HIK Abalone Farm is one of South Africa’s most successful abalone farming businesses. Founded in 1997, HIK Abalone Farm operates from Hermanus in the Western Cape. Now recognised as the abalone farming capital of the country, the town boasts a perfect marine environment and temperature for production of top quality abalone.

Louise Jansen is the operations director for HIK and she recently spoke to IndustrySA about what makes them so special.

"The company was originally started with private funds by a local construction company in South Africa called Haw and Inglis (H&I) Construction and it was actually a trio that got together, Rick Haw and Peter Inglis of H&I Construction along with Roger Krohn, who was a biologist. This is where the HIK name comes from.

"Abalone farming was still in its infancy in those days, it was around 1995/96 when they first came up with the idea. There was big demand so they took a leap of faith and went ahead and started the company.

CUSTOMERS IN THE EAST

HIK’s main customer base is in the East, as mentioned above, where abalone is seen as a luxury food. Once reserved for special occasions, commercial farming has made abalone more common but the food is still widely regarded as a delicacy.

"Abalone is a status symbol and a niche product so there will always be demand, but pricing continuity will be concomitant on supply," says Ms Jansen, “we just have to keep ourselves competitive when it comes to the spread of products.”

Nurturing relationships with customers and actively looking to involve them so that needs are met is important to HIK as they look to grow.

“I like abalone. The typical South African palate prefers abalone tender and juicy, a little like calamari. In the East they often eat it raw and prefer a texture that is firm and chewy with more of a crunch. As a farmer it is crucial to understand the product and the taste associated with it.

“This is the perfect example of how important it is to understand your customers. If we went over there and put out a product for SA tastes then we would have no sales at all because the palates are different.

As the company look to build stronger relationships with customers, Ms Jansen tells us about a recent
“Abalone is a status symbol and a niche product so there will always be demand”

“At the moment we are building our marketing and branding arm, entrenching the farm’s name in the market”

marketing decision that will allow for easier and more flexible communication.

“We were involved with another two farms through a marketing company but we have decided to break away and go out on our own. This is to form stronger alliances with our customers in all the Eastern markets and really entrench the HIK name.

“These guys are the major consumers of abalone so we are looking to bring a bit more of that Asian intelligence into the business. With us, the customers have always been number one. This has sometimes been to the detriment of our own stock where we have often bent over backwards to meet demand. This has however, helped us forge great relationships with all our customers.

“We just want to build on that now, sustainably, taking into account our stock health. We will work with our customers and find out what they need so we can develop new products and brands so we can really start making a name for ourselves in the East.

BUILDING THE BRAND

With the majority of their customers located in the Far East, HIK has placed a significant emphasis on differentiating their products from the rest and making sure their abalone is known for its quality. The decision to expand marketing strategy is part of the push towards making HIK abalone the stand-out South African farm.

“At the moment, in Asia, the product is seen as South African abalone which is already perceived as a superior brand. We want to go one step further by positioning HIK as the preferred supplier of abalone products from South Africa,” says Ms Jansen.

She reinforces the importance of the Asian market, telling us that hardly any of the product is sold in local markets and the serious competition is coming from abroad where costs are considerably lower.

“In China and Korea they farm out in the sea with baskets so they can get their product to the market much cheaper than we can, making it important for us to distinguish our products.

“Right now, very little is sold locally. We supply a local distribution company who mainly sell to restaurants. This only amounts to around 100-200kgs each month where our total sale would be around 15 tons.

“Over the last 12 years we have learned to remain flexible and creative in order to meet the demands of our customers.”

LAWS AND LEGISLATION

There are plenty of regulations in place to govern the abalone farming industry but the proactive relationship between HIK and the government means that the company does not often feel constrained.

“We remain closely involved with the government and ensure that we have key people actively involved with meetings relating to the various Government Departments. We strive to assist government in policy development rather than be resistant to regulation. We are also actively involved with Government research and development programs that are often run together with local universities. Since R&D is a key component of our development strategy, we have a full time R&D manager who runs internally funded programs together with a wide range of universities.

“When it comes to abalone farming South Africa is one of the top most regulated countries in the world. In terms of legislation, there are a lot of things in the pipeline especially concerning abalone health and movement of abalone,” explains Ms Jansen.

“Quality control and health management is going to be a big thing. Like any modern country we will have to look at consumer health, animal health, animal friendly practices and environmental safety,” says Ms Jansen.

“We believe strongly that the welfare of the animal is paramount to the production of healthy and natural tasting abalone, so our whole business is operated in a manner in which the abalone are well taken care of.” She adds.

“Despite the red-tape there is much government support for aquaculture and specifically abalone farming. HIK is part of the Farmed Abalone Export Council which is responsible for internationally promoting South Africa and the abalone it produces. The council is funded
GAMCO SERVICES is a marine engineering and diving services business. Over the last 17 years we have grown with the abalone industry and pelagic fishing industry.

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THE FARMING PROCESS:
The HIK farming process involves many detailed stages. The first stage, the hatchery, is divided into four sub sectors.

• Broodstock – Here, abalone demonstrating superior appearance and performance characteristics are selected as brood animals. In a tightly regulated environment, an intensive spawning program takes place, from which the highest quality fertilised eggs are selected.

• Larvae – Within hours of fertilisation, a free-swimming trochophore larva emerges from the egg membrane. These larvae are housed in tanks with highly filtered seawater, and are allowed to develop into competent veliger larvae over the next couple of days. Again, only superior specimens are selected to move onto the next stage of rearing.

• Settlement – Veliger larvae are moved to settlement tanks where satisfactory specimens will attach themselves to the food source (micro-algae grown on polycarbonate plates) and metamorphose into perfect baby abalone called spat.

• Weaning – After being sorted by size the baby abalone are transferred to a special weaning tanks with a special diet. While being nurtured by dedicated staff, the spat grow to 10mm and are then transferred to the grow-out.

In the grow-out, abalone are grown, over a period of 16-45 months, to market size. HIK’s grow-out area currently supports over five million individual animals with a collective biomass of approximately 150 tonnes. From start to finish, the whole process is carefully monitored and analysed in order to develop and optimise production technologies.