

The crisis of **fishmeal** and **fish oil** in West Africa:

European industries **must disinvest** in this
blooming sector



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BY ANDRE STANDING, CFFA



Introduction

For several years there have been serious concerns about the ecological and social impact of the booming fishmeal sector in West Africa. The growth of this sector, controlled by foreign investors and almost exclusively directed to foreign markets, is a catastrophe. It is rapidly depleting one of the most important natural resources for coastal communities in the region, who have not been consulted and are provided with almost no compensation. What is alarming is that despite the well-publicised concerns, recent reports suggest that more foreign investment is being accepted in the offing in Mauritania, Senegal and The Gambia for processing and exporting fishmeal and fish oil.

The fish being targeted by this industry are small pelagics, oily fish that congregate in vast shoals off West Africa. These fish support incredible biodiversity and are the main source of income of thousands of local fishers and fish traders. This fish is particularly important for the region given its abundance and nutritional value; it is an irreplaceable source of relatively cheap and nutritious food. However, for decades, catches of small-pelagic species have been in decline, while regional demand by consumers is increasing. Given the state of food insecurity and poverty in the region, it is therefore imperative that access to West Africa's small-pelagic fish is prioritised for artisanal fisheries for direct human consumption. Allowing commercial firms to grind them up for feeding animal and fish farms in Asia and Europe, or as inputs to cosmetics and health food fads, is deplorable.

Greenwashing: How the European industry is responding to the plunder

While Europe's role in this situation is not as troubling as others—particularly China, but also Turkey—there are some European firms that are investing in factories in West Africa, while others are relying on sourcing fishmeal or oil from these countries. According to detailed research by Greenpeace,¹ the EU is the most important consumer market of West Africa's fish oil and is a significant consumer of West African fishmeal.

European companies are aware of the criticisms they face. However, rather than accepting responsibility and disinvesting, several are trying hard to justify their commercial interests and investments. Companies, such as France's Olvea are financing and engaging with a 'fisheries improvement project' (FIP) in Mauritania, aimed at helping the fish reduction industry become more responsibly managed.² This initiative was supported by the UK based 'Sustainable Fisheries Partnership', and is now being taken forward by the UK consulting firm, 'Key Traceability'. Several other companies investing in Mauritania's fishmeal and fish oil industry are listed as partners to this FIP—including Norwegian companies involved in the supply of fishmeal to European salmon farms.

The objective of this FIP seems to be applying for eco-labelling of West Africa's fishmeal and fish oil products. Olvea have already certified some of its products under both the Friends of the Seas label and through the Marine Stewardship Council, although it is unclear whether these labelled products include those stemming from its West African investments. Olvea state on its website that they "are committed to sourcing fish oils from fishing areas where fish stocks have been monitored and assessed by the FAO and local

¹ See Greenpeace (2019) "A Waste of Fish", available at: <https://www.greenpeace.org/international/publication/22489/waste-of-fish-report-west-africa/>

² Information on the FIP can be found here: <https://fisheryprogress.org/fip-profile/mauritania-small-pelagics-purse-seine>

research institutes as not being at risk of collapse”.³

However the FAO’s working group on West Africa’s small-pelagic have repeatedly claimed that governments are deliberately blocking efforts to monitor the fisheries, and they describe that the best available information shows the small-pelagic resources in West Africa are most likely at long term risk from alarming levels of overfishing, which is being driven by the rapid growth of the fishmeal and oil industry. According to experts working with the FAO, the amount of pelagic fish being used for fishmeal and fish oil production in Mauritania has grown from 50,000 tonnes in 2011, to 550,000 tonnes in 2018, and acoustic surveys show fish populations have reached their lowest concentration on record.⁴

This effort to make the reduction industry more sustainable is highly dubious. There are three main reasons for this. First, it is most unlikely that a sustainable fishery can emerge in the short to medium term, unless most of the fishmeal factories are closed down. To imagine things getting remarkably better without this happening is to ignore the structural fishing and processing overcapacity that has been allowed to occur, as well as the mounting evidence of the systemic governance failures, including high levels of corruption and conflicts of interests, surrounding the industry. The end date of the FIP is set at 2023. It is impossible that, while continuing to invest in the sector, an environment will somehow be created by that time whereby these serious problems will cease to exist. Those following this line of thinking are disregarding the precautionary principle that is a cornerstone for the responsible management of fisheries.

Second, the FIP may not be transparent and unbiased. This is clearly financed by companies that need the fishmeal industry to

continue to grow, or at least sustain current levels of production. It is noteworthy that the choice of companies used to facilitate the FIP in Mauritania is simultaneously undertaking private sector research on the fishmeal requirements of fish farms in Vietnam and Thailand. This choice of partners is so obviously objectionable to local artisanal fishing organisations, although these key stakeholders are not involved in the FIP at all.

Third, and most seriously, the push for a FIP and eventually ‘eco-labelling’, ignores the fundamental point that the rights of local artisanal fishers, food processors and traders, as well as people’s right to food in the region, must take precedence over the profits of companies in developed countries. It is for this reason—even if the industry can convince third party certifiers that the fishmeal industry is ‘responsibly managed’—that the continuation of European investments is indefensible.

Worryingly, these arguments are now being attacked by lobbying firms working for EU companies. At its latest annual meeting held in China, the international trade organisation for the fishmeal industry—the IFFO—claimed the fishmeal sector is vital in meeting the UN’s Sustainable Development Goals.⁵ The presentation, made by the Norwegian director Petter Martin Johannessen, suggested that the fishmeal industry is positive for poverty reduction and food security in developing countries. Simultaneously, the IFFO has paid for another UK firm to undertake a study on the impact of the fishmeal industry in West Africa. In correspondence about this study to CFFA, the IFFO dismiss protests by local fisher organisations—as well as expert opinions from the EU’s top scientists who have worked on the sector for decades—and rather characterises the subject as being handled too ‘emotively’. With a such a mindset, there is a clear risk that

³ See: <https://www.olvea-fish-oils.com>

⁴ Ad Corten, personal communication, October 2019. Corten has served on the FAO working group for West Africa’s small-pelagic fisheries, and is the EU’s technical expert on joint committee meetings with the government of Mauritania.

⁵ See The Fish Site, 8th November, 2019, “Reduction fisheries play a “positive” role in reaching SDGs”, <https://thefishsite.com/articles/reduction-fisheries-play-a-positive-role-in-reaching-sdgs>

the research commissioned by the IFFO will serve as propaganda for their clients.

CFFA, in collaboration with its partners in West Africa, therefore, call on European businesses with vested interests in the fishmeal sector to act responsibly and end their reckless investments and support for fishmeal and fish oil in Mauritania, Senegal and the Gambia. A public disinvestment campaign by European businesses will send a strong message to other companies and investors from outside Europe, including China and Turkey, to follow their lead.

An overview of the crisis in West Africa

The growth of fishmeal industry

While the growth in fishmeal and fish oil production is a regional problem, the most dramatic developments are found in Mauritania. From having one factory processing waste fish and offcuts prior to 2010, there are now 40 (about the 40 Fishmeal and fish oil, according Sidi Ahmed 24 are presently in operation) factories in operation; most of which are using whole fish. Reports, such as by Greenpeace,⁶ suggest more factories may be approved in the country. Happening slightly later and on a less alarming scale, fishmeal production in Senegal and the Gambia has also grown; the number of factories in Senegal has reached six, and in The Gambia there are three.

Official reported data on fishmeal production from the three countries are likely to be incomplete. The factories are subject to minimal external monitoring. Moreover, some Chinese factories are exempt from Mauritanian rules on customs control and are therefore absent from their national statistics on fish exports. However, according to scientists working with the FAO, in 2010 about 50,000

tonnes of fish were landed in fishmeal factories for processing. By 2014 this had grown to 240,000 tonnes. The latest figures for 2018 show the total has more than doubled to 550,000 tonnes.⁷

The growth in fishmeal processing factories in Mauritania, Senegal and the Gambia has been predominantly driven by foreign investors, with Chinese investments seemingly the most substantial. About a quarter of all new fishmeal factories in Mauritania are Chinese owned, and these appear to be responsible for a disproportionate scale of production. In 2011, the Chinese company Poly Hondone was authorised by Mauritanian government to establish fishing operations and build a fish processing plant, with the agreement that the company could process 100,000 tonnes of fish a year. The agreement does not specify what types of fish this includes, but it is likely to allow the company to process and export substantial quantities of fish meal and fish oil. In 2017, another Chinese owned company, Sunrise Oceanic Resources Exploitation Company established a fishmeal processing factory reportedly 3-4 times the size of Poly Hondone and brought with it its own fishing fleet. All two fishmeal factories in the Gambia are owned by Chinese and one by Mauritanian companies as well. Other foreign companies investing in the industry are from Russia, Turkey, USA and Europe, although the majority of smaller fishmeal factories are run as joint ventures with local partners, and information on foreign partners and the true beneficial owners is difficult to locate.

The supply of the fish to the factories

Prior to the growth of the fishmeal industry in Mauritania, foreign industrial fleets, consisting of very large vessels (mainly from Europe and Russia) caught the vast majority of small-pelagic fish, which was then sold frozen or tinned for

⁶ Greenpeace (2019) "A Waste of Fish", available at: <https://www.greenpeace.org/international/publication/22489/waste-of-fish-report-west-africa/>

⁷ Ad Corten, *pers.comms*.

direct human consumption, mostly to African markets. The policy of promoting the domestic fishmeal sector meant that quotas for foreign industrial fishing vessels were reduced, and in 2012 these vessels were no longer allowed to target inshore coastal areas. It is in this part of the sea where the highest concentration of round sardinella is found; the primary fish being exploited by the fishmeal factories.

Supply to fishmeal factories in Mauritania, Senegal and the Gambia has relied on locally based artisanal fishers, with Senegalese fishers playing an important role in Mauritania. However, the situation in Mauritania is complex and changing. Several of the Chinese owned factories have their own fishing vessels and therefore do not source from local fishers. From 2015 onwards, Turkish purse-seine vessels also began to operate in the country to supply the three fishmeal factories owned by Turkish companies. This Turkish fleet expanded to supply other factories and were subcontracted by Chinese companies as well. A bi-lateral fisheries agreement between Mauritania and Turkey is being negotiated⁸ (although there is nothing in the public on this), and currently there are an estimated 50-60 industrial Turkish vessels operating in the coastal zone.

The trade in fishmeal

China is the leading destination for fishmeal exports from the three countries. Predominantly fishmeal is used to feed animals and farmed fish, and some of the companies owning fishmeal factories in Mauritania, such as Sunrise, also own commercial fish farms in China.⁹

The export of fish oil is predominantly directed towards the pharmaceutical industry

and cosmetic companies, with the European market being the most substantial. Cosmetic companies own fishmeal processing plants in Mauritania, such as France's Olvea Group.

Ecological implications

The rapid growth of fishmeal production in Mauritania is widely condemned as being unsustainable; leading to unprecedented declines in fish populations, particularly of round sardinella. This is the view of the FAO's Working Group on the assessment of small-pelagics in North West Africa, whose latest report describes that acoustic surveys by a Norwegian research vessel indicate fish populations are currently the lowest on record.¹⁰ More accurate data on the status of the fish populations is not available because national fishing authorities are failing to capture significant data, and of good quality, from fishmeal factories or the vessels supplying them. However, the FAO working group is confident that the fishmeal industry is depleting fish populations to dangerous limits.

National authorities and some companies operating fishmeal factories have repeatedly denied this situation and have maintained that the growth of fishmeal production is sustainable. In Mauritania, this view has relied on the theory that round sardinella stocks in the country are not migrating beyond national borders, and historically the country has been under-exploiting this local fish population. However considerable evidence shows that these fish populations are migratory, and therefore the intensification of fishing in Mauritania contributes to declining fish abundance in Senegal and The Gambia.¹¹

⁸ Öztürk, B., (2017), 'Some notes on the Turkish fishing fleet in the Islamic Republic of Mauritania', *Journal of Black Sea/Mediterranean Environment* Vol. 23, No. 1: 88-91

⁹ Data on fishmeal and fish oil trade has been collated by Greenpeace and is presented in their recent study.

¹⁰ FAO (2018). FAO Working Group on the Assessment of Small Pelagic Fish off Northwest Africa (advance copy). Banjul, The Gambia, 26 June–01 July 2018. Available at www.fao.org/fi/static-

media/MeetingDocuments/CECAF/CECAF-SSC8/Ref.8e.pdf

¹¹ Standing, A. (2017). 'The growth of fishmeal production in Mauritania: The implications for regional food security', Coalition for Fair Fisheries Arrangements. Available at <https://www.cffacape.org/publications-blog/2017/02/23/2017-2-23-the-growth-of-fishmeal-production-in-mauritania-the-implications-for-regional-food-security>

The ecological impact of the fishmeal industry includes substantial levels of by-catch by trawlers supplying the factories. In this respect, the situation is likely worsening in Mauritania with the growth of foreign industrial vessels, which are more indiscriminate and lethal in terms of catching other marine wildlife compared to the artisanal sector.

Beyond the direct depletion of fish populations, numerous reports document the harmful impact of pollution by fishmeal factories on the surrounding ecology, which includes pumping rotten waste and chemicals directly into the sea. In the Gambia, there have also been reports that oversupply of fish to factories by local fishers happens, and this has led to large quantities of fish being dumped on the beach.¹²

Social and economic impacts

The growth of the fishmeal factories has been supported by some local fishers; it has provided a new opportunity for selling fish. However, many fishers and fishers organisations oppose the growth of the fishmeal factories on the grounds that this is contributing to increased rates of over exploitation, and therefore declining catches. In The Gambia, conflicts have arisen between local fishers, who oppose the fishmeal factories operations, and their Senegalese counterparts, who have been contracted by the factories to supply them with small pelagics they catch in Gambian waters. Women fish processors in Senegal and Mauritania have been very vocal in asking for the closure of fishmeal factories that compete directly with them for accessing fish to process. Because of this competition, women fish processors are deprived of raw material. Jobs and livelihoods are lost.

The opportunities for small-scale fishers in Mauritania to supply the fishmeal factories has

declined since the fleet of Turkish purse-seine vessels have arrived and are now favoured as suppliers by many factories. Some of the larger Chinese owned factories have also brought their own fishing vessels to provide fish.

While information on the price paid by the fishmeal factories to fishers is hard to substantiate, it is reported that some of the factories have entered into unfair long term agreements with fishers. This involves providing upfront loans or part payments, but at a lower overall price for fish than that which is offered on local markets for direct human consumption. Fishers that have been enticed into these agreements are trapped, while this further reduces the availability of fish for local fish traders and processors.

The Mauritanian government and some companies have challenged the view that the growth of fishmeal production is negatively impacting on food security. The argument is based on the view that the supply of fish for direct human consumption in Mauritania is more than adequately taken care of. However, this overlooks the historical importance that fish caught in Mauritania waters has had on regional fish supply for human consumption, which is being lost as the growth of the country's fishmeal factories is redirecting fish towards foreign markets. Mauritania's approach therefore lacks regional sensitivity, for what is a regionally shared resource.

The negative impact of the fishmeal factories is particularly evident on local and regional fish trade. The impact of the factories has been to increase prices on local markets for some species of small-pelagic fish, particularly for round sardinella, while the availability of fish for women smokers and sellers is declining. There has yet to be a thorough assessment of the overall impact on livelihoods and regional food security, but all available evidence points to an extremely worrying situation.

¹² Summers, H. 20th March 2019, 'Chinese fishmeal plants leave fishermen in the Gambia all at sea', *The Guardian Newspaper*, available at:

<https://www.theguardian.com/global-development/2019/mar/20/chinese-fishmeal-plants-leave-fishermen-gambia-all-at-sea>

While the growth in fishmeal production is officially supported for its contribution to national economies, the factories provide limited local employment and value added to the economy. Almost all fish is processed for export markets. Artisanal fishing for small-pelagics intended to supply markets for direct human consumption supports far more economic activity in the region. It is therefore highly likely that the growth in fishmeal production, because of its negative impact on local fisheries and fish trade (as well as coastal tourism in some locations), is having a net negative impact on national economies.

The response by national authorities

National authorities promoting the growth of fishmeal have not undertaken transparent and participatory social and environmental impact assessments. It would seem that the authorisation of fishmeal factories has been ad hoc and based largely on short term economic interests. The situation is compounded by the longstanding failure of governments in the region to support the establishment of an effective regional fisheries management organisation.

There is widespread concern that despite mounting evidence of problems, the enthusiasm shown by national authorities for the growth in the fishmeal industry is as strong as ever. National authorities also appear steadfast in allowing factories to pursue profit maximisation.

While the official reason for this support is doubtful—supporting economic growth and utilising fish populations that are not fully exploited—it is widely feared that the support for the factories derives from other considerations, including direct investment and ownership of some factories by political elites, as well as financial investments and development assistance being provided by foreign fishing nations. Investment contracts provided to Chinese companies in the fishmeal

sector are suspiciously generous and make no sense for coastal states unless there are other factors influencing these deals. In general, because the growth of the fishmeal sector is characterised by low levels of transparency and accountability, this has generated fears that it has been influenced by high level corruption.¹³ This would be consistent with allegations found in other parts of the fishing industry in the region, as well as with the off-shore oil and gas sector.

In Mauritania national authorities have responded to ecological concerns facing the fish populations of round sardinella by placing limits on the annual amount each factory can process. However, there is considerable doubt that these rules are being implemented. It is reported that some factories have most likely responded to these new laws by misreporting round sardinella as being other species that are exempt from processing limits. There appears to be very weak, if non-existent, efforts by national authorities to respond to these problems.

Any efforts to regulate the quantity of fish used by the fishmeal factories in the region, so as to respect sustainability, is seriously undermined by the rapid growth in production capacity; existing fishmeal factories are likely to require high levels of fish to repay investments and sustain profits.

Senior experts working with the FAO argue that the failure by national authorities to provide data on fishmeal production is not due to constraints with funding or expertise.¹⁴ It is likely a deliberate situation to avoid highlighting the overexploitation of fish. This would increase pressure by national and international stakeholders for a reduction in fishing intensity and fishmeal production.

Consistent with the above points, efforts by local fishers to denounce the growth and management of the fishmeal industry have been condemned by senior figures in government. Small-scale fishing organisations report being intimidated and threatened. In the Gambia,

¹³ Ad Corten, *pers. comm.*

¹⁴ *Ibid.*

fishing organisations held a Press Conference in September to discuss the escalating crisis with several stakeholders, including the Ministry of fisheries, but the government declined their invitation saying the fishers had no right to intervene in government matters.¹⁵

¹⁵ The letter from the Permanent Secretary of the Ministry of Fisheries was shared with CFFA by members of CAOPA.