37 percent, or 31,5-million tons, of all fish taken from the world's oceans each year according to the study. Ninety percent of that catch is turned into fish meal or fish oil, most of which is used as agricultural and aqua-cultural feed.

On average, it takes 1,36 to 2,27 kg of fishmeal to produce 0,45 kg of farm-raised fish, Pikitch said. "If you're creating protein for humans to consume, does it make sense to take three to five pounds of perfectly good food and convert it into only one pound of food?" she said.

Most forage fish are high in omega 3 fatty acids associated with heart health, she said, adding that it makes sense for humans to consume these fish directly rather than to feed them to livestock and farmed fish.

One is that global fish stocks are much lower than they could be, so it is harder to catch the amount of fish that we could. If stocks were higher catches could be the same but at a lower cost since less fuel and time would be used looking for fish.

The second reason is that where fishing is poorly regulated, there is much greater harvesting capacity than is needed. In fact, he said, the world's fleets could catch the same amount of fish with half the capacity, which would increase profits as well as putting less pressure on fragile stocks.

The UN agency puts the current value of the global fisheries industry at about \$80bn (R800 billion) per year. Nearly one-third of the world's fisheries are severely depleted, and there have been several high-profile examples of complete collapse, such as the Grand Banks cod stocks off Canada's eastern coast.

A recent study estimated that if current trends continued, there would be no commercially viable marine fisheries left within half a century.

All this may be bad news for fish, but it is also bad news for fishermen. Fleets are spending ever more effort, but catches are not rising - they have been roughly stable at about 80 million tonnes annually for a decade. Furthermore it is not becoming any more profitable. There is less to catch, the fish available are generally of lower economic value, and costs are rising.

Other academics have pointed the finger at subsidies that they say drive the irrational expansion of fleets. A study, done in 2006, put the extent of subsidies globally at approximately \$30bn (R300 billion).

The new report identifies some countries where good management is conserving stocks and leading to a profitable industry, such as Iceland, New Zealand, parts of Australia and the US – but improvements could be made, it concludes.

According to the report the challenge is to spread reforms into other fisheries where overcapacity is fast depleting stocks. "Sustainable fisheries require political will to replace incentives for overfishing with incentives for responsible stewardship," said Kieran Kelleher, the World Bank's fisheries team leader. "It is not just about boats and fish. This report provides decision-makers with the economic arguments for the reforms needed."



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## 7. FISH FARMING IN MALAWI

When people first started fish farming in the scrublands of Zomba West in Malawi, people thought the fish farmers were mad, and told them that it would never work here, according to Esther Fikira, a fish farmer.

She leads to a series of dirty green ponds, dug into the baked clay soil. The water is murky, almost stagnant, but Esther says there is a big haul of tasty "chambo" (a local delicacy) lurking just below the surface. There are now 700 fish farmers like Esther here in the bushland settlements to the west of Malawi's former colonial capital, Zomba.

This ambitious food security project was developed by the WorldFish Centre, a member of the Consultative Group on International Agricultural Research (CGIAR).

The WorldFish Centre is introducing small-scale aquaculture to ensure families in Malawi have enough food and income to buy maize, even in years when droughts affect their crops. The project assists farmers by digging small, rain-fed ponds of about 10x15m on their land, or anywhere the soil is suitable for retaining water. Families like Esther's use the ponds to rear common fish species - which in Malawi means chambo (a species of tilapia) and mlamba (catfish).

At WorldFish's local headquarters close by, Dr Daniel Jamu and his team of scientists are breeding new varieties of chambo - selected to grow fast, fat, and feed happily on whatever waste is left over from households. Esther uses manure from her goats and chickens to keep the pond high in nutrients which allows plankton to thrive. The fish eat the plankton, and when they grow to full size, they are harvested, usually every six months.

Most of the fish is sold, raising enough money to buy maize when the harvest is poor. Before the ponds, this area suffered from a lot of poverty, the locals didn't eat meat, and we lacked any source of income. But with the coming of the fish ponds, some had so much leftover to sell, some have enough money left over to buy fertiliser, with the government subsidy.

When the ponds are emptied, a rich layer of silt can be dug from the base to use as fertiliser. Esther uses hers to grow maize, which in turn ensures that her goats and chickens keep popping out manure for the pond.

### Skills Development and Training Programme Initiative

The next initiative of the Skills Development and Training Programme Initiative (STP) in partnership with SwissContact and in collaboration with the Hands-On and the Quality and Health Management Programme consists of a Fish Health training workshop and a Small-farmer Fish Health practical training day to held on 6 February 2009 and 7 February 2009 respectively. For more information contact Dr L Botes at [Lbotes@ai-sa.org.za](mailto:Lbotes@ai-sa.org.za)



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Previous attempts to introduce aquaculture in Malawi have failed, because people who took up fish farming thought there was no longer any need to grow maize. The message was wrong. Now they see that fish is just one part of a family's agriculture.

The fish supply essential protein, calcium, and vitamin A - essential for children and the elderly, and those with HIV/Aids. Almost one-fifth of Malawians aged 15-49 are infected, and each year tens of thousands die of the disease. Good nourishment can prolong the life of HIV/Aids patients by up to eight years, according to research by the World Health Organisation. WorldFish has introduced aquaculture to 1,200 HIV affected families in Malawi - doubling their average annual income and increasing their intake of fish by some 150%.

The challenge now is to expand aquaculture from a sector to an industry. WorldFish has a target of 8,000 households in Malawi - equivalent to 40,000 people. Fortunately, there is already a healthy appetite for fish among the country's 11 million population. Malawi may be landlocked, but it has had a thriving fishing industry, based largely on Lake Malawi and Lake Chilwa.

But just as staple crops are under threat from climate change and over-intensive farming practices, so too is Malawi's fishing industry. Lake Chilwa provides around 20% of the country's catch, some 17,000 tonnes, but at a depth of just 7m, it is highly vulnerable to drought, having completely dried up as recently as 1995. Meanwhile, the lake's fish stocks are already suffering from over-fishing and environmental degradation. The lake's resident population of fishermen are watching their livelihoods evaporate. WorldFish is working to introduce sustainable fishing practices to ensure the survival of both the fish and the fishermen.

"Urban" fish farming could be the key to their success in the long-term - by easing the burden on Lake Chilwa's precious natural resources.

#### New Stilbaai MPA

The Stilbaai marine zone has recently been declared a Marine Protected Area.

The declaration allows for specific protected terrestrial and marine areas to join. The Stilbaai MPA includes a number of marine habitats, such as a sandy bay, a rock bay and the mouth of the Goukou River.

## 8. GOING NOWHERE SLOWLY: THE BOAT BASED WHALE WATCHING INDUSTRY

What follows is an open letter to all persons with an interest in the Boat Based Whale Watching Industry from Mr Bruce See.

There has still been no finalization by MCM for Whale Watching or the Shark Cage Diving Permits - so another season and year ends, with the current 'Permit Holders' working under exemptions, and aspiring new entrants to the market left out and frustrated for



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another season. It is understood that the "scientists" have not even finalized the areas and how many permits per area!

Even if MCM gets its ducks in a row in January - and with elections coming up next year, it is doubtful as to whether the Minister cares enough! – with all the rigmarole and bureaucratic dithering that goes on in the Department, it is extremely unlikely new Permits will be called for, evaluated and issued before the end of the whale season next year again!! That of course, assumes the current staff remain in place and we do not have to wait for new incumbents to learn what a whale and a shark look like. It is my understanding that MCM employees spend more time job-hunting than actually working....

Of course it is good news for the current operators (keeps the opposition out eh?), but I feel for all the other aspiring new entrants who were looking for an opportunity to try something new and perhaps be able to develop a sustainable business. But do not despair - the Applications will come out ONE DAY - so meanwhile keep yourselves ready. There is a really good website just launched by DEAT about BEE issues, with self assessment tools, score cards and other explanations regarding 'fronting' etc. There is a link on the COMET website under Newsletters (South Africa). So check it out at [www.cometcorp.org](http://www.cometcorp.org) and go to Newsletter menu.

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## Events to Diarise

### **WIOMSA Sixth Scientific Symposium, 24 – 29 August 2009 in La Reunion**

Click here [http://sancor.nrf.ac.za/Sixth\\_Symposium-First\\_Announcement.pdf](http://sancor.nrf.ac.za/Sixth_Symposium-First_Announcement.pdf) to view details of the first announcement and call for abstracts.

### **Indigenous Knowledge and Intellectual Property Workshop, 1 – 6 February 2009, University of Ibadan, Nigeria**

A four day intensive training and awareness workshop on Intellectual Property (IP) and Indigenous Knowledge sponsored by the University of Ibadan newest flagship, the Center for Indigenous Knowledge and Development (CIKAD) in Ibadan, Nigeria will take place on the 1 – 6 February 2009.

Cost per participant **excluding** hotel is Naira 85,000 (USD \$695.00). For further details contact Afia Zakiya at: [ikibadan@yahoo.com](mailto:ikibadan@yahoo.com) or 234 0803 939 1349.

### **Mediterranean Seafood Exposition and Mediterranean Processing, 14 -17 February 2009, Rimini, Italy**

An international seafood and processing showcase where international exhibitors present products. For more information go to [www.medseafood.it](http://www.medseafood.it) or e-mail [hmannig@divcom.com](mailto:hmannig@divcom.com)