South American Hake & Hoki

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EMDEPES is the Chilean subsidiary of the Japanese fishing & aquaculture company NISSUI

NISSUI’s Main Business Units

I. Marine Business Products
II. Food Products Business
III. Fine Chemicals Business
IV. Engineering Business
V. General Distribution Business
**Sensitive Fishing Environment in Chile**

**Biological Conditions of Chilean Fishing Grounds**

- Sensitive conditions of Spawning Biomasses: Quota reduction & ban in main species;
- High levels of illegal fishing in some important fisheries;
- Scientific observers from the government on board, quantifying discarding levels;
- Commitment at the Industry level to initiate and promote MSC (or other) certification for all Chilean Fisheries.

**Political Pressure to modify the Fishing Law**

- High social pressure to review & modify the new Fishing Law enacted in February 2013, as a consequence of several complaints from NGO’, Communist Party and Artisanal Fishermen;
- Government signed an MOU with FAO, pursuing the assessment of the Fishing Law, in the context of the agreements and international best practices for sustainability and governance of the fisheries;
- On a parallel basis, the Government set up a working committee, where the suggestions from FAO will be incorporated, together with other measure under discussions.
2015 U$S Total Exports by Specie (finished products)
South Pacific Hake
*Merluccius gayi gayi*

Argentine Hake
*Merluccius hubssi*

Southern Hake
*Merluccius australis*

Hoki
*Macruronus magellanicus*

Southern Blue Whiting
*Micromesistius australis*
South Pacific Hake
*Merluccius gayi gayi*

Argentine Hake
*(Merluccius hubssi)*

Southern Hake
*Merluccius australis*

Hoki
*(Macruronus magellanicus)*

Southern Blue Whiting
*(Micromesistius australis)*
SBW Case (Micromesistius Australis)
Shared Stock between Chile, Argentina & Falklands

### SBW Pacific Stock: Chile

- The quota established & the catch level have decreased significantly in the last years. Besides, the fishing season is delayed to start in the fishing grounds lately.

- Catch in Argentine and Chile are basically processed as Surimi, sold in Spain (for Spaniard, Lithuanian and French customers), as well as in Japan.

### SBW Atlantic Stock: Argentina

- Catch in Argentine and Chile are basically processed as Surimi, sold in Spain (for Spaniard, Lithuanian and French customers), as well as in Japan.
The quota established has decreased significantly in the last years, specially in the Chilean case, while in the case of the Argentinean stock the catch continue to be below the TAC, with a negative slope, mainly for economical reasons.

The increased supply of Hoki from New Zealand has negatively affected the markets in China, Australia, Japan and Poland, pushing prices downward.
**Pacific Stock:**
According to the last available assessment, the spawning biomass is located in the depleted zone, because its current level is lower than the minimum acceptable one (20% of the virgin spawning biomass, red line).

**Atlantic Stock:**
Although the stock is located below the red line, scientists report that the stock has a cyclical behavior, highlighting that at current levels, the status of the biomass is similar in comparison with the beginning of the period, reason why the situation of the stock is favorable in the long-term.
Hubbsi remains very stable with a very good and healthy biomass.
Already 6 years of stable catches showing that actual TAC is sustainable over the long term.
Resource controlled by a mix of things: permanently banned fishing areas, inspectors & cameras on board, live tracking by satellite system of all boats in the fleet.
No interest in the Argentine producers to move forward in the MSC certification.
South Pacific Hake Case (Merluccius Gayi Gayi)

- The Biological Reference Points to establish the status of the specie, are based according to the Maximum Sustainable Yield.
- Based on the last available assessment, the spawning biomass is located in the depleted zone, because its current level is lower than the minimum acceptable one (20% of the virginal spawning biomass, red line).
- Main issue is the existence of illegal fishing, which has been very hard to control and eradicate.
Southern Hake Case (Merluccius Australis)

- After a period of decrease in the biomass, affected by illegal fishing, the specie is showing signs of recovery, which has allowed to increase the fishing quota in 2015 & 2016, being possible to expect another quota increase in 2017.
- The status of this resource is over exploited, being located currently at 30% of the virginal spawning biomass.
- All in all, main problems are based in the commercial area, considering that the Iberian Peninsula, the main target market, is flooded by Spanish Hake. In fact, the quota of Merluccius Merluccius has increased from 61.047 tons in 2008 up to 119.458 tons in 2016, pushing prices down all across the market.

Source: Quiroz 2016, IFOP.
Thanks