



# North Atlantic Seafood Forum 22 June 2022

NORTH  
ATLANTIC  
SEAFOOD  
FORUM

## Southern African Cape Hake Supply

Konrad Geldenhuys  
Sea Harvest, South Africa



# The Sea Harvest Group



## SOUTH AFRICAN FISHING



Savour the sea

**36** VESSELS

**6** PROCESSING OPERATIONS

### SPECIES

HAKE | HORSE MACKEREL  
PRAWN | ANCHOVY | PILCHARD

### EMPLOYEES

**3 700**



## SEA HARVEST INTERNATIONAL



**14** VESSELS

**10** SHARK BAY PRAWN FISHERY LICENCES

**20** SPANISH MACKEREL LICENCES

### SPECIES

PRAWN | SCALLOP | CRAB  
SPANISH MACKEREL

### EMPLOYEES

**110**



## SEA HARVEST AQUACULTURE



**8** AQUACULTURE OPERATIONS

### SPECIES

ABALONE | OYSTERS

### EMPLOYEES

**360**



## CAPE HARVEST FOOD GROUP



**16** FACTORY SHOPS

**5** PROCESSING OPERATIONS

### CATEGORIES

CHEESE | BUTTER | POWDERS | CONVENIENCE FOODS

### EMPLOYEES

**1 100**



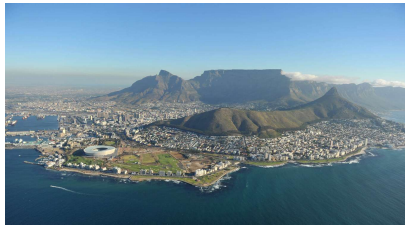




# Operating Locations



Saldanha Bay Operations  
Western Cape



Group Head Office  
Cape Town



Buffeljags Abalone Farm  
Western Cape



Carnarvon Operations  
Western Australia



Ladismith Cheese  
Western Cape





# Global context

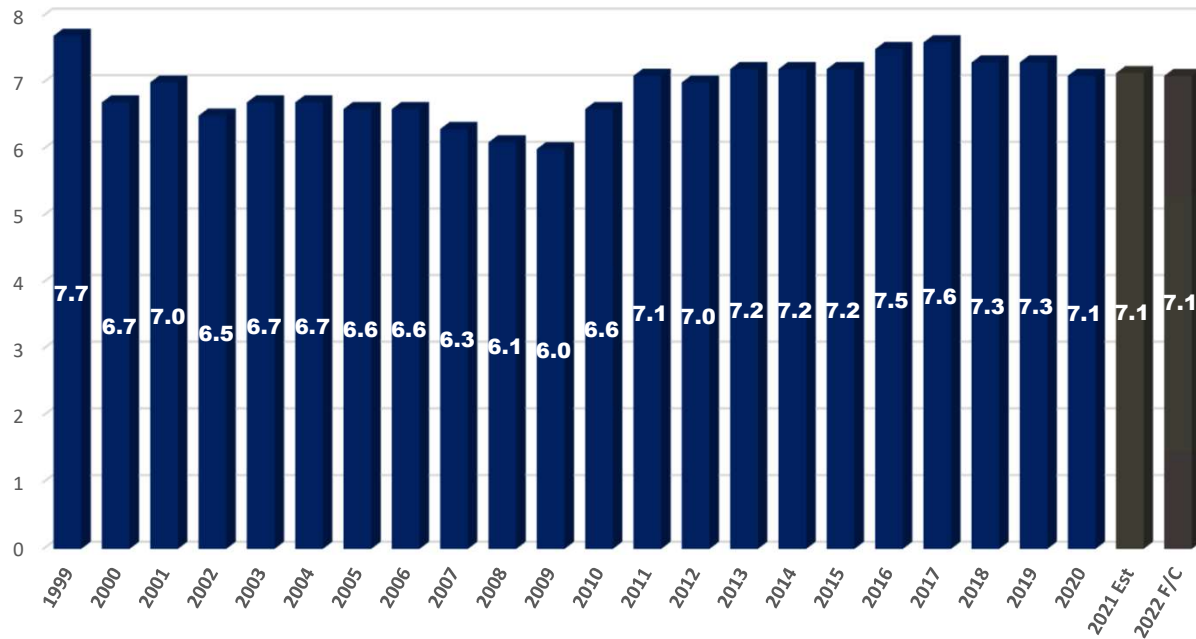






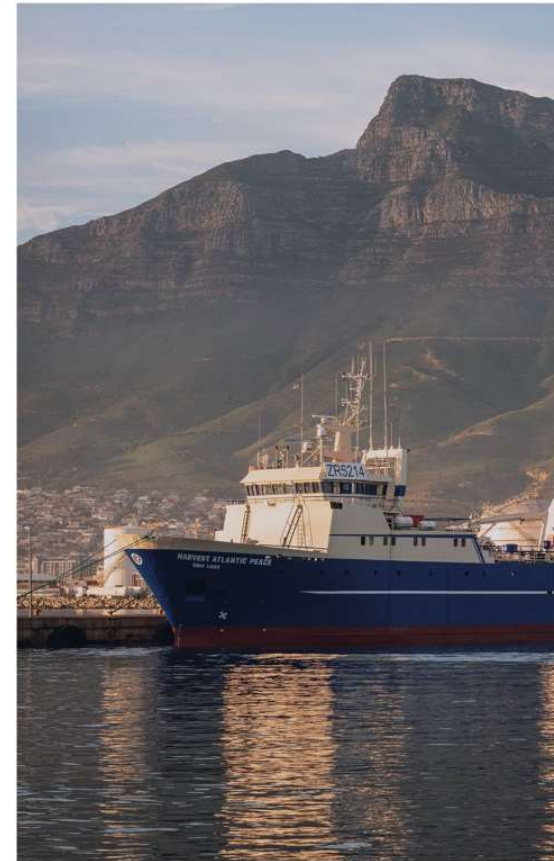
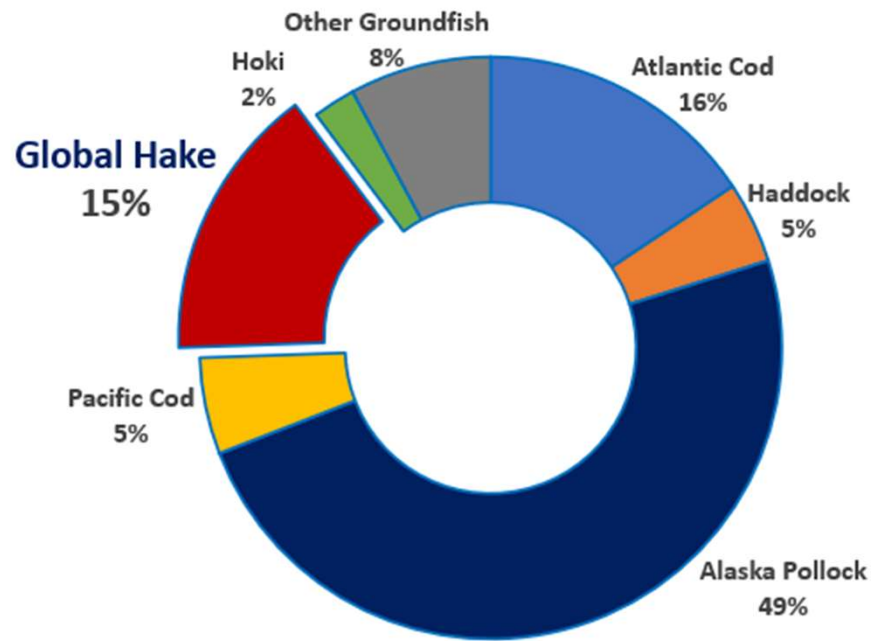
# Global groundfish catches have remained stable at c. 7 million tons

Groundfish Catches (wild capture) - Major Species  
Million MT



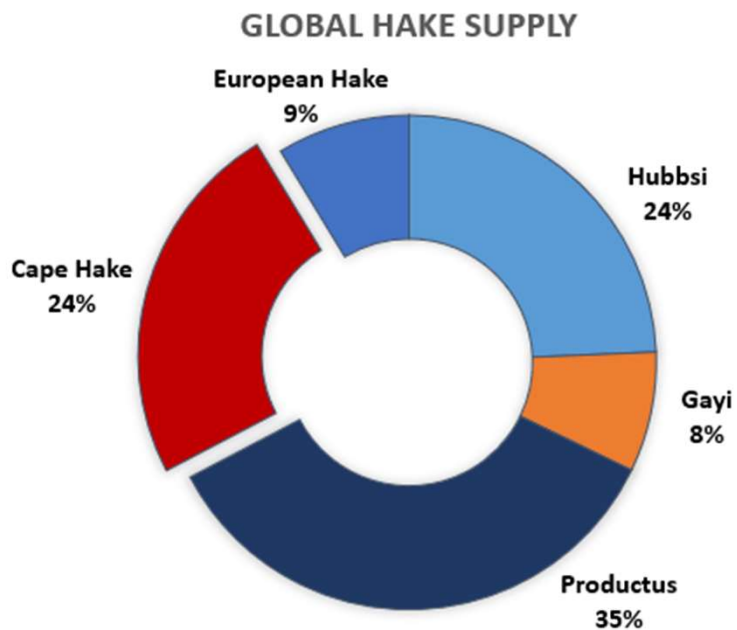
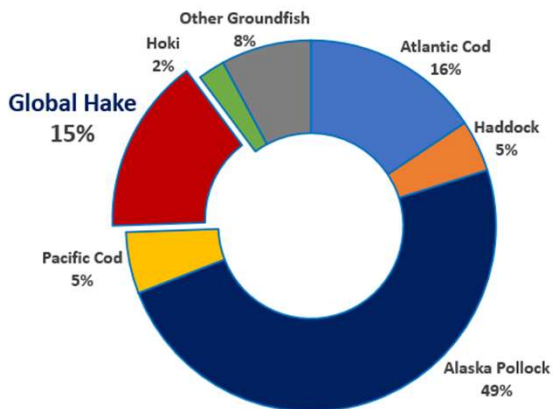


Global Hake catches represent 15% of global groundfish supply (c. 1.1million mt)



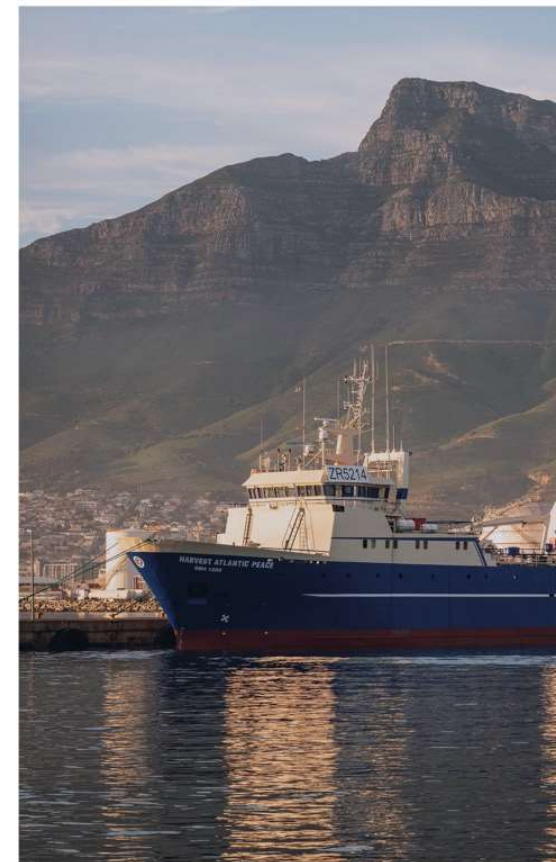


Global Hake catches represent 15% of global groundfish supply (c. 1.1million mt)



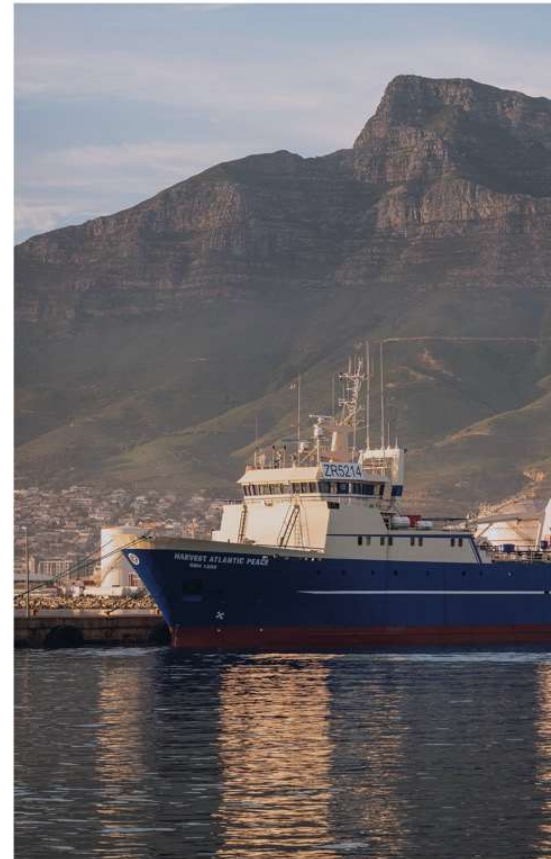
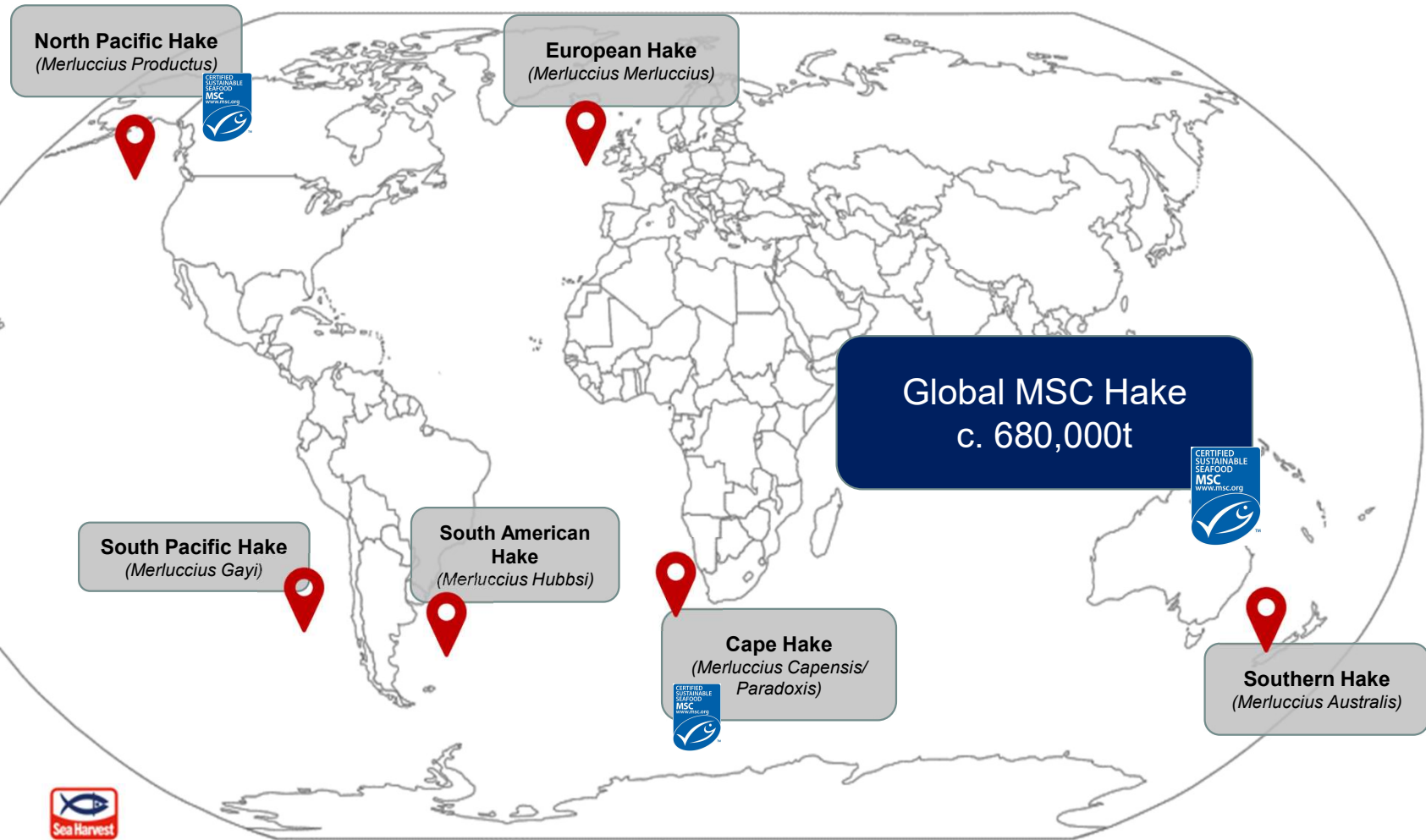
**Cape Hake from South Africa and Namibia make up 24% of Global Hake supply.**

**This represents 4% of global groundfish supply or 300,000 tons.**





# Global Hake catches represent 15% of global groundfish supply (c. 1.1million mt)





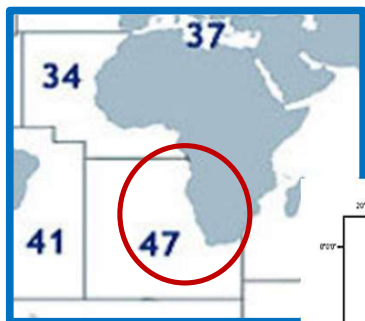


# Cape Hake Supply





# Cape Hake is an all-year fishery with no seasonality



**FAO Major Fishing Area 47**  
Atlantic, Southeast

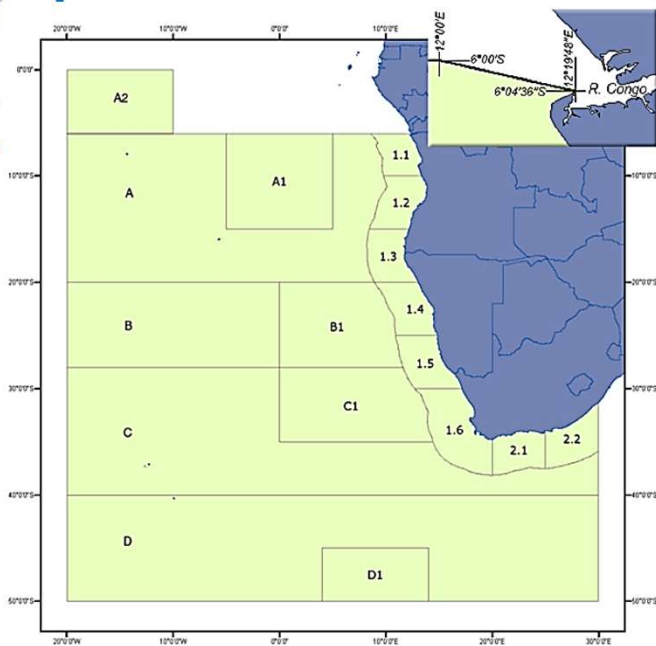


Image credit: FAO

**Catch Periods**  
**Namibia:**  
*1 November – 30 September*  
*(Closed October)*  
**South Africa:**  
*1 January – 31 December*

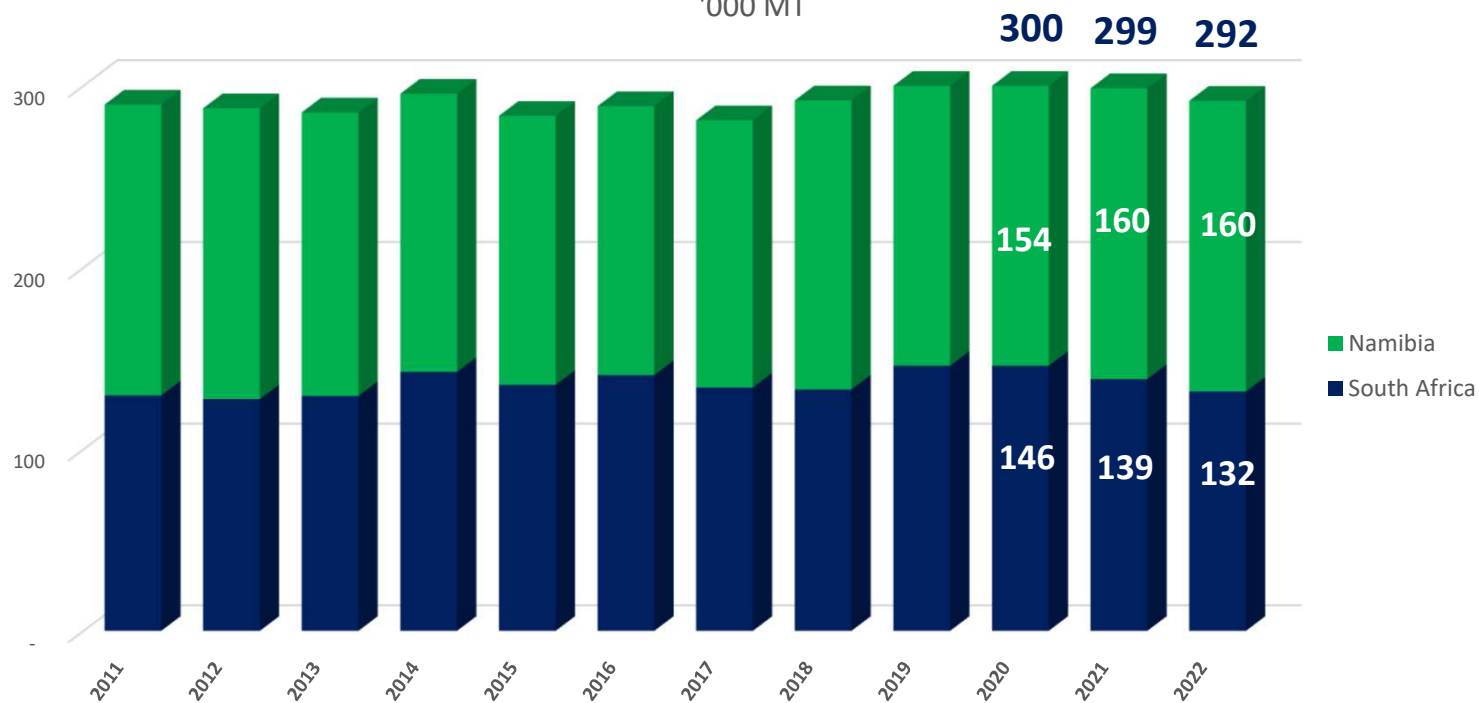




# Cape Hake TAC has remained stable at c. 300,000 tons

Cape Hake TAC 2011 - 2022

'000 MT



The Cape Hake supply outlook is stable





# MSC Certification



- The South African Hake Trawl fishery was certified for the fourth time in February 2021 under v2.1 of the MSC standard until 2026.
- The Namibian Trawl and Longline sectors were certified for the first time in November 2020, also under the latest MSC standard.
- The South African biomass has shown good recruitment over the past 5-6 years resulting in both the species (*Merluccius Capensis/Paradoxus*) above MSY.
- Good performance on rebuilding the stock has resulted in the fulfilment of a key MSC condition at the end of the last certification period for the SA hake trawl fishery.
- As part of the process, the Namibian sectors will seek to continue to rebuild the stock to MSY for both species.
- Both fisheries are undergoing their first surveillance audits this year in order to gauge performance on their certification conditions.

In 2004 the South African Hake Trawl fishery became the first Hake fishery in the world to be MSC certified.



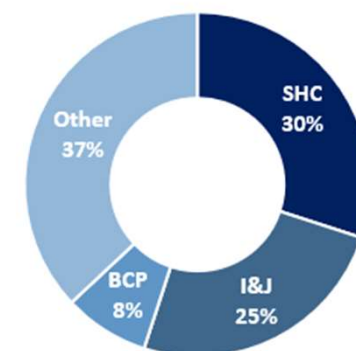


# Fishing Rights Allocation Process (South Africa)

- National Fisheries Management allocated fishing quota for 8 commercial sectors during Q1 2022.
- Fishing quotas allocated ranges from 10-15 years access depending on the species.
- The quota for artisanal sectors will be allocated later to historical coastal communities.
- Major species that were allocated for 15-years are Cape Hake (trawl and longline), Small Pelagics and Squid.
- The process was governed by a robust Fisheries Act that took into consideration a myriad of factors on who the quotas are allocated to.
- The new allocation period has commenced however the allocation process is currently in the appeals phase.



Cape Hake quota allocation  
of rights holders  
(South African Hake Trawl)





# Products and Markets







# Cape Hake is a premium whitefish specie



With a mild, delicate flavour Cape Hake can be used in a multitude of applications. As a premium whitefish specie it is highly sought after in domestic and international markets.



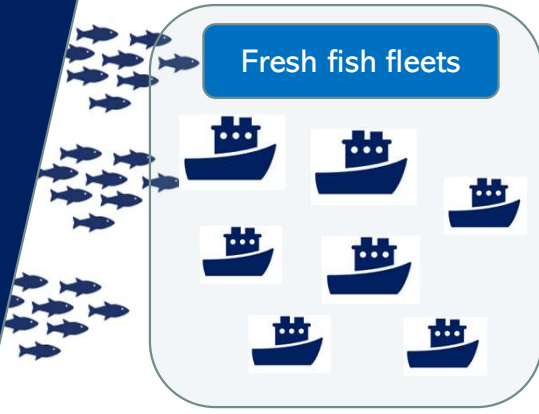
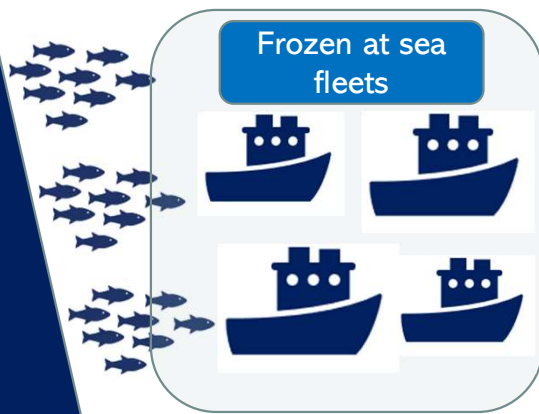
APPROVED AS PART OF  
THE HEART AND STROKE  
FOUNDATION EATING PLAN





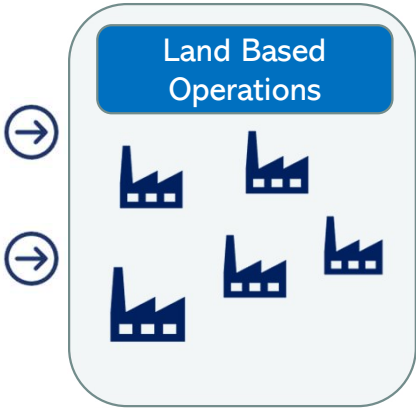
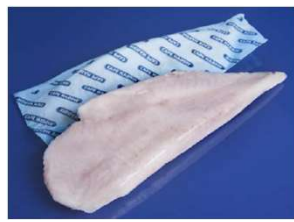
# The industry has developed a high level of value adding

Full vertical integration and high level of product flexibility



→ Skinless Fillets  
Size graded

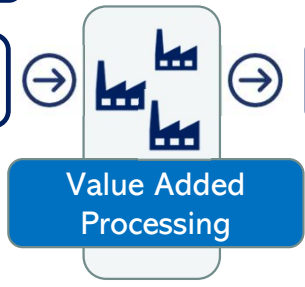
→ HG&T



→ Skinless IQF  
Natural fillets,  
loins & portions

→ Skin-on fillets

→ Raw material /  
Blocks / H&G



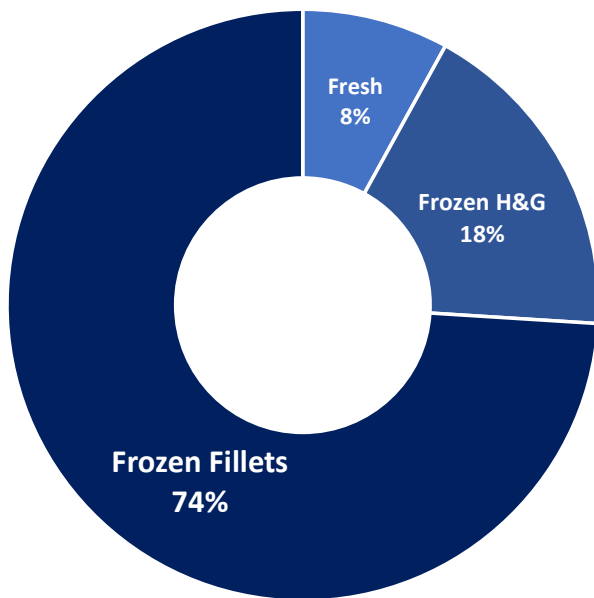
→ Crumbed/Coated  
Products



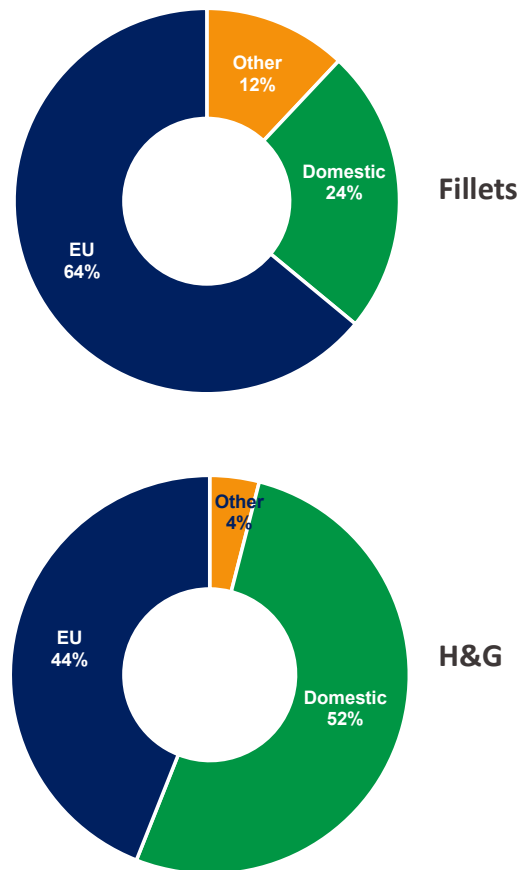


# The EU remains the largest export market for Cape Hake

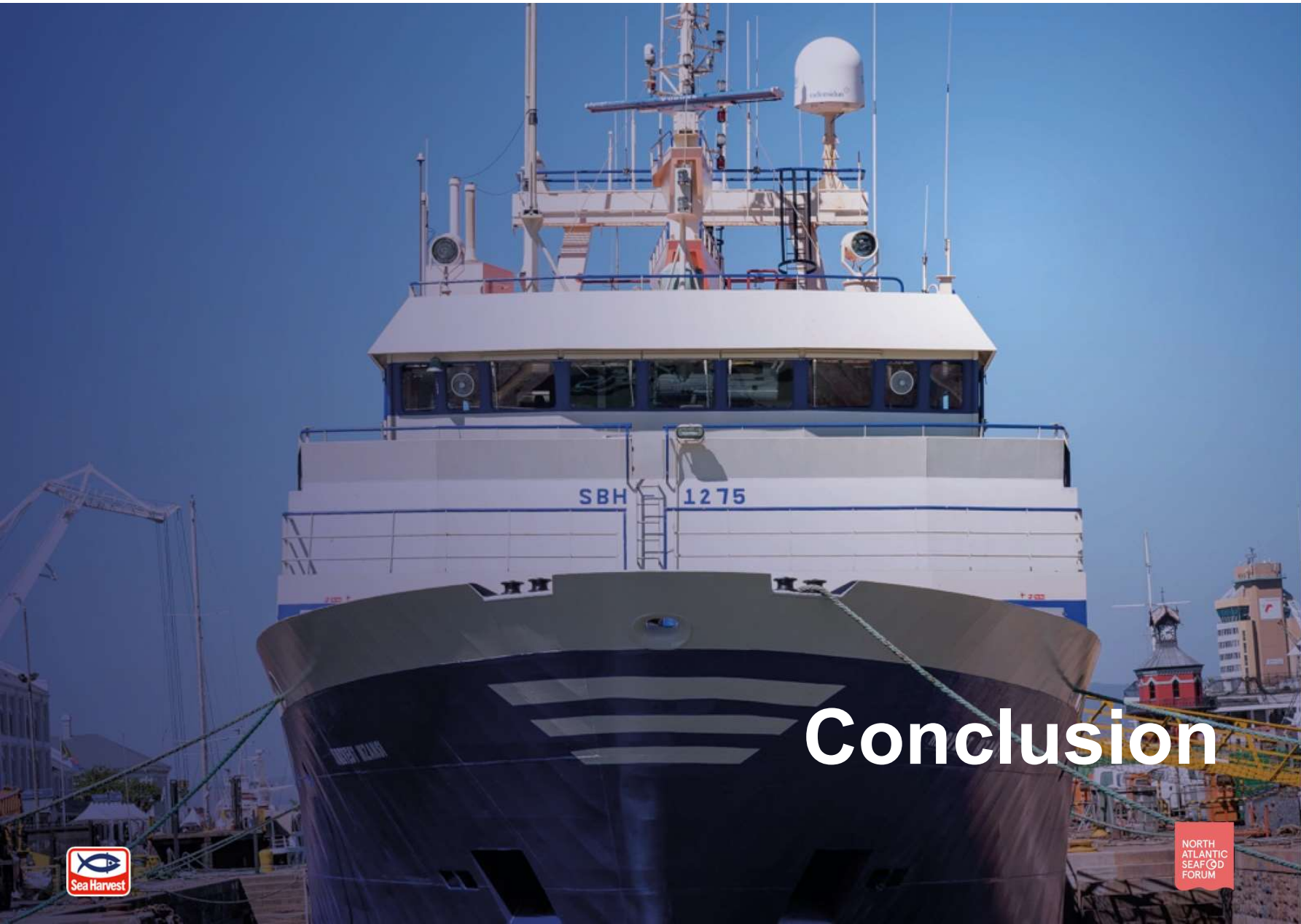
Estimated Industry Product Mix



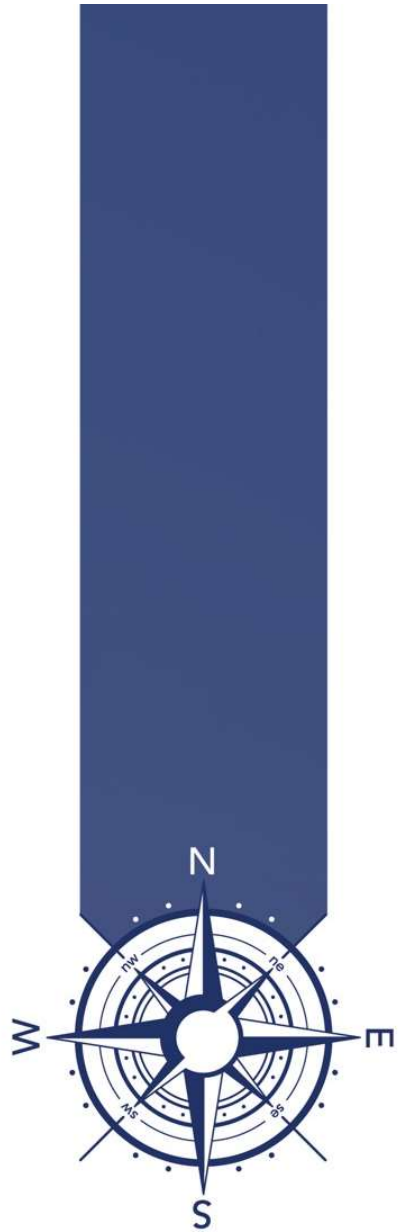
Estimated Industry Market Mix







# Conclusion





# Outlook for the balance of 2022

- Very high demand due to global supply challenges
- High levels of inflation, driven by input costs, especially fuel and freight
- Logistics challenges from Cape Town and Walvis Bay persist
- Historically very stable pricing, but price increases to manage increased costs
- Namibian MSC certification bolsters global supply of MSC premium whitefish & expanding markets into northern Europe at a price premium from traditional markets
- Conclusion of the South African FRAP process brings supply certainty
- The resource is healthy & the supply outlook remains stable
- Cape Hake offers stable supply of value-added premium whitefish from an MSC-certified resource from an established & well-managed industry







