



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

RESEARCH UNIT

PO Box 15 Cape Town 8000 Republic of South Africa
Tel: 27 (21) 403 8273 Fax: 27 (21) 403 8118
www.parliament.gov.za

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AN OVERVIEW OF AGRICULTURAL, FORESTRY AND FISHERIES ACTIVITIES IN CHILE, SOUTH AMERICA

1. INTRODUCTION

Due to the failure to address climate change-related natural disasters e.g. droughts and unexpected heavy rains, through long-term sustainable development, disaster management and scaling up of agricultural development to prevent a food insecurity crisis, agricultural productivity in South Africa has declined. As a result, since 2007 the country has become a net importer of food, with agricultural imports almost equal to exports. The UN's Food and Agriculture Organisation (FAO) reported in 'The State of Food Insecurity in the World 2011' that small, import-dependent countries are especially at risk of food insecurity, particularly those in Africa.

The number of commercial farmers in South Africa has decreased from 58 000 in 1997 to less than 40 000 currently.¹ The number is predicted to fall to 15 000 in the next 15 years. Some of the reasons that are cited for the decline include input costs that are rising faster than the output, uncertainty regarding land reform and stock theft for livestock farmers. For these farmers to be able to survive, food prices have to go up, which will eventually affect poor consumers. Notwithstanding the role of commercial farmers in ensuring the country's food security and the creation of employment, particularly for unskilled labour, for millions of poor and unemployed South Africans in rural areas, household food insecurity can be sustainably addressed through the development of subsistence and smallholder agriculture as also supported by Hall and Aliber (2010).²

Agricultural support interventions should be complemented with well-funded and needs-driven agricultural research that can provide new innovations and solutions to the challenges of the 21st century farmer, which include climate change, disease outbreaks, global trade negotiations, *inter alia*. If not appropriately addressed, these highlighted challenges will greatly impact on the sustainability of South Africa's food security. In addition, findings of the Global Hunger Index as reported by the International Food Policy Research Institute (IFPRI) show that South Africa still has a long way to go in order to defeat hunger and malnutrition among its population.³ Out of 81 countries identified as having hunger problems, the report ranks South Africa at 13, behind Africa's top-ranked countries, Gabon and Morocco (both 9th). South Africa's scores since 1990 show a lack of consistent improvement.⁴

It is under this context that the Portfolio Committee on Agriculture, Forestry and Fisheries intends to undertake a study tour to learn from successful agricultural development models

¹ Gosling and Moolla (2011).

² Hall and Aliber (2010).

³ IFPRI (2011).

⁴ Financial Mail (2011).



undertaken in other developing countries. Chile is one of a number of developing countries that can be considered for a possible study tour on agricultural, forestry and fisheries sectors. It is a developing country in the southern hemisphere with similar resources and challenges as South Africa. In 2007, Chile was the only developing country in the world that was able to achieve the first millennium development goal (MDG 1), i.e. halving the proportion of people living in extreme poverty. Despite social and economic challenges over the past decade, Chile has managed to maintain its agricultural production and improve competitiveness. In addition, Chile is also not only South Africa's trading partner but a competitor in terms of agricultural exports as it competes in the same markets for the same agricultural products. This paper gives an overview of agriculture, forestry and fisheries in Chile.

2. CHILE

2.1 Background⁵

Chile is a southern South American country, bordering the South Pacific Ocean, between Argentina and Peru. The land area is approximately 756 102 km², with an estimated population of 17 million. Chile received its independent status from Spain on 18 September 1810. After a series of elected governments, the three-year-old Marxist government of Salvador Allende was overthrown in 1973 by a military coup led by Augusto Pinochet, who ruled until a freely elected president was installed in 1990. The current president of Chile since March 2010 is President Sebastian PINERA Echenique.

Chile has a market-oriented economy characterised by a high level of foreign trade and a reputation for strong financial institutions and sound policy that have given it the strongest sovereign bond rating in South America. Exports account for more than one-fourth of the Gross Domestic Product (GDP), with commodities making up some three-quarters of total exports. Consistent sound economic policies, since the 1980s, have contributed to steady growth in the country and reduced poverty rates by over half. Unemployment rate in 2011 stood at 6.9% and the proportion of the population below the poverty line was 11.5% in 2009. In May 2010, Chile became the first South American country to join the Organisation for Economic Cooperation and Development (OECD).

2.2. Agriculture in Chile⁶

Agriculture in Chile encompasses a wide range of different activities due its particular geography, climate and geology and human factors. Due to its mountainous landscape, approximately 2.6% of the land area is arable land, 0.43% of which is permanent crops. An estimated 19 000km² is irrigated land. Historically, agriculture is one of the

⁵ Unless otherwise indicated, the following information was sourced from CIA (undated).

⁶ Unless otherwise indicated, the following information was sourced from Gallardo (2011) and Wikipedia online.



bases of Chile's economy and currently accounts for 5% of the GDP as of 2007, while the sector employs approximately 13% of the country's labour force. Some major agriculture products of Chile include grapes, apples, pears, onions, wheat, corn, oats, peaches, garlic, asparagus, beans, beef, poultry, wool, fish and timber. Due to its geographical isolation and strict customs policies, Chile is free from diseases such as Mad Cow, fruit fly, etc., and sanitary and phytosanitary (SPS) measures are never an issue. In addition, Chile's location in the southern hemisphere (having quite different harvesting times compared to the Northern Hemisphere) and its wide range of agriculture conditions are considered Chile's main comparative advantages.

Chile's principal growing region and agricultural heartland is the Central Valley delimited by the Chilean Coast Range in the west, the Andes in the east Aconcagua River by the north and Bío-Bío River by the south. In the northern half of Chile cultivation is highly dependent on irrigation. South of the Central Valley cultivation is gradually replaced by aquaculture, silviculture (practice of controlling the establishment, growth, composition, health, and quality of forests to meet diverse needs and values), sheep and cattle farming. Since the liberalisation of Chile's economy in the 1980s, export agriculture, mainly commodity products, grew and diversified. Some products that have reached the international market in huge quantities include salmon, Chilean wine, berries and other fruit. Chile is the largest exporter in the world of table grapes and the second largest of kiwi and avocado.

2.2.1 Smallscale Farmer Support: *Instituto de Desarrollo Agropecuario*⁷

The *Instituto de Desarrollo Agropecuario (INDAP)* is a government agency for agricultural development by which the state of Chile supports small scale farming. As a decentralised service of the Ministry of Agriculture, its main goal is to promote and strengthen the development of small scale farming. It is present in all regions of Chile through its 13 regional offices, 111 area offices, local offices and travelling offices. INDAP is an institution geared towards developing productivity of family based farming, by promoting effective use of the market and improving competitiveness. To accomplish some of its objectives, it contributes to finance investments and operational capital for smallscale farmers, at market interest rates. Furthermore, INDAP co-finance technical assistance and management programmes for smallscale farmers, while also implementing general assistance programmes.

Smallscale or smallholder farmers in Chile are described as farmers who *inter alia*:

- Operate an area equal or less than 12 hectares of basic irrigated equivalent land.
- Obtain their main income from agricultural activities.
- Work directly on the farm.
- Possess assets valued at a maximum of approximately US\$96 000.

INDAP has the biggest rural micro credit programme in Chile, with a client list of more than 80 000 farmers. Access to credit is an important element of the financial assistance

⁷ Unless otherwise indicated, most of the information was sourced from OECD (2008).



programme. INDAP's financial support includes support for productive encouragement and innovation, credit programmes and increased support for the creation of credit platforms to smallscale and family subsistence farmers. Loans are granted to smallscale and family subsistence farmers, and these loans include short term loans; long term loans; forest long term link open loans and irrigation long term loans.

2.3 Forestry in Chile⁸

Forestry is one of the main economic sectors of Chile, representing 13% of the value of the country's total exports. This places the forestry sector in Chile as the second largest export sector behind copper mining. Forestry in Chile is mainly practised in the southern half of the country where mediterranean and temperate climate gives favourable conditions. Forestry areas in south-central and central Chile are mainly distributed on the Chilean Coast Range and the Andean foothills and valleys leaving most of the Chilean Central Valley for other economic activities mainly cattle farming and agriculture. From 1970 to 2005, the planted forest surface in Chile grew from 300,000 hectares to more than 2.07 billion hectares. As of 2006 70% of Chile's forestry production went to export, and the industry employed more than 150 000 workers. The establishment of radiata pine and eucalyptus plantations, largely as a result of government assistance, has helped Chile to become an important supplier of paper and wood products to overseas markets.⁹ Chile is a major source of hardwood in the temperate zone. The major markets for Chilean wood are Japan, South Korea, the United States, Taiwan, Belgium, Argentina, and Germany. The Chilean-German Technology Transfer Centre in Concepción assists in contributing to the technological development of forestry in the Bío-Bío region.¹⁰

2.4 Fisheries in Chile¹¹

In addition to agriculture and forestry, fishing in Chile is a major industry which in 2006 had a total catch of approximately 4 million tons. The Chilean Sea is considered among the most productive marine ecosystems in the world as well as the largest upwelling system. Artisan fishing is practised all over Chile's coastline and combines industrial techniques with pre-hispanic traditions. Aquaculture (fish farming) is a major economic activity that is conducted in 234 coastal operations for which the companies pay user fees to the Chilean government.¹² Among the diverse aquacultures practised in Chile, Atlantic salmon aquaculture is the largest sector. Until 2007, Chile experienced over 15 years a huge growth in its salmon aquaculture to the extent that it became the second largest salmon and trout producer after Norway. However, the industry suffered a severe recession since the sudden appearance and outbreak of infectious salmon anaemia (salmon disease) in 2007 coupled with the financial crisis of the late 2000s. As a result, Atlantic salmon production in Chile has

⁸ Unless otherwise indicated, the following information was sourced from Wikipedia - online encyclopaedia.

⁹ Encyclopaedia of the Nations (undated).

¹⁰ Ibid.

¹¹ Unless otherwise indicated, the following information was sourced from Wikipedia.

¹² Encyclopaedia of the Nations (undated).



fell from 400 000 tons in 2005 to 100 000 tons in 2010. Despite the setback, as of 2009, salmon production was expected to go back to the 2007 levels within four years.

3. POTENTIAL LESSONS FOR SOUTH AFRICA

Agriculture in Chile is export oriented and Chile, despite its small size, has managed to achieve more and overtook South Africa in terms of agricultural exports for some commodities in the past decade due to its agricultural interventions and farmer support. South Africa can learn a lot from Chile in terms of linking developing farmers with potential market value chains and integrating them into current markets. In addition, Chile also has well-established forestry and fisheries (including aquaculture) sectors. Fisheries and aquaculture in Chile are governed by a specific legislation, the Fisheries and Aquaculture Law, which was enacted in 1989, and other related Regulations. South Africa has lessons to learn in this regard as aquaculture, particularly for smallscale fishers, is still at a development stage. In addition, the only legislation that pertains to fisheries still needs to be reviewed. From Chile, South Africa can also learn more about sanitary and phyto-sanitary measures, which have a huge impact on agricultural exports, particularly for developing farmers.



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Summary of Submissions by Stakeholders

3.1 Scientific sector: Consultants

3.1.1 Feike Consulting

Main issues:

Feike was represented by its Director, Mr S Moolla. According to Feike the Pilchard Fishery was the single largest employer, sustaining 15 133 jobs. There were 114 rights holders and 137 vessels, and about 62.9% rights holders are black. The Hake Trawl Fishery is comprised of 60% black rights holders and 43% of its total allowable catch (TAC) was controlled by previously disadvantaged individuals. The South Coast Rock Lobster fishery had 71% black rights holders and 72% of its TAC was black-controlled. The Squid Fishery had 49% black rights holders. However, the Hake Long Line Fishery had 91.3% black rights holders.

The commercial fisheries had significantly transformed, with 60% of all fishing quotas allocated to black persons. Out of 3 019 commercial fishery quotas, more than 2 200 were allocated to small-scale or artisanal fisheries. The main threats to transformation gains included the draft small-scale commercial fishing policy, the lack of leadership, policy and vision within the Department which resulted in a lack of support for small black-owned enterprises, and the fact that there was still no plan with regard to the next round of fishing quota allocations for 2013.

There was pervasive poaching of high-value inshore fish stocks, such as abalone and West Coast rock lobster. The draft small-scale/ subsistence policy premise was fatally flawed, especially with the proposition that quotas should be allocated to fishing communities and managed by cooperatives. It had been observed that cooperative-type management led to community-based conflict.

Recommendation:

- The Department of Agriculture, Forestry and Fisheries should clarify as to who should shoulder the burden of paying for the administrative costs of running the cooperatives.

3.2 Commercial Fishing Industry

3.2.1 Oceana Group Limited

Main issues

The Oceana Group was represented by Mr F Kuttel. The Oceana group claimed to have fair and equitable employment policies and was committed to the well-being of all its employees. The measurement of economic interests was done by using broad-based transformation criteria, as the narrow-based criteria only measured black ownership and not economic benefits. The Group does not allow fronting of any sort. It also encouraged aspects of procurement, enterprise development and

Corporate Social Investment (CSI), which, if channeled correctly, could be of significant benefit to the welfare of all communities including the fishing industry.

Oceana had accelerated transformation since the awarding of long-term rights. The Group was 55% black-owned, and was therefore defined as a black-owned company. The Khula Trust owned 11.9% of the company and Brimstone owned 9.7%. 13 Non government organisations (NGOs) were also supported and that makes a total of black beneficiaries to about 8.5 million. The Oceana management has 27.3% black females and 26% were in senior management positions.

In relation to skills development, 82% of the budget went towards the training of black employees. In relation to procurement, 70% of its budget went towards Black Economic Empowerment (BEE) companies. Oceana had over a period of five years spent close to R207 million on enterprise development. Its Corporate Social Investment (CSI) spent over the five-year period had been R13.4 million, of which 96% went towards black-owned companies. Subsequently, this CSI strategy had been reworked to cater for coastal communities and that strategy had been successful, with particular emphasis on food security and education.

Oceana had also made provisions for housing for some of its employees.

Recommendations

- The Department of Agriculture, Forestry and Fisheries (DAFF) should adopt the BEE Codes of Practice in all policies, recognise broad-based transformation initiatives and publish the results of performance review process specific to the current level of transformation in the industry.

3.2.2 Sea Harvest

Sea Harvest was represented Mr G Bezuidenhout, the Managing Director. He presented the profile of the company by stating that Sea Harvest was a certified Level 2 AAA 88% company on the scorecard used by the Department of Trade and Industry (dti). 96% of its employees were black and South Africans except for its skippers. Out of the 11 members on the Board of Directors, seven were black and two were women.

Sea Harvest had employed more people despite the international trend to mechanise operations. The number of jobs it created had increased to 65 per 1 000 tons of catch.

The deep-sea hake sector was capital and labour intensive and required economies of scale if it were to remain competitive. Since 2003, the industry had not generated sufficient returns. The company employed exceptionally high safety standards at all times. The employees received benefits such as UIF cover, pension funds, and life cover.

Although all employees were offered shares in the company, most had declined the offer as a result of the industry not generating good returns. 25% of its shares were

held by the Kagiso Trust and 60% by Brimstone Investment Corporation. Broad-based black shareholding made up 83% of the company.

Sea Harvest was described as the single largest employer in the Saldanah Bay, West Coast district, employing between 3 800 and 4 900 people. 2 500 were permanent and contract jobs. In excess of R4 million had been spent on skills development of its employees. The Sea Harvest Foundation built capacity within the local community, contributed significantly to development, and assisted with education costs.

The main challenges that were noted are:

- Increasing exchange rate, and cost escalations being above the Consumer Price Index (CPI) inflation rate.
- Lack of consolidation within the industry in order to achieve economies of scale.

Recommendation

- There was a need for clarity on how long a black shareholder needed to invest before he or she could sell.
- There was also a need to address the shortage of certain skills and training within the sector, especially net-making and engineering.

3.3 Small Fishing Industry

3.3.1 Benguela Fisheries

Main issues

Benguela Fisheries was represented one of its members, Ms N Sotomela. The group was formed by a group of the women who had to fend for themselves and their families when their husbands died at sea. Although they were issued with quotas, they were subsequently told to stop fishing even though these quotas had not been filled. There were also many concerns with outsiders attempting to speak on their behalf, although they did not have adequate knowledge of the realities the women faced.

Recommendation

- They would prefer to be consulted in policy processes that would possibly affect them.
- They request to be left to continue fishing in order to provide food for their families.

3.3.2 National Taskteam Small Scale Fishers

Main issues

Mr C Jordaan represented the Small-Scale Fisheries Task Team from Mossel Bay. The Minister of Agriculture, Forestry and Fisheries had made promises to the community but the fishing sector in Mossel Bay had not receiving the attention it deserved. There was a need for direct consultation with that community. Fishing stock was under pressure and the country was importing more than it could export. Aquaculture was contributing to the gross domestic product (GDP) to the tune of R100 million. Abalone and other species were being cultivated. None of the promises made to the fishing community had been kept. A summit had been held, which had democratically elected the task team. There had been two agreements with Marine and Coastal Management (MCM). However, these had not been signed. The second draft had been even worse than the first one.

The interim relief measures had increased the limit of fishing from thirty to sixty fish per person. However, the permits were useless and meant nothing to the subsistence fishers. They were only allowed to take ten fish on a day, not all of which could be of the same species.

The new harbour at Coega was a fish magnet. Dozens of species were there in abundance. The Mossel Bay community had been promised they could have a quota of 1.5 tons of abalone for the season, while the poachers took that much in a week.

3.3.3 Artisanal Fishers Association

Main issues

Mr Andrew Johnston represented the Artisanal Fishers Association. Mr Johnston had been a fisherman for fifty years, thirty of which he classified himself as a poacher. He had served on several national and international bodies. He was currently the chair of the Congress of South African Trade Unions (COSATU) Fishing Desk.

The principles of the small-scale policy were to focus on food security, equity, job creation, poverty alleviation, co-management and social justice. While poor fisher folk may be given rights, the critics of the policy were waiting to prey on these people in order to take over their rights. Such people were not interested in correcting social and economic injustices. The management of fisheries should be about the people and their livelihoods as well as about economics and resource management. The first divers came from Langa, but this form of fishing had become the preserve of those in the wealthy suburbs.

The quota system was coupled to high capital demands. The limited rights that poor people could exploit did not cover basic living expenses. Households had to juggle expenses to survive, especially in the light of increasing food prices. Before quotas, artisanal and traditional fishing households had enough money for food and other requirements but were now being forced to beg to survive. People controlling resources were only interested in profit and not the needs of the people. Bad governance and faulty practices were creating elites at the expense of the poor.

The community-based management system was widely accepted. The proponents of the individual quota system had to end the corrupt practices of which they were guilty. It was absurd to believe that individual wealth could eradicate the ills of society. Community fishing rights would go towards achieving the Millennium Development goals. There were many socio-economic benefits from communal efforts. Peer monitoring would be an important method of controlling the exploitation of communal rights. Indigenous knowledge of fish patterns would be an important way of monitoring stock levels. Those who had benefited in the past were lacking the vision and will to correct the situation. What was needed was restitution, restructuring, reviewing and reallocating. The policy made no mention of restitution. He could not understand how men working on an oil rig could get an abalone quote while the residents of Kleinmond could not.

Recommendations

The policy should be able to promote socio-economic needs of the disadvantaged communities:

- Enhance access to the sea and provide a sustainable livelihood.
- It should promote social inclusiveness, eliminate inherited inequalities and recognise fishers as workers.
- There should be participatory democratic systems, environmental and resource protection.
- It should enhance food security, alleviate poverty and hunger and develop the communities away from profit-making individualism.
- It should improve access to markets, terminate corrupt practices, be gender sensitive and create large-scale employment.

3.3.4 Umoya

Umoya Fisheries was represented by the Director Ms Poggenpoel. According to Umoya there appeared to be no reason why the TAC could not be increased so as to accommodate the scale the Minister of Agriculture, Forestry and Fisheries proposed to implement. The allowances in the existing TAC could, however, be reduced. The strengthening of policing and the savings as a result of the interim relief would in fact result in nothing needing to be taken away from the existing quota holders.

The limitation placed on the types of species that could be caught under certain permits placed unfair limitations on the earning potential of smaller fishers, particularly during seasons when these species were not common.

Recommendation

- There is a need to be more equitable and more consistent in the implementation of the regulations for all role-players.

3.3.5 Kalk Bay (Mr Poggenpoel)

Main issues

Mr Jacobus Poggenpoel, a fisherman from Kalk Bay reported that he had been the first black person nominated to the Fisheries Advisory Council. He reported that the community of Kalk Bay are a fishing community, who were dependent on the resources of False Bay for their existence, as they had been for the past 200 years.

In recent years big trawlers were granted rights to trawl in the False Bay area. That had depleted fish stocks and threatened the livelihood of the smaller fishers. Corporate fishing had therefore damaged the industry and harmed the local communities.

The Kalk Bay fishing community provided sustenance for about 300 families, and was also a tourist destination. The community had fought for several years for the harbour to stay a commercial fishing harbour, as this was the only historic hand-line harbour still in existence. It had also fought against allowing a yachting basin to be built in Kalk Bay.

Recommendations

However, now that many fishermen had started to lose their rights, the survival of the community was under threat. He hoped, following these hearings, that government would intervene and open up the channel of negotiations. He pleaded for the Committee to look seriously into the matter.

3.3.6 First Indigenous Women-Hout Bay

Main issues

The First Indigenous Women – Hout Bay group was represented by Ms M Yon. This group felt that they were being neglected and discriminated against by Government. Although they were given two months to catch lobster, this was then brought to a halt, despite the fact that big companies were allowed to continue to catch lobster. Small-scale fishers were therefore not being afforded equal treatment. Her husband and father had died, without the family being provided with compensation. Women were also sidelined when it came to quotas. The small quotas that were received by women in particular were not sufficient to allow them to earn a decent living.

3.3.7 Tuna Long line Fisher Group

Main issues

The Group was represented by the Secretary of the Group Mr R Strauss. There were many concerns raised around the unfair distribution of fishing rights to the Northern Cape, which received less than 1% of rights. There were also concerns about marginalised fishing rights to traditional fishers, which created further impoverishment in these communities, discrimination against women within the industry, scarce working opportunities for the youth, and bank policies that put small

businesses at a disadvantage, especially when there was a lack of alternative financing options.

Recommendations

- That an entity, formed by mutual agreement between government and the industry, should be set up to manage the fish factory in Port Nolloth. This would have to address the inherent structures that were putting women at a disadvantage, to upgrade the Port Nolloth harbour so that it met safety standards, and to review the circumstances and assist those fishers who did not qualify for quotas, which meant that established businesses were being allowed to monopolise the industry.
- It was also necessary to assist fishers to access grants, which would in turn finance basic equipment such as boats and machines.
- The Group called for a meeting with the Minister at the earliest available opportunity to discuss the recommendations and concerns.

3.3.8 St Helena Bay Fishing Community Forum

Main issues

The St. Helena Bay Fishing Community Forum was represented by Mr C Jordaan. The group claimed that the labour practices of large fishing companies in the area had resulted in significant poverty. The assertion of the large companies that created employment in the area was therefore not entirely true. The existing quotas given to the communities were insufficient for them to make their own living. Complaints lodged with the Commission for Conciliation, Mediation and Arbitration (CCMA) had also resulted in workers losing their cases. The organisation Coastal Links also made agreements with Government without consulting the communities.

3.3.9 Coastal Towns Fishing Crisis Committee

Main issues

The Coastal, Towns Fishing Crisis Committee was represented by Mr T Mosiea and Mr G Cloete. There Committee raised concerns around employees owning shares but never seeing any benefits from such shares. There were also no black skippers being employed. Black people were also suffering from constant abuse aboard boats. The assertions made by the big fishing companies around their community development and employment creation did not seem to be felt on the ground.

Recommendations

- There should be a Fishing Charter that would see greater representation of black people in the industry.
- That a Sea Accident Fund that would be similar to the Road Accident Fund be established, to ensure that workers killed or injured at sea were compensated accordingly.

- That the Fishing Charter would need to look at redistribution of wealth and resources.

3.3.10 Mr Gavin Roberts-Former President of Fisherman Association in Eastern Cape (personal capacity as a fisherman)

Main issues

Big business wanted to destroy the small-scale fishers. Small-scale and subsistence fishers were treated like criminals. Community does not understand the objectives of the policy. Quotas for hake had divided the community. Money had gone missing in the Coega area. There was no proper guidance.

Mr Roberts said that some companies would pick up men on the road and use them as crew on fishing boats. They were housed in compounds. The companies did not even know what their names were. The Eastern Cape had the most accidents at sea. Over 50 fishermen were missing. The reports compiled by SAMSA had to be tested. Mr Roberts could prove that the scientists were wrong with the TAC. The people needed to have their human rights respected. Slavery had been abolished, but there had been no changes since 1994. Justice was needed. Illiterate people had been made to sign documents they did not understand. Letters had been written to the Minister of Agriculture, Forestry and Fisheries but nothing had been done

3.3.11 Masifundise

Main issues

Mr Naseegh Jaffel represented Masifundise. The entire fishing industry was in crisis. The small-scale fishers policy would not address the problems. The policy should be finalised urgently. The fishing communities should not survive on interim relief. The interim relief plan had been meant for one year, but it was on the verge of going into its sixth year. The relief could only end if the policy was finalised.

Although the target date for the strategic plan was set to be 2012, deadlines kept shifting. Nedlac had met in the first two weeks of June, but nothing had happened as yet. Debates should be held nationally rather than being held in the Western Cape alone. Wider coverage was needed in the Northern Cape, the West Coast, East Coast, Eastern Cape, KwaZulu-Natal and Durban areas.

The issue raised that people preferred individual rights to communal rights was far from the truth. The current situation was that quotas were being granted to individuals' although the system was not working.

The South African Commercial Fishing Corporation (SACFC) had been called a cooperative but had been funded on a different basis. The BEE Act promoted cooperatives but this conflicted with long term policy. If transformation was to happen then the BEE Act had to be followed.

Recommendations

- The policy had to be reopened.
- The small scale policy should address the fishing community.
- There was a developmental nature but it had to be shown how it would benefit the community.

3.3.12 SMMES Fishing Forum

Main issues

Mr Harry Mentor, Chief Executive Officer of SMMES Fishing Forum, presented that the Forum wished to make certain recommendations to the Minister. He noted that all role-players in all different areas of the country had been consulted, from Ocean View to East London and to Port Nolloth.

All had noted that the fishing industry had to be made successful. The recommendations included the need to organise the people of various areas in communities in the fishing industry. It was also envisaged that the various areas could then be further organised into co-operatives, with information clearly outlined. Each area should form and run its own black-empowered businesses. Near-shore and in-shore fishing rights would need to be allocated to the SMME (small, medium and micro sector) and small scale rights holders.

It was noted that operations from six factories could provide 600 jobs. Membership of cooperatives would create another 1 500 permanent jobs, which would give access to employment to about 16 500 people. The SMME Forum believed that the creation of such a situation would create a framework to develop investment in the industry. This would then allow for full involvement, training and skills transference in the industry.

Mr Mentor noted that small scale fishers were an integral part of the rural and coastal communities where they resided. In Western Cape, women were involved in harvesting, but in the most recent years they too tended to have been marginalised.

Diversity within the small scale fisheries, and the potential contributions of small scale fisheries to poverty eradication and food security, was not addressed in the Marine Living Resource Act (MLRA). This had resulted in a large percentage of traditional small scale fisheries being excluded from the process.

He noted that development of new small scale fisheries policy would come more than two decades after the promulgation of the MLRA, and after long-term commercial rights were granted. Fishers whose rights had been affected by the allocation of commercial fishing rights in their villages did not receive any allocations. He concluded also that international and regional agreements on sustainable and responsible fishing were important to the small scale fishing industry.

Recommendations

- Small scale fisheries resources must be managed through a community-based co-management approach that would also ensure sustainable harvesting and utilisation of resources.
- There must be a holistic approach to fisheries and management.

3.3.13 TREKNET

Main issues

Mr Sulaiman Achmat, an independent boat owner, reported that he had been a fisherman all his life, and he often also bought in fish for resale. He had purchased a boat, suitable for line fishing, but lost it because of the legislation subsequently introduced. There were too many restriction placed on him. He had been limited to fishing only 600 meters into the ocean, which was insufficient.

He believed that the impetus to sustain his own business had been removed, both for racist reasons, and in order to support the large commercial fishing industry. Since the rights were taken away, small scale fisherman had not been able to survive, and he also pointed out that the rights now taken away from him had been owned by his family since the 1860s, and it was unfair that they be given to the large companies. This process had made it difficult for him to sustain his living.

3.3.14 Durban Subsistence Fishers

Main issues:

Mr Ebrahim Yusuf represented the Durban Subsistence Fishers as a member of the national task team. He had been denied an existence during the apartheid era but the situation was worse now. The promised restoration of rights had not happened. Government was failing in its duties. Subsistence fishers were being denied physical and financial access to resources. Fishing from the rocks was the most sustainable form of the industry but even this was being denied. He could not believe that a man with a fishing rod could deplete the stocks. South African subsistence fishers faced the most stringent limits in the world.

He and his colleagues bought recreational permits but were limited to four fish per day. This was a starvation allocation. Transnet was denying fishermen access to their traditional spots in the harbour. The Anti-Terrorism Act was cited as the reason for the lack of access. Huge fences had been erected. The traditional pathways were closed and fishermen had to make detours of up to three kilometres to reach their favourite spots. There was a similar situation in the Eastern Cape where a casino had blocked off traditional access routes. This was being done in accordance with the National Key Points Act.

There was no justification to the arguments of the scientists. No commercial harvesting was being allowed. There was no regional office of the DAFF in KwaZulu-Natal.

3.3.15 Coastal Links Paternoster

Main issues:

Ms Naomi Cloete, Chairperson of Coastal Links Paternoster, represented the organisation. No compensation was paid to women who lost their husbands. Women played many back-up roles to the industry, such as net-making. People had a traditional right to the sea. People should have rights and not quotas. She reminded the Members of the old basket system, where a person could take as many fish of various species that could be carried in a basket. The industry had to be seen from a woman's perspective. The scientists were making criminals of the fisher folk.

3.3.16 Coastal Links Langebaan

Main issues:

Mr Norton Dowries, Vice Chairperson, Coastal Links in Langebaan represented the organisation. Langebaan was a town where the net was traditionally used. Some of the areas had been declared protected and this was where the fish were to be found. Various conditions were applicable in the different zones. The fishermen would respect the source if they were given access to the protected areas. If anything was caught which was not part of the permit conditions, the fishermen were supposed to report this to MCM. He pleaded that fishermen be allowed to retain the by catch.

3.3.17 Women in Fishing (Port Nolloth)

Main issues:

Ms Gloria Beukes represented the Women in Fishing in Port Nolloth. The women in Port Nolloth were living in atrocious conditions. There had been different quota holders owning the factory in Port Nolloth such as Sekunjola and later Oceana. She had attended the summit held in Stellenbosch in 2010 where she had told the Minister of Agriculture, Forestry and Fisheries that the women were being left out in the fishing sector.

The condition for the issue of a permit was that the permit holder must go to sea to qualify. She had worked in the factory for 35 years. She had been retrenched in 2001 when the factory closed. She had applied for a quota but was unsuccessful. Her plea to the Committee was that they should look at the clause excluding women

from the system. Most of the community were women at home with the children while the men were at sea.

Old people could not go to sea, but they and the women could run the business if they had the processing and marketing permits. Other factories in which she had worked belonged to John Overstone and Namaqua Fisheries. The factories had closed and the quotas had gone with them.

3.3.18 Symanyene

Main issues:

Mr Neels Scheepers, owner of Symanyene Fishing, reported that his company supported the government's initiatives in the fishing industry in general. However, it did not support the reductions in the Total Allowable Catch (TAC) restrictions, saying that this would jeopardise the business. Symanyene Fishing, a Black Economic Empowerment (BEE) rights holder, had invested in the sector, in support of its long term commitment, and had pledged, in its applications, to abide by the criteria set out by the Long Term Rights Allocation Process (LTRAP).

The rights holders owned and operated their own vessels, and since the LTRAP was set up in 2005, they had further enhanced their investment in the sector. They had acquired a 50% stake in a processing facility, Umoya Fish Processors, on the West coast.

This facility had been struggling to meet its financial commitments to suppliers, due to the staff reductions occasioned by the TAC. The extra quota that was made available for processing through the facility was needed to maintain the existing jobs, which in turn were needed in order to sustain the facility. However, now Umoya was not able to sustain its projects, and their rights had diminished. Because the company was relatively small, it was unable to sustain their operations when the TAC was continually being reduced.

Recommendations:

- In order for similar small-scale enterprises to survive, the TAC should be increased, and that the same compliance criteria must be required of all participants within the WCRL sector.
- That the TAC model should be reviewed by reducing the amount that was allowed for poaching.

The Committee after several attempts to get responses with regard to issues raised during the hearings, resolved that the Department should respond in writing to all the issues raised during the hearings.

3.4 Other Interested and Affected parties

3.4.1 Mr Sulaiman Achmat

Main issues

Mr Sulaiman Achmat, an independent boat owner, reported that he had been a fisherman all his life, and he often also bought in fish for resale. He had purchased a boat, suitable for line fishing, but lost it because of the legislation subsequently introduced. There were too many restriction placed on him. He had been limited to fishing only 600 meters into the ocean, which was insufficient.

He believed that the impetus to sustain his own business had been removed, both for racist reasons, and in order to support the large commercial fishing industry. Since the rights were taken away, small scale fisherman had not been able to survive, and he also pointed out that the rights now taken away from him had been owned by his family since the 1860s, and it was unfair that they be given to the large companies. This process had made it difficult for him to sustain his living.

3.4.2 Food and Allied Workers Union (FAWU)

Main issues

Mr Mthunzi Mhlakane, FAWU National Organiser Fishing Sector, presented and outlined that for the past few years this FAWU had been assessing the long term fishing rights to monitor if the allocations had achieved their intended objectives of ensuring job security and providing quality jobs.

The current situation meant that the fishing industry as a whole had had to deal with massive retrenchment, closing off factories because of the consolidation of quotas. All of this happened soon after the larger private limited companies secured their fishing rights.

After FAWU had engaged the Marine Coastal Management division of the Department no adequate response had been received. No answer was given on a direct question with regard to whether Oceana Group was intending to retrench 529 workers and how many workers would benefit from the quota. It became clear that there were no clear guidelines as to what recourse could effectively be taken if a company did not live up to the stipulations stated in its applications.

After the Portfolio Committee on Labour had conducted oversight visits on fishing factories it had noted that there were some companies whose entire top management team was white. It was also noted that most skippers of sea-going craft were white, and many were racist. Recently the FAWU forced Sea Harvest to take actions against skippers who had displayed racist attitudes to black crew members.

Within the squid industry, there had been allegations of companies using fishermen as fronting shareholders of companies, yet giving them no benefit from the gains of the company, but instead exploiting them still further. These issues had been raised

at Departmental level, and the Department was urged to investigate, yet nothing had been done.

Health and safety issues were also of great concern, as FAWU had received several reports, especially from those in the squid industry, that a fisherman who fell sick during a trip would either have to wait until the trip was over to get medical attention, or he would have to disembark at the nearest town to seek medical assistance, but must find his own way back home. Often, fishermen would have to buy their own protective gear, and this was almost unaffordable as they earn low salaries. They would therefore invest in poor quality gear, compromising their health and safety.

Another disturbing issue was the low wages for the sea-going fishermen. In the pelagic industry, fishermen's salaries were awarded, except in the case of Oceana Group employees, at the discretion of the skipper, due to labour-brokering arrangements with skippers. In the squid sector a fisherman received R30 daily allowance and R5 per kilogram on his catch. These income levels were not sustainable, as the fishermen were not even able to afford basic sustenance.

Recommendations

- FAWU requests that the Department's Marine and Coastal Management (MCM) unit must strengthen its monitoring tools with regard to adherence, by companies, to the stipulations of their application.
- The MCM must ensure that transformation was a condition of the quota allocation, thereby giving a guarantee on issues of employment equity and shared trust.
- The MCM should make proper employment of sea-going fishermen and seasonal workers a condition of the quota allocation thereby ensuring quality of jobs and job security. MCM was also asked to make the payment of a living wage as another condition of the quota allocation, to address the exploitation that was rampant in the industry.

3.4.3 Mr Malutyana

Main issues

Mr Malutyana made a presentation as a private boat owner. He had written a memorandum to the Department of Agriculture, Forestry and Fisheries (DAFF), in which he outlined his grievances. These included the fact that the activities of major industry players were stifling the potential growth of smaller ones. Many politicians made promises about fair labour practices and decent wages, but these did not happen in practice in the fishing industry.

The use of casual labour was still occurring in the sector and the majority of fishers were not registered as workers. There was also no compensation for workers who were injured on duty, or for the families of those who died at sea. After the recent death of one fisherman at sea, Mr J Mokoena, the owner of the boat had denied that the deceased fisherman had ever been employed on his boat, and that owner had subsequently left South Africa. The family of Mr Mokoena was unaware of the location of his body.

Recommendations

- The DAFF needed to conduct a thorough investigation into all fishing companies, in order to ascertain whether they were ensuring that their workers were working under safe conditions.
- That DAFF should assist in the locating of Mr Mokoena's body so that he could be given a proper burial.
- That DAFF should shut down all non-compliant companies and
- That the shareholders whose names had been used in cases of 'fronting' be compensated.

3.5 Departmental Input

4 Concluding remarks and Recommendations by Committee