



SASMIA NPC

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Trading as
THE SOUTH AFRICAN SQUID MANAGEMENT INDUSTRIAL ASSOCIATION
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2019 ANNUAL GENERAL MEETING CHAIRMAN'S REPORT

INTRODUCTION

2018/9 was a good fishing year for the squid industry. While catches returned to a more normal level after the exceptional 2017/8 season, they still remained at good levels and the pricing also remained strong.

We have had to deal with a number of administrative and policy issues, some of which are as follows :

1. THE PROPOSED ALLOCATION OF 25% OF THE SQUID SECTOR TO SMALL SCALE COOPERATIVES

A gazette was issued in April asking for comments on the proposed sector split between commercial and small scale sectors. The squid was one of the sectors affected and the proposal was to allocate 25% of the fishery to small scale.

We had begun engaging with DAFF on this in November last year and applied for access to information to understand how the quantum was reached and on what basis the small scale would operate. We did receive some information but are still waiting for the balance of it, but we were able to engage with DAFF and the full exco met with senior DAFF officials early in June to get feedback on what they were proposing and to unpack the challenges we face in the industry.

Directors : Adrian Smith, Dino Moodley, Greg Christy

Executive Committee : Adrian Smith (Chairman), Dino Moodley, Greg Christy, William Gqeke, Mongezi Vika, Karen Humby, Neville Brink, Mark Rowe, Eugene Van Niekerk, Jim Tucker

We then prepared and submitted a detailed response objecting to the inclusion of the squid in the small scale basket of species, noting the absence of any historical small scale involvement in the squid sector and the lack of any pilot projects, the lack of a basis for getting to the proposed quantum of 25% and the fact that it had been excluded from the small scale in the Nedlac process. We also objected to the perception that the small scale could operate commercial vessels, as this was contrary to the small scale policy and noted that squid was not included in the list of species in any of the gazettes relating to small scale up to the one in April, and noted the potential job losses any allocation to small scale would result in.

In our meeting with DAFF and in our response we noted that we were not opposed to a small scale involvement in the sector, if it was viable as a small scale operation, but not to the extent of it taking up 25% of the TAE and operating commercial vessels.

The new Minister was appointed after the election and withdrew the proposed sector split in its entirety in August. The department are busy engaging with the small scale sector and are still rolling it out to other sectors and we will have to wait and see whether the squid is still included in the sector split proposal if it is redone.

2. THE ADDO MPA FISHING RIGHTS ALLOCATION PROCESS

The Addo Marine Protected Area was implemented with effect from 1 August 2019.

We had objected to the MPA through the Scientific Working Group in 2016 when comments were requested on the proposed MPA. This objection was ignored in the finalisation of the MPA and the potential loss of earnings to the squid sector was not considered.

The final MPA also prohibited vessels over 100 tons from anchoring anywhere in the MPA. We engaged with Sanparks on this as the original proposal had referred to vessels over 500 tons. They have agreed that vessels over 100 tons may operate in and utilise anchors in the controlled zone subject to us providing them with a list of all vessels over 100 tons which would be doing so. We need to submit the list before the opening of the season so please confirm with me if you have any vessels over 100 tons that may fish in the MPA at some point. Thanks to Eugene for his support in engaging with Sanparks.

We requested a relaxation of the gear stowing restrictions but Sanparks would not agree to that. We do still need to get more feedback on the extent of the restricted zone and the cost in terms of loss of fishing that it will have in order to determine whether we should engage further with Sanparks and Environmental Affairs in order to amend some of the areas to still allow fishing for squid.

3. FISHING RIGHTS ALLOCATION PROCESS 2020

The department held a meeting to unpack the general policy to industry in March 2019, We attended that and were bale to give some feedback on it. DAFF also issued a SEAS (Socio economic assessment for the industry) which was the next step in the FRAP process. That was where the process got stuck and on the 2nd August the entire FRAP process was delayed and it was later confirmed that this delay would be until 31 December 2021 and the existing rights would be extended by one year.

The section 21 moratorium on the transfer of rights which had been set at 30 September 2019 was also extended to 30 September 2020.

The rest of the process is likely to remain similar but run one year later and will probably commence with sector specific socio economic studies.

4. SAMSA

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SAMSA had the STCW-F implementation set for July 2019, which would have involved additional courses being required and increased Safe Manning Certificate requirements, Greg Christy, who is representing the fishing industry on the SAMSA boards was able to raise the issue there and at the National Fishing Forum and that resulted in an industry consultation which culminated in the STCW-F implementation date being pushed back to 2021 and some of the training and safe manning requirements being amended.

SAMSA is currently busy reviewing the maritime training syllabus and will be hosting workshops in November around the country in order to consult on the new syllabus and requirements for the various qualifications. We advise all members to find out when the relevant meeting will be held and to attend so that you are fully aware of and can give inout into the proposed changes.

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5. THE NATIONAL FISHING FORUM

The National Fishing Forum is SAMSAs body which deals with fishing related matters. It is chaired by Selwyn Bailey and includes representation by each fishing sector and by Fish SA. We are currently represented on it by Eugene Van Niekerk and William Gveke.

6. OTHER SAMSAs RELATED MATTERS

A new International Maritime Organisation (IMO) regulation which requires all vessels of 20m and over to obtain an IMO number and be subject to the working in fishing convention has been implemented. We are still finding out what impact that will have on our vessels and by when it must be complied with.

There is also an international move away from heavy fuel to lighter diesels, which needs to be implemented by early next year. That should not affect any of the squid vessels

7. SOCIO ECONOMIC STUDY

We have commissioned a socio economic study on the squid sector which was undertaken by Cap Marine. They have collected the information and are still busy with the process. Dave Japp will present some of the initial findings at the AGM.

8. ALGOA BAY AGRICULTURE DEVELOPMENT ZONE

The Algoa Bay Agriculture Development Zone approval process has continued. Some of our original requests and recommendations were considered in the updated proposal. We did submit comments on the final round of consultation. The final Basic Assessment Report was then issued last week and the result of that should be announced by the end of February 2020.

9. SEISMIC SURVEYS

We did lodge an objection to some seismic surveys in November last year. We are still waiting for feedback on that process. Dave Japp will give us an update on current seismic surveys at the AGM.

10. INDUSTRY CONSOLIDATION AND INVESTMENT

There has been a steady consolidation of rights holders and building of larger vessels over the past few years. This has resulted in the number of vessels and rights holders reducing over time. There are currently therefore 79 rights holders utilising +- 120 vessels and having access to 2,443 permits.

11. CLOSED SEASONS

The additional closed season this year was once again from 1 April to 30 June, with the end of year closed season remaining in the Oct/Nov period.

12. CONVERSION OF THE ASSOCIATION TO A NON PROFIT COMPANY

SASMIA applied for learnerships from the Transport Education and Training Authority on behalf of its members in last year. This was approved but the TETA required a tax clearance certificate. After reviewing our position that gave rise to the proposed conversion of the association into the legal form of a Non Profit Company.

We have therefore formed a Non Profit Company, called SASMIA NPC and will be proposing at the AGM that we transfer the association into the NPC, which will allow us to facilitate learnerships and access other funding going forward.

We will work through the implications of this in the AGM.

13. LEARNERSHIPS

The learnerships applied for to the TETA last year could not be finalised as we only received the tax clearance after the TETA deadline. We have now reapplied for the learnerships and have updated the application to cover 100 existing crew and 100 unemployed learners. We are waiting for a response from TETA on this and will be reapplying in November for a similar program for next year.

Siyaloba Training Academy who will be facilitating the learnerships will give us further feedback in the AGM.

14. FISH SA

Our membership of Fish SA has continued. The structure of Fish SA is under review but currently the membership fees have remained the same for the past year at R30,000 per year.

Fish SA's role and profile has increased in the past year with the SA Tuna Association joining it and the new Minister confirming that she would prefer to interact with the sector via the Umbrella organisation.

Mr Loyiso Phantshwa, who is an attorney and independent of any fishing group, has been appointed the chairman of the association. He is now assisted by two vice chairs, Shamera Daniels and Innocent Dwayi representing the big and SMME sectors respectively.

Fish SA is busy improving the profile of the commercial sector and are producing a brochure / presentation which will explain the background and dynamics of each of the commercial sectors.

15. TRANSFORMATION PLAN

We did meet with the Minister as Fish SA, with representatives of each commercial sector being given the chance to raise their issues. We raised the small scale sector split and the Addo MPA.

The Minister requested each of the sectors to look at the transformation in the sector and at how each sector could promote job creation whether within the sector or in the areas in which it operates - harbours, etc - whether in fishing or related areas. We need to consider this and develop a response.

16. SARS DIESEL REBATES AND TAX CLEARANCES

The issues that were experienced with SARS on the diesel rebates have largely been sorted out in the past year and should not be any issues going forward as long as the transires and logbooks are in place.

The tax clearance system has changed in this month from the use of a printed tax clearance to utilising a pin. DAFF have developed a new form to submit with the pin and the person submitting needs to sign off that the tax clearance pin is valid at the time they submit their permit application to DAFF.

17. CONSULTATIVE ADVISORY FORUM

One of the changes gazetted on 2 August 2019 was to request new nominations to the Consultative Advisory Forum, which will be re-constituted to assist the Minister and the Department.

There is no clarity yet on how it will be made up apart from that it should have some industry experts and input as well as input from other sectors / disciplines.

We have nominated Greg Christy on behalf of SASMIA.

The Fisheries Transformation Council was also abolished in August.

18. LOGBOOK ELECTONIC CAPTURING PROJECT

In order to improve the speed with which the skipper logbook information becomes available to DEFF, delegated individuals from both DEFF and the squid industry will commence with a pilot project exploring the viability and practicality for industry to capture and submit their own skipper log book data electronically to DEFF.

The hard copies must still be delivered to the DEFF offices in PE within the permit timeframes for validation with the electronically captured data.

The pilot project will run from November 2019 to February 2020 and will then be reviewed to see whether it worked and can be implemented on a larger scale. We will have a presentation on that from Granville Louw at the AGM.

19. RESEARCH COMMITTEE AND THE CLOSED SEASON

The research committee met in August and approved varous projects for the closed season. The closed season tenders were also submitted and the two

successful vessels will be active during the closed season in assisting with the research.

Dr Jean Githaiga-Mwangi was successful in accessing the MFV Ellen Kuzwayo to assist with the closed season. She will present on the research side at the AGM.

20. MARINE STEWARDSHIP COUNCIL

The pre-assessment of the squid sector done for the Marine Stewardship Council was completed and we did quite well as a sector and could potentially apply for MSC certification of the sector if we wanted to.

It is not clear what benefit that would have for the squid sector and whether it would generate any pricing advantage in the overseas market.

In the meantime the squid sector has been selected for a Fisheries Improvement Project which is the follow on from the initial pre-assessment. Andrew Gordon of the MSC will give us further feedback at the AGM.

21. SASMIA MEMBERSHIP

As part of the socio economic study we sent out squid rights holder update forms, most of which have been returned, which provided us with updated contact information and confirmation that each rights holder is a member.

We must still collate all of the new and old information into a new mailing list, which we will do in the next few weeks,

We will be invoicing the subs for the current year from the NPC in next week.

22. FUNDING AND MEMBERSHIP FEES GOING FORWARD

We agreed last year to change the membership fees to R300 per vessel.

That has not been invoiced yet and we will recommend increasing the amount for this year to R450 per vessel to cover the 18 month period from July 2018 to February 2020 which will be the new year end.

23. THANKS

I would like to thank everyone on the *exco* for their assistance over the past year, particularly Dino who has still done a fair amount of the work and Charmaine who has become more involved in the administrative side and supporting the research committee.

Thanks are also due to all who presented for making the effort to be here and for Dr Jean and her team for the work they are doing on the research side and in the scientific working group.