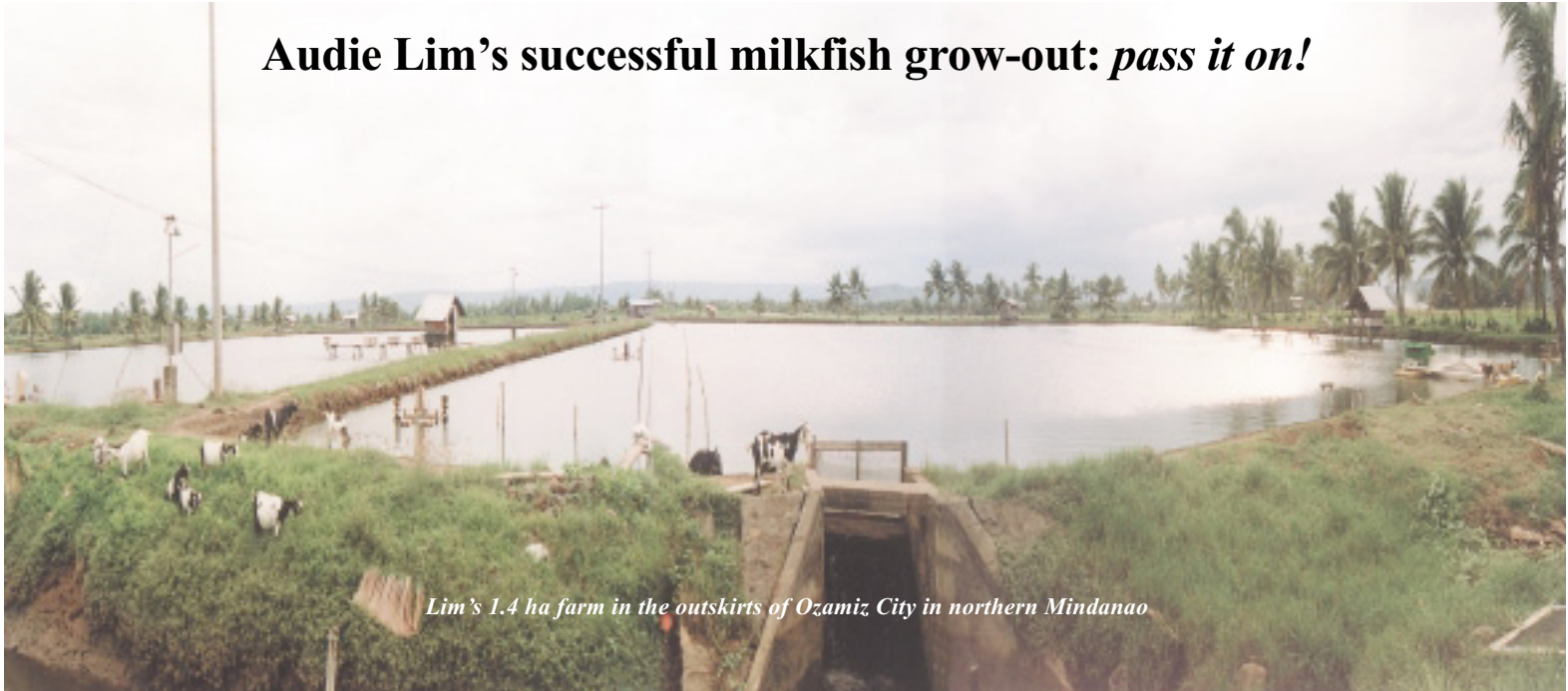


## PROFILE OF SUCCESS

### Audie Lim's successful milkfish grow-out: *pass it on!*



*Lim's 1.4 ha farm in the outskirts of Ozamiz City in northern Mindanao*

By **NJ Dagoon**

Audie Lim has never had a formal knowledge of aquaculture. But his name is fast becoming a byword among serious intensive milkfish aquaculturists in southern Philippines. If things should continue to go well, his name may become famous in the milkfish-producing countries in Southeast Asia -- Taiwan, Indonesia, and the Philippines.

Lim is known as Chun Chay in the Chinese community. He pursued a degree in medical technology in a Cebu college in the 70s and at the young age of 19 got married. He then took over the family business in Ozamiz City, a hardware construction and supply store.

It is by "accident" that he is now fully engaged in aquaculture, Lim recounts. In 1986, stories about sudden overnight financial windfalls from tiger shrimp culture were spreading around the area. Everyone seemed to agree that shrimp was the sunshine industry of that time; so it was not difficult to see how he and his associates (some family members) got "lured" into the business, even with little knowledge about it.

They started building their farm (at the cost of about P500,000 per ha) and did get a good harvest in 1988-89. But the early 1990s was the dreadful time they experienced a financial reversal, as all the other shrimp farmers did because of widespread disease problems. While the rest of the community seemed to express violent reactions to it, Audie Lim calmly began his

odyssey into the serious world of aquaculture by reading Taiwanese books on the subject. Finally in 1992, he and his associates decided to halt operations. But as he relates, Chinese entrepreneurs are not known to give up easily. His brother suggested that they go into milkfish farming to make use of their idle but developed ponds. While other farmers scoffed at the idea -- was there real money in *bangus*? -- they proceeded to stock in the latter part of 1992.

Commercial feed for milkfish was not available then and literature was scant. So Audie Lim innovated steps along the way. He attempted extensive farming first by growing *lablab*. After two to three months, he began feeding the fish with rice bran. In about 6-7 months of culture, he was able to harvest 600 g fish. He concluded that there was money in milkfish after all. Then true to his nature, Lim decided to increase his stocking rates.

During the course of these initial ventures, Lim and his associates were introduced to Tateh Feeds, a commercial feed company. By using the formulated feeds, they were able to shorten the culture period to 4 to 5 months. "With good survival, good quality fish with bigger bellies and a good smell," Lim narrates, "we decided to go as high as 35,000 per 0.6-0.7 ha (or 50,000-60,000 per ha)." They reduced this level to about 40,000 per ha, however, as they had not forgotten their disastrous experience

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Mr. Audie Lim and his harvest of bangus at the Ozamiz farm (middle photo)



The Tateh Feeds demonstration farm in Silay City, west Negros. In the foreground is one of the farm's paddle-wheels (designed by PS Cruz)

with prawn. [Note: at this time of writing, SEAFDEC researchers have not yet established the limits for stocking density that would not harm the environment.]

Seeing their thriving business, people have begun to take interest in it. He says that *bangus* culture involves less risk than prawn. Profit is quite small (about P10 per kilo, ROI of around 24-28% in five months) but with intensive culture a hundred ton production would be equivalent to a million pesos. "That's just enough to keep your interest going."

As one of the pioneer users of Tateh Feeds in Ozamiz, Audie Lim has become a dealer of the product in the area. "I have a few friends who are close to me; I have offered to help them with their farms. In exchange, they get feeds from us," he said. "A lot of farms now run *bangus* in the area."

Two years into the business, Lim began to practice *bangus*-prawn polyculture which he has found even more successful. On a 0.6-0.7 ha area he stocks 30,000 *bangus* fingerlings and 15,000 wild prawn fry (bought at P0.70 apiece). At five months of culture, he is able to get 350 kilos of prawns (jumbo, 60-70 g). Selling at P550 a kilo, the prawns reap more than P150,000 in net profit.

Currently, Lim manages a total of 25-30 ha of farms in the area (including 4-5 ha all his own). His *bangus* fry, though, travelling a long and winding route (SACI hatchery in General Santos City-Manila-Bacolod-Dumaguete-Ozamiz) are strong and sturdy with survival rates as high as 80-100%. Because fry is available throughout the year, this makes possible his plan of doing 5 croppings every two years (currently, it is two a year). He harvests 15-20 tons of milkfish per week bringing the annual total to about 500-600 tons. He computes cost of production at around P36-40 a kilo and sells his produce at P50-60 a kilo.

"When we started, we had a hard time selling our fish," Lim recounts. "So while we were increasing our production we

were also trying to sort out our market." Aside from the Ozamiz market, they also sell to other cities as well. Now they regularly bring a major portion of their fish to the Navotas fishing port.

What makes Audie Lim's farm technology different from the rest?

**First, he digs his ponds a little bit deeper than conventional farms, from 1 to 1.5 m to accommodate intensive operations.** He also believes in feeding fish continuously from morning till late afternoon. "As long as the fish eats, we feed them," he says. He has developed a feeding rate that is adjusted according to the average body weight of the fish. "How much they can eat, is how much they can grow, that's our concept. So if your fish eats a kilo a day, your fish will grow half a kilo a day if your FCR (feed conversion ratio) is 1:2."

**Another useful innovation is a speedy harvesting and packing system.** He recalls how difficult the first time they harvested using a gill net in 1995. "To harvest 800 kilos we had to start at 8 a.m. and finish at 6 in the evening." Now they use a very large net. With their current capacity, they can process 2 tons of fish from harvest, chilling, sorting, weighing to packing in styrofoam boxes in only 1-2 hours.

Most farmers sell their fish when these reach 300 g (3 pieces to a kilo). Lim, however, grows them for 10 days more, as demand and the price are higher for bigger ones.

**Lim keeps careful records of farm production data, past and present, and analyzes these to make projections about the future.** This is perhaps the secret to his successful handling of crisis situations: the crashes experienced by the prawn industry in the early 1990s and by the milkfish industry in 1997.

In the crash of 1997, milkfish prices plummeted to as low as P35-38 a kilo. With resolute will, however, Audie Lim and his associates rode out the storm. They had predicted the crash a

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year earlier and were prepared for it. Lucky for them, *bangus* prices in their area did not go lower than P42. Expecting a backlash of “sentimentó”—e.g. farmers deciding to quit milkfish grow-out culture -- they double-stocked the next crop. Sure, at the end of five months, *bangus* prices shoot up to P80-90 a kilo. Even then some farmers who continued to raise milkfish were quite dismayed to learn that the government allowed the importation of cheap Taiwanese milkfish at such a time when they thought they could make a recovery.

Taiwan, too, says Lim, sells milkfish very cheaply (about P50) even while its cost of production is about the same as the Philippines, with its *bangus* feeds even more expensive.

What accounts for the difference in milkfish price between these countries and the Philippines? Lim replies, “Their governments’ support of the industry. The incentives they offer. And the cheap labor and better farm-to-market roads available in these countries.”

Shipping fish from Mindanao to Manila, illustrates Lim, costs them an additional P12-15 per kilo. The amount covers inter-island freight service, the purchase of boxes/crates, ice and commission.

“It would be good if the Philippine government would also support the industry, as it does rice,” Lim pointed out. “For example, in electricity costs. If government subsidizes part of the amount, in cognition of the industry’s role in feeding Filipinos, perhaps by then we can even compete with our Asian neighbors in the export trade of milkfish.”

Lim is thankful that Tateh Feeds supports the industry by improving on their products and services. “They see to it that the industry will be sustainable by trying to do technology transfer.”

It is on account of one of these technology transfer missions that the SEAFDEC/AQD newsletter staff has caught up with the busy and always on-the-go entrepreneur in Silay City. He is here to serve as the technical consultant for Tateh’s 4-ha demonstration farm in Brgy Mambulac.

Lily Talaman, a young female graduate of the University of the Philippines-Visayas College of Fisheries, serves as the farm manager. Audie Lim regularly communicates with Lily and visits the farm twice a month. In about 30 days (or by the middle of May, 2000) the Silay farm will be experiencing its first harvest. Audie expects the farm’s performance to be nothing less than what he has experienced. “I am sure it is going to work because we’re getting the same growth, though there just might be a little difference. Ozamiz is surrounded by mountains so there is no flooding; during these times in summer, the growth of the fish is good. Weather here, in contrast, is quite unpredictable, it may be very sunny now, but tomorrow it may rain.”

Silay is the site of the feed company’s Visayas project. Previous to this operation, it did a trial run of Audie Lim’s technology in Lanao province. This proved to be very successful. “Most



A basketload of fish at the Ozamiz farm

of the big growers in the area (northwestern Mindanao) are now tied up with us,” Audie says. After Silay, the company plans to step into the heart of *bangus* country itself -- Pangasinan in Luzon island.

Audie sees that in the very near future, one possible move of the company is to offer to buy back the produce of farmers who use their feeds. This future set-up, he says, could minimize the steps of bringing the fish to the market. “It’s not that we want to cut off the source of living of middlemen, what we want is to bring our product to the people at a more affordable price. While farmgate prices are pegged at P55-60, middlemen sell *bangus* at P80 or higher. It seems like middlemen are the ones getting the better deal.”

His secrets for good farm management? There really are no secrets, he says. “Just be kind to your people. If you can’t give them what they want, give them what they need, the basics, in such a way that they are able to survive in a humane manner. You can’t always be in the farm 24 hours a day, seven days a week. You can’t do it. They are the ones who feed the fish, maintain the water, so it’s very important that you establish a good relationship with them. You should not focus only in one area like production. You should also look at the marketing aspect; try to bring your fish in the best quality and in the best way. If your fish has good quality you can demand a high price. Practice good sanitation.”

His generosity in imparting his technical expertise on farming *bangus* has served Audie Lim very well. “It’s a gift, so why don’t we share? There’s really no monopoly of technology, you can develop it yourself, but it’s going to take years. But instead of going through experimentation, why don’t you just do what we’re doing already? I won’t claim that we are the best, but as far as we know, using our technology at the moment is really efficient, as far as costing is concerned, as far as return of investment is concerned. I’m sure that other farmers are doing better than me, that’s why I’m also getting out of my way to listen to others’ success stories. We are willing to share, we would learn from them also.” ###