



Compliance Information Sheet

Conversion factors

The Ministry of Fisheries Field Operations group has developed an operating model that emphasises the concept of “informed and assisted” compliance to support the principles of enforcement. In practical terms this means that, where possible, the Ministry of Fisheries will bring to the attention of industry matters that are of direct interest and concern to the Ministry.

This fact sheet is intended to inform permit holders and licensed fish receivers (LFRs) about requirements for reporting fish processed at sea.

Background

The Ministry of Fisheries (MFish) requires accurate reporting of the *species*, *state* and *weight* of commercial catch.

- MFish requires accurate identification of commercial species.
- State means processed state or landed state. These terms have the same meaning and refer to the type of processing a fish is subjected to after it is caught.
- With the exception of some shellfish species, fisheries legislation requires weights of all fish to be reported as greenweight. Greenweight means the weight of a fish prior to any processing or removal of any part of the fish.

Many fishing vessels process their catch at sea and may land their catch in a variety of processed states. LFRs are required to determine the greenweight of fish they receive, irrespective of the state it is landed in.

It is not possible to directly measure the greenweight of processed fish. Section 188(1)(a) of the Fisheries Act 1996 provides that

“...conversion factors shall be used to translate the weight of the fish ...in the state to which it has been processed to the greenweight...”.

Conversion factors are numbers used to calculate the greenweight of processed fish for reporting purposes. They are the ratio of greenweight to processed weight. The more a fish is processed (the more of the original fish that is removed), the higher the conversion factor.

Conversion factors apply to a particular species that



is processed to a particular processed state and are set for most of the commercially-important species processed at sea.

To calculate the greenweight of processed fish, multiply the weight of the processed fish by the conversion factor for that species/processed state combination.

In cases where fish is landed in two or more states the appropriate conversion factor is applied to the *principal landed state*, the landed state that has the greatest actual weight. For example, if a vessel processes ling to a headed and gutted state and the heads are also landed a conversion factor is only applied to the headed and gutted state. The heads are an *additional landed state*. Conversion factors do not apply to additional

landed states. The conversion factor applied to the weight of headed and gutted ling takes account of the fact that parts of the fish are missing. Note that it is possible for some states, e.g. shark fins, to be either a principal or additional landed state, depending on whether other parts of the fish are landed or not.

Detailed descriptions of processed states, together with the species-specific conversion factors for those states, are contained in the Fisheries (Conversion Factors) Notice 2005 (the Notice) and subsequent amendments. These descriptions specify the minimum acceptable standards for each defined processed state and the conversion factor for each state. The descriptions define what parts of the fish can be removed and what parts must remain for processed fish to comply with a particular processed state. To help with interpretation of the descriptions, the notice also contains diagrams.

These notices are available for download on the MFish website at www.fish.govt.nz (go to Commercial/Quota Management System/Conversion Factors).

Vessels do not have to process fish to the exact specifications described in the Notice. The defined processed states represent a series of points along the processing spectrum. Vessels often land fish in states that do not exactly match any of the descriptions. In cases where processed fish is between two of the defined states, section 5(2) of the Notice requires:

“Where any fish is processed to more than 1 defined state but less than another defined state, the numerically larger of the conversion factors specified in respect of those defined states is to be applied in respect of that fish.”

Conversion factors can only be applied where the processed state represents a constant proportion of

the original fish. For example, a headed and gutted hake represents the same proportion of the unprocessed fish regardless of whether that fish weighed 3 kg or 8 kg. On the other hand a 100 gram piece of hoki fillet does not represent a constant proportion as it weighs the same regardless of whether the unprocessed fish was 1 kg or 3 kg.

Responsibilities of LFRs and permit holders

LFRs are required to provide permit holders who land fish to them with documents accurately recording the species, landed state and greenweight of that fish. LFRs may obtain this information from any source or procedure they consider appropriate, but it is their responsibility to ensure the information is accurate. Permit holders are required to use this greenweight information to complete landing returns.

If conversion factors can be applied to the landed state of fish, accurate reporting of greenweight means:

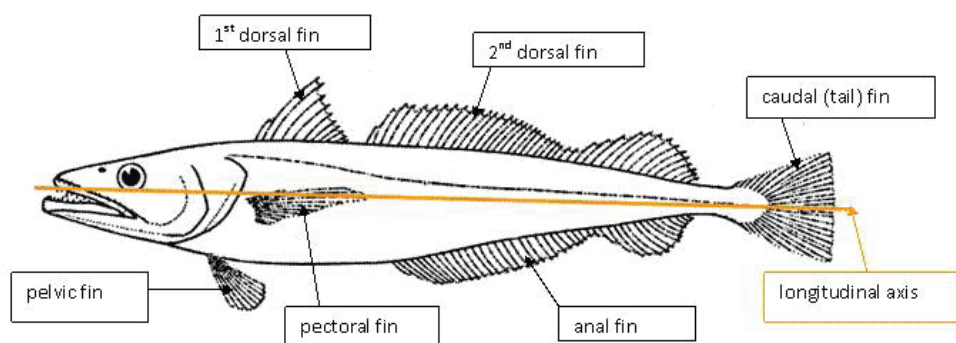
- accurate reporting of processed weight
- reporting the sole or principal landed state that best describes the state of the fish after processing, and
- using the correct conversion factor for the state and species.

If conversion factors cannot be applied to the landed state of fish, licensed fish receivers and permit holders are still required to determine and report greenweight accurately.

Considerations for vessel operators

Vessels processing at sea should have on board:

- a list of **current** conversion factors for all species/processed state combinations produced at sea (note that conversion factors may be reviewed annually)



- copies of the **current** processed state definitions and diagrams relevant to all processed states produced at sea (currently contained in the Notice). The descriptions and diagrams should be accessible to factory managers and processing staff.

Vessel operators should ensure that:

- vessel production specifications comply with the current conversion factors notice
- vessels monitor all production to ensure compliance with conversion factor notices. Particular emphasis should be placed on:
 - head cuts (and the inclusion or exclusion of fins);
 - the placement of any tail cuts, particularly where there are specifications relating to tail removal;
 - ensuring fillet products meet processed state definitions; and
 - ensuring that the processed state matches the conversion factor.

Vessel-specific conversion factors

The conversion factors listed in the Notice are derived from information collected by MFish observers. They are calculated from recovery rates that are averaged across geographic areas, vessel types and nationalities.

If a vessel operator thinks they can obtain better recovery rates for a specific species / processed state combination, they can apply to MFish for a vessel-specific conversion factor. MFish will only issue a vessel-specific conversion factor after observers have completed three 21 day sampling trips on the vessel.

Vessel-specific conversion factor certificates are issued for a three year period. Vessels must undertake three revalidation sampling trips within that period. The cost of observers for all trips except the first revalidation trip is paid directly by the vessel operator.

Monitoring performance

Ministry of Fisheries Field Operations assesses permit holders' compliance with the Fisheries (Conversion Factors) Notice 2005 using methods including:

- analysis of information received from MFish Observers
- analysis of product during dockside inspections
- analysis of returns to check for correct reporting.

MFish expects permit holders and vessel operators to monitor their vessels' compliance with the Notice.

Conclusions

- Conversion factors are used to calculate the greenweight of fish from processed weight.
- They are based on average recovery rates from fleet-wide sampling by MFish Observers.
- Accurate reporting of greenweight requires selecting the landed state description that best describes the state of the fish after processing and then using the conversion factor for that species/processed state combination.
- If used as intended, conversion factors provide all vessels processing fish at sea with a consistent and fair catch-reporting process.
- If conversion factors are used in a way that results in catch being under-reported, the costs are borne by the fishery rather than the ACE holder.

If you require further information or clarification around the content of this information sheet please contact either your local Field Operations office or the Deepwater Group Ltd.



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Disclaimer

Nothing in this information sheet should be read to preclude obligations for all current requirements. The purpose of this information sheet is to achieve informed and assisted compliance.