

Letter to the Mercury re "Horn of Contention" article-Michler/Ifaw

Sir,

Your "Horn of Contention" article of 15th January was based on a report from an Australian consultant commissioned by a donor agent in South Africa. The Australian's mandate appears to have been to produce a document opposed to trade in rhino horn on which donor agencies can hang their fundraising hats.

There are much smarter ways of going about trade than those recognised by the Australian. One of those is to have a monopoly of supply in South Africa selling to a cartel of licensed retailers in China. (China is the main market for rhino horn.) That arrangement would provide a clear channel for legal horn and all other horn would be clearly illegal. The retailers could be the substantial Traditional Chinese Medicine (TCM) hospitals in China. The Chinese government owns the TCM hospitals and if they become invested in the legal trade they should seek to close down the criminal trade.

Illegal goods typically sell at about a 30% discount to the price of legal goods because of the risk of being caught and punished. Add to this the risk of buying fake horn and poisoned horn in the illegal market and the discount will be larger. The price to the poachers will fall.

The proceeds from the sale of horn would approximate R1,300 million p.a. at wholesale prices which could be used to fund increased law enforcement. That will add to the risk and costs of operating in the criminal trade.

Far Eastern speculators in horn will turn sellers because of the large overhang of legal stocks and declining prices in the illegal market. The legal market will effectively crowd-out the criminal trade. It will become difficult for speculators and poachers to find a buyer.

South Africa can satisfy the entire market, at current prices, without the need to kill one rhino. A legal trade will reduce the prices and volumes available to the criminals and increase their risks and costs. That is what an intelligent legal trade is all about.

Why stand in the way of the only practical solution to the escalating crisis? A continuation of the crisis may be perceived to be a good short term fundraising strategy but it supports the criminals and in the long term donors will label the conservation industry as moronic and go elsewhere.

Michael Eustace.

20th January, 2014