

COVID-19 pandemic offers Africa's aquaculture sector an opportunity

The ongoing COVID-19 pandemic has caused seafood prices in Africa to jump, both due to increased supply chain complications and due to inflation. Weakening local currencies have resulted in importers paying higher prices for foreign seafood.

While a negative in the short-term, that increase in price could eventually benefit local aquaculture operations in several countries, according to Skretting Managing Director for Asia and Africa Rob Kiers. Kiers said the disruption of the global supply chain of fish and fishery products, and the increasing import costs, means aquaculture in Africa is likely to “play an essential role in feeding local communities post-COVID-19.”

Kiers told SeafoodSource that, despite relying on imports, the continent's seafood industry is managing to withstand the effects of COVID-19. That's partly because aquaculture production in the region is largely “destined for local consumption within Africa and not geared for export.”

But, Kiers added, for Africa's aquaculture to continue being a critical component of the food chain – feeding local communities during the crisis – countries must strive to “reopen (local) fish markets and small restaurants.”

"Currently, supply chain is massively influenced by the lockdowns, causing serious issues in feeding the people," he said.

For Skretting, whose African operations include locations in Zambia, Nigeria, and Egypt, the COVID-19 pandemic has yet to paralyze its business in the region. Kiers said the company is “working closely with our clients on feeding recommendations, to ensure they have options to continue feeding to ensure fish welfare, while minimizing production costs in such uncertain times.”



“All our factories have been running continuously and we have implemented safety standard across all factories to ensure continuous production,” Kiers said.

However, Skretting, like many key seafood players in Africa, has “experienced issues on supply chain for imported products, but also for local raw materials due to lock-downs, curfews and transport restrictions.” Kiers added that those disruptions are still at manageable levels.

He cited the example of Zambia, where the company recently halted production, as there have been export restrictions that are not directly related to COVID-19.

Overall, an optimistic Kiers says the company has not “seen a significant impact on raw materials in Africa, with Skretting operations in Zambia and Nigeria sourcing predominantly local raw materials, hence the limited interruption in supply.”

Nevertheless, in the North African market, Egypt has “been a bit more challenging, with some ingredients coming from overseas.”

“We do expect [an increase] in impacts [of COVID-19], as the supply of byproducts from food and fuel will become less available going forward,” Kiers said.

Currently, because of the increasing COVID-19 cases, many governments have partially closed borders and imposed quarantines on visitors entering the country, causing massive disruptions to the seafood supply chains and trade. This trend has resulted in people having difficulty accessing a sufficient fish supply in the interim.

On the flipside, Kiers said small-scale aquaculture farms “may benefit from reduced competition as focus changes to local supply over imports.”

“The global COVID-19 pandemic will force every country to take further, decisive action in many areas which also presents an opportunity for aquaculture stakeholders to rise and put in place measures to protect and keep fish production and supply chains alive and mitigate the pandemic’s impacts across the aquaculture value-chain,” he said.

Going forward, Kiers’ projection is that “uncertainty still dominates the outlook, particularly with regard to the duration and severity of the pandemic.”





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