

East Africa's fish industry among world's greatest food 'supply-demand imbalances'

By Guardian Correspondent

AFRICA's fish industry faces a significant supply-demand discrepancy, with aquaculture poised to fill the gap as demand continues to grow across the continent.

The East African fish supply deficit is one of the greatest supply-demand imbalances in the global food system today," said Kenya-based aquaculture company Victory Farms in a recent statement to announce a new fundraising round. "Regional governments estimate a supply gap of one million metric tonnes of fish per annum. The aquaculture industry supplies meet a mere 3 percent of the deficit."

To highlight the suppressed demand potential, Victory Farms said fish consumption increased fourfold in the western Kenyan town of Rongo after it started supplying fish there.

Victory Farms grows the tilapia species in Lake Victoria. It considers tilapia as the most efficient protein solution for Africa. Tilapia's feed conversion ratio, a metric for production efficiency, is five times lower

than beef.

The company has a vertically integrated business. In addition to running its own hatchery ponds, deep water cages and a processing plant, Victory Farms has established an in-house distribution system and retail network. The company is currently also constructing an aqua-feed mill in Kenya.

Victory Farms has developed an inventive sales and distribution network, supplying fish to more than 80 of its own retail outlets through a dedicated fleet of refrigerated trucks. These branches subsequently distribute the fish to local market vendors, who prepare and sell the freshly cooked seafood on the same day.

None of these branches possess ice or refrigeration equipment; all the fish is sold within a single day. To facilitate this process without losing any fish to decomposition, Victory Farms meticulously maintains a data set on every individual market trader to predict their sales volume. The market traders submit orders and sales through an SMS platform. "We can accurately forecast exactly how much fish to stock in

the branch tomorrow, so we have no spoilage. Our wastage is below 1 percent," explained Joseph Rehmann, the company's co-founder and CEO, in an earlier interview with how we made it in Africa.

Around 90 percent of Victory Farms' produce is sold to these market traders and 10 percent go to hotels and restaurants. Rehmann said the company will eventually look at supplying Kenyan supermarkets but the focus so far has been "on the mass market" which provides access to 48 million consumers compared to only two million consumers in higher-income areas.

Last year, Victory Farms also introduced a subsidiary on Lake Kivu in Rwanda, named Kivu Choice. The company plans to utilise the \$35 million raised from its recent Series B funding round to expand its operations in Kenya and Rwanda, while potentially entering the markets of Ethiopia, Uganda, and Tanzania.

In a 2021 report, Dutch aquaculture investment firm Aqua-Spark also predicted growing demand for fish, and specifically tilapia, in the region: "We don't



doubt that farmed tilapia production in sub-Saharan Africa will grow. The region's population will increase to 2 billion by 2050. Demand for fish will far exceed the 10 million metric tonnes of today and by 2050 may reach between 16-29 million metric tonnes per year. Due to overexploitation, wild catch can't be increased, and thus won't be able to meet the additional demand. We at Aqua-Spark believe that aquaculture production will have to accelerate and have identified tilapia to be the fish to do so: It's scalable and it's healthy, sustainable, and affordable." [Read more: Demand for locally-produced fish opening up a multi-billion dollar market in Africa.]

Earlier this year, the World Economic Forum (WEF) forecasted that the successful implementation of the African Continental Free Trade Area (AfCFTA) would create promising opportunities in the agriculture and agro-processing sectors, specifically within the fish and meat industries. As income levels in Africa increase, both sectors are anticipated to witness a rise in overall demand, paving the way for scaled production and expanded trade in processed goods. "Demand for fish has outpaced local supply, growing at around 4% annually for the past decade, and meat consumption is also on the rise," stated the WEF in a report.

The study also highlights opportunities for new businesses to address the sector's needs for inputs such as fish feed. A significant hurdle to agro-processing expansion is the necessity for greater local production of these inputs. For example, the high costs and dependence on imports for fish feed pose considerable obstacles to scaling up fish production. Establishing regional hubs could foster intra-African trade of fish feed and enable growth within the currently fragmented market of small producers.

Global Food insecurity malnutrition set to reach 10-year high

unawasaidia kuelewa ajali mkoani humo.

Neema kubwa yaja kwa wafugaji Babati

Na **WARIOBA IGOMBE**, Babati

JAMII ya wafugaji wilayani Babati, mkoani Manyara, inatarajiwa kutengewa vitalu maalumu vya malisho, kwa lengo la kupata chakula cha ng'ombe wakati wa kiangazi.

Hayo yalibainishwa juzi na Meneja Programu wa Ujamaa Community Resource Team (UCRT), Fred Loure, wakati wa ziara ya Chama cha Waandishi wa Habari za Mazingira Tanzania (JET), wilayani humo.

Alisema wanasaidia kuweka vitalu hivyo katika vijiji vya Manyara na Arusha kwa lengo la kuimarisha usalama wa chakula cha mifugo.

Meneja huyo alisema malisho hayo hayatatumika kulisha mifugo wakati wa kiangazi pekee, bali yatasaidia kuzuia mifugo hiyo kulishwa katika Hifadhi za Tarangire na Manyara zilizoko jirani na wafugaji wilayani humo.

"Vijiji vingi vya Babati vimetenga maeneo ya malisho kwa lengo la kuwa na uhakika wa chakula cha mifugo yao, UCRT tunashirikisha

serikali za mitaa na wananchi kuhusu umuhimu wa kupanga matumizi bora ya ardhi kwa nia ya kutatua changamoto hii ya msimu.

"Hatutaki watu kuchunga mifugo ndani ya hifadhi za wanyamapori, kwani jambo hilo ni kinyume cha sheria za nchi yetu, hivyo malisho haya yatasaidia wafugaji kujitayarisha kwa siku za usoni kulisha ng'ombe wao," alisema.

Loure alisema mabadiliko ya hali ya hewa yamesababisha uhaba wa mvua, kwa hivyo

maeneo ya malisho yanakosa nyasi za kutosha, hivyo ujenzi wa vitalu hivyo utasaidia vijiji kupata suluhisho la changamoto hiyo, hasa wakati wa kiangazi.

Kwa upande wake, Mwenyekiti wa Kijiji cha Mswakini, Vaileth Elias, alisema UCRT imesaidia kuhamasisha wanawake kuunda vikundi na kila mmoja wao, anajishughulisha na shughuli za kiuchumi kupitia ufugaji.

"Jamii zetu zinabadilika na maisha kuwa bora zaidi, wanawake wa Kimasai leo wanamiliki ng'ombe na kufanya shughuli nyingine za ujasiriamali," alisema.

Naye, mkazi wa kijiji hicho, Veronica Loyimoti, alisema UCRT na USAID wamebadilisha maisha yao amewezeshwa kuzisaidia familia zao na kujikomboa na umaskini.

Meneja

AFAFANUA

Malisho hayo hayatatumika kulisha mifugo wakati wa kiangazi pekee, bali yatasaidia kuzuia mifugo hiyo kulishwa katika Hifadhi za Tarangire na Manyara.