



Oyster Industry Response to the COVID19 Crisis



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Contents

Executive Summary	iv
Introduction	1
Objectives	2
Method	3
Industry Situation Analysis Surveys	3
Industry Situation Summary	3
Advice on Supply Chain Cooperation.....	3
Oyster Sales Reporting.....	3
Market Development.....	4
Results	5
Industry situation analysis surveys	5
Industry Situation Summary	9
Advice on supply chain cooperation.....	10
Oyster Sales Reporting.....	11
Market Development.....	12
Discussion and Conclusions	14
Recommendations	16
Extension, Adoption and Project Materials	17
Attachments	18

Tables

Table 1. Results from industry surveys conducted in March and May 2020.	7
Table 2. Major recommendations from Sperou report & OA board response	11
Table 3. Example of a strategic territory in which market oysters.	13

Figures

Figure 1. Summary of market data from industry survey in September 2020.	7
Figure 2. Summary of stock, lease space & gear data from industry survey in September 2020.	8
Figure 3. Summary of labour & freight data from industry survey in September 2020.	8
Figure 4. Summary of spat purchase data from industry survey in September 2020.	9
Figure 5. Sample of data from a National Oyster Market Report.	12

Executive Summary

This project was conducted by Oysters Australia (OA) to identify ways of supporting the industry during the Covid19 pandemic. The research was initiated in April 2020 at a time when oyster sales across the nation had dropped 95%. Oysters Australia staff and subcontractors conducted the work during the period April to October 2020.

The project began with a survey of growers which identified that in addition to acute loss of income, a major problem was developing as unsold oyster stock accumulated on farms. Seventy percent of farms reported having insufficient infrastructure to carry over stock.

An experienced seafood industry executive was engaged to consult with the post farm gate sector, in an attempt to find whole-of-supply chain solutions. It was recognized that all businesses in the sector were suffering, and that small signs of recovery, such as continuing sales by specialist retailers and direct sales from farm to consumer need to be supported.

The activities that were subsequently undertaken were:

- Three surveys of growers over a six-month period to monitor the situation.
- Preparation of an industry situation statement to inform state and federal governments of the state of the industry.
- Implementation of a National Oyster Market Report to provide data on the average farm-gate price of oysters, summarise recent growing conditions, gauge relative production levels, and provide insights into the supply chain.
- Engagement of a market strategy consultant to provide advice on ways of boosting oyster sales during, and subsequent to, the pandemic.

The grower surveys were useful in highlighting potential areas of improvement as the pandemic had variable impacts in each State. This information provided hope that recovery was possible. However, the lack of growing infrastructure (and lease space) remains an issue. Nationally, 1 in 3 farmers are reporting that they plan on deferring or reducing the purchase of spat. This will have a financial impact on the viability of commercial hatcheries and nurseries, and potentially reduce the production output from farms in the coming years.

The industry situation statement has proved useful to OA and State Associations in seeking financial relief and continuation of the Job Keeper program.

The National Oyster Market Report fulfils an important function by providing some transparency on price and supply of oysters. This is particularly useful for growers who have little power in the price negotiation with their customers. It is likely that this service will continue.

The market strategy contained ideas that could be implemented by individual oyster businesses at their own expense. It also provided a strategy that OA can build on as the pandemic is brought under control and sales recover. The strategy includes ideas on point of sale material, creation of “territories or stories” to build demand and advice on brand personality. This information will be used by OA in conjunction with the national seafood marketing strategy that was initiated by Seafood Industry Australia (SIA) during the course of this project.

Recommendations

The findings from this project that will be considered further by Oysters Australia are:

1. Continue to participate in the SIA seafood promotion campaign, with the aim of improving sales, clearing the backlog of oysters on farm and maintaining farm gate prices. In future years this will require the industry to raise its own funds to pay for the campaign.
2. Maintain the Industry Situation Summary so that it is current and can be easily refreshed to address specific issues when needed.
3. Continue conducting the Industry Situation Analysis surveys as needed.
4. Continue the National Oyster Market Report if the industry determines it is worthwhile and of value.

Introduction

The Covid19 crisis that began in February 2020 had an immediate, harsh impact on the oyster industry, along with most other seafood sectors. As most oysters are traditionally sold through food service, sales of oysters plummeted on the back of forced closures across the hospitality sector. These restrictions occurred at a time when most oyster farms would normally be turning out large volumes of stock for sale. Consequently, the farms began to run out of room and equipment to support their expanding oyster stock and needed to take urgent action to reduce their stock of oysters.

In addition, many oyster farms that had emerged from a period of stock losses due to the disease POMS had large oyster inventories on hand, the sale of which was supposed to return those farms to profitability. The loss of sales for those farms may result in financial ruin.

In response to the COVID19 crisis, Oysters Australia investigated ways of supporting the industry, particularly through initiatives that could minimise the "gridlock" of oysters along the supply chain, and maintain sales of oysters, thereby preserving some income through the value chain.

Numerous forms of support for the seafood industry during the COVID19 crisis were provided by Federal and State governments. Most of these involve individual businesses applying directly to the government. This project aimed to design a national response that would benefit the industry as a whole and could be implemented using a combination of funds from Oysters Australia and the Fisheries R&D Corporation.

Objectives

The objectives of the project were:

1. To prepare a brief to governments and industry describing the most useful activities that could be carried out to support improved oyster sales across the whole industry
2. To use the above brief to encourage growers, wholesalers and retailers to implement the ideas immediately and to seek funds from as many sources as possible to support ongoing implementation.

Method

Industry Situation Analysis Surveys

Following widespread closure of the food service sector in March, Oysters Australia conducted periodic industry surveys to gauge the immediate and ongoing impacts of closures (direct & indirect). The surveys were conducted by email, using *Survey Monkey*[®] and Jotform. Three surveys were undertaken:

- Mar / Apr 2020. A total of 35 responses were received across NSW, South Australian & Tasmania. See Attachment 1.
- May 2020. This was targeted to NSW businesses, with 64 oyster farmers responding to a digital survey. See Attachment 2.
- September 2020. A total of 53 responses were received across NSW, South Australia & Tasmania. See Attachment 3.

Industry Situation Summary

During the early stages of the Covid19 crisis governments were seeking input from industry sectors about ways in which they could be supported. Therefore, an Industry Situation Summary was prepared, as shown in Attachment 4. It was used by each State Association and was also sent by Oysters Australia to the Assistant Minister for Forestry & Fisheries, Sen. Jonathan Duniam.

This engagement provided the opportunity to inform governments on two key supporting activities:

- the continuation of the JobKeeper scheme; and
- support for seafood marketing initiatives

Advice on Supply Chain Cooperation

Peter Sperou (ex-GM of Angelakis Bros) was engaged to scope opportunities for growers and wholesalers to work together, canvas ideas from the supply chain on opportunities to boost oyster sales, and to determine the degree to which wholesalers would be willing commit resources to these ideas. Numerous interviews were held with wholesalers and others in the oyster supply chain and insights documented in a written report (see Attachment 5).

Oyster Sales Reporting

Following receipt of the report from Peter Sperou there was some interest in establishing some form of oyster production forecasting. However, at a meeting of industry to discuss the initiative, it was decided that a regular report on oyster farm gate prices and sales volumes would be of more value. Consequently, a trial was established to collect sales data from farms and wholesalers in the major producing states.

The data was collected by email from cooperating growers and a report prepared by the OA Executive Officer. The reports present the average farm-gate price of oysters, summarise recent growing conditions, gauge relative production levels, and provide insights into the supply chain.

The report was called the *National Oyster Market Report* and two editions have been published to date, in July & September (see Attachments 6 & 7).

Market Development

Market strategy consultants, Brand Council, were engaged to provide advice on market development opportunities. It was initially envisioned that the work would be conducted in two stages:

Stage 1

This would involve research into marketing ideas and supply chain innovations that could be implemented immediately. They would need to be ideas that could have a national feel but be quickly picked up and used by individual oyster sellers. Oysters Australia would pay the costs of the development and possibly some materials and oyster sellers would need to pay for their involvement.

Stage 2.

Preparation of a background paper for industry explaining how the initial activity could be expanded into a comprehensive market development plan, given more time and availability of funds. The paper would need to explain the approach the consultant would use to develop the plan, covering items such as consumer research, creative concepts, delivery strategies, scale/costing options and evaluation.

The ideas prepared by Brand Council during Stage 1 were very innovative and insightful. Many of the ideas were well suited to use by individual oyster selling businesses. Therefore, the information was provided to the industry in several virtual meetings and placed on the OA website.

Soon after completion of Stage 1, The Commonwealth Government announced a \$4million grant to Seafood Industry Australia (SIA) to conduct a national seafood promotion campaign. Consequently, the work with Brand Council was ceased and Oysters Australia began working with SIA to gain maximum benefit from the national campaign. There is ongoing support from SA, Tasmania and NSW to co-invest in a national oyster marketing campaign, leveraging off the Great Australian Seafood campaign. These discussions are ongoing.

The report prepared by Brand Council for Stage 1 is provided at Attachment 8.

Results

Industry situation analysis surveys

An analysis of the results from the March and May surveys and how they changed between each survey, are shown in Table 1.

Question	March Survey	May Survey
Are farmers still operating, or have there been changes to practice?	<p>The production side of the industry continues with the exception of harvest / sales. There are multiple generations of oysters in the water at any time which need to be continuously worked & graded to maintain oyster health & product that meets unexpectations of the market.</p> <p>Without cash-flow & adequate staffing levels, farm & stock maintainance can only be maintained for so long.</p>	<p>The production side of the industry continues. With the downturn in sales there is backlog of product on farms.</p> <p>Farmers with available space & access to gear have been spending considerable time installing new infrastructure to accommodate ballooning production volumes.</p>
Are there any issues with labour?	<p>Some staff have already been let go, others have had their hours reduced. There is a concern that some staff will be lost to other sectors.</p> <p>There is a further concern that any illness to staff will result in a 2 week isolation for all farm employees.</p>	<p>Jobkeeper has helped, however ~30% remain concerned about adequate cash-flow to pay staff. Some staff are casual, seasonal employees and are not eligible for the Jobkeeper allowance.</p>
Are there any logistical constraints with regard to movement of product?	<p>At the industry level this is not recognised as a major issue at the moment, although some farmers are reporting a lack of lease space to retain stock. Also some uncertainty about continued availability of transport in regional locations.</p>	<p>Not really</p>
Are farmers experiencing issues with access to markets/sale of product?	<p>90% drop in wholesale market 75% drop in retail market 70% drop in sale of juveniles</p> <p>As and when markets return, there is concern about a potential</p>	<p>Both the retail and food service markets have improved slightly since March, however this improvement is not equally shared across industry. Some farmers are selling considerably more</p>

	<p>glut of oysters. Farmers will also be in dire need of cash-flow. Prices will inevitably be pushed down.</p>	<p>than they were in March, others are selling much the same.</p> <p>There's still considerable concern about not just a glut of oysters, but competition with other 'luxury' products during recovery.</p> <p>As South Australia re-enters the oyster market following production issues over the last two years, they will want to regain market share and will be coming in with large pacific oysters priced to sell. This could impact heavily on other oyster growing regions - particularly NSW</p>
<p>Any issues associated with inputs such as fuel, aquaculture feed availability, operational equipment such as fishing gear, netting material etc</p>	<p>Not at the moment, but to accommodate unsold stock some farmers will need additional cultivation gear - the bulk of which is manufactured in China.</p>	<p>~70% of oyster farmers in NSW are reporting that they don't have enough cultivation infrastructure to carry over stock. This has been compounded by the fact that many growers missed their peak sales period last Christmas / summer with bushfires. Many were hoping for a strong Easter - which didn't happen with the lockdown.</p> <p>Sales slow over winter, so many will be sitting on stock until spring / summer sales pick up.</p> <p>Those without room to accommodate growing product are considering disposing of stock to waste to make way for juveniles. If room is not made available and juveniles are not brought in, this would result in a production shortfall 2-4 years down the track.</p>
<p>General comments</p>	<p>The oyster industry was already suffering on back of other disturbances (eg. spat issues in SA, disease in TAS and fires & floods in NSW).</p> <p>With the demise of the food service sector the food service & retail market for oysters have fallen off a cliff. Cash flow is going to be a major issue - staff will be let go, and businesses will be placed under extreme financial hardship. Survival mode for</p>	<p>The announcement of the Jobkeeper allowance, and a variety of state-level support measures (including fee waivers & grant schemes) has helped, although many in the industry remain in a perilous position. Very few businesses entered this crisis with large reserves - NSW came in on back of bushfires & floods, South Australia came in with full farms after 3-4 years of production issues, and Tasmania came in after multiple years of disease impacts.</p>

	<p>many, and not all in the industry will make it through this disaster.</p> <p>Oysters are in the water and will need to be repeatedly worked & thinned out without any income. As oysters take multiple years to reach the market, unsold stock clogs the production line, and restricts farmers ability to bring in juveniles, creating a knock-on effect to future years.</p> <p>Need for a unified approach to ensure what happens out the back end - domestic and export strategy so there is not a glut on the market.</p>	<p>Sales have improved slightly from March, and many businesses have adapted, offering home delivery, mail-order, & farm-gate sales. Although this pivot cannot match the volume offered by the food service market, many farmers are seeing benefits in being more consumer focused.</p> <p>Beholden to the weather & environment, oyster farmers are accustomed to not selling product continuously, however recovery is generally quick. It's unknown how long this recovery will take, likely months - years.</p> <p>Main concerns are around the glut of oysters that continues to build and take up space, the knock-on effect to future years production as farmers defer bringing in spat and the price war that has already started.</p>
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Table1. Results from industry surveys conducted in March and May 2020.

A further survey was conducted in September 2020, and the same survey is planned to be repeated after Christmas 2020 & Easter 2021. Oysters increase their growth rates over summer in warmer water, and this corresponds with the peak sales periods. It is a critical time for industry to sell mature stock and make space to accommodate growing product. Oysters Australia will monitor the industry's performance over the summer so supporting measures can be initiated quickly if needed. A summary of results from the Sept. survey are presented below, with more details provided in Attachment 3.

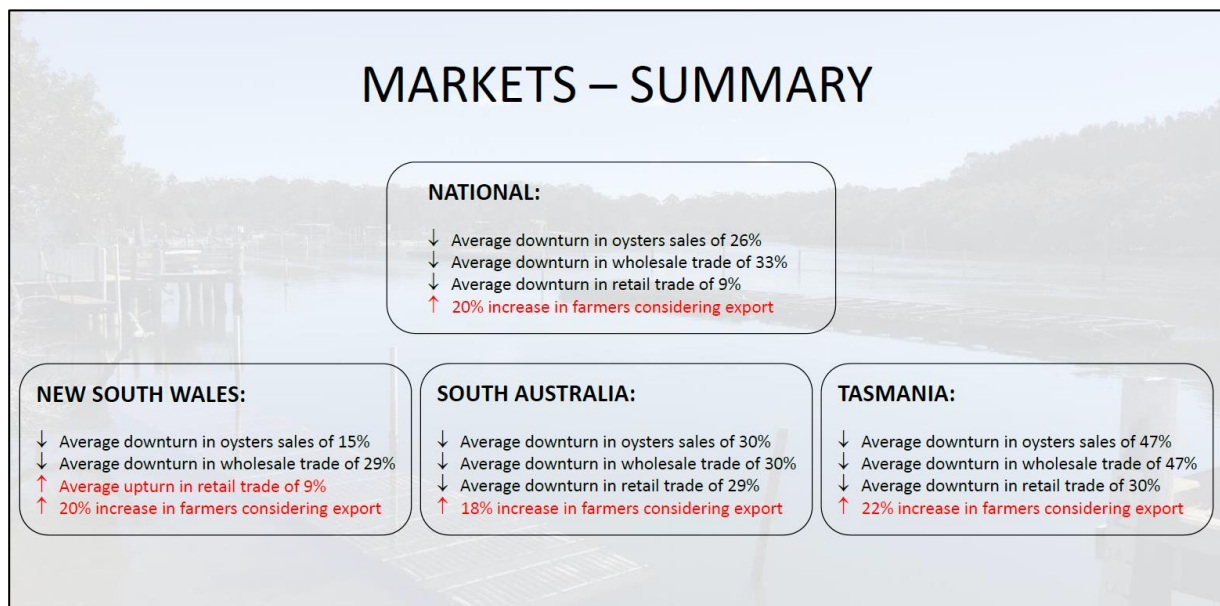


Figure 1. Summary of market data from industry survey in September 2020.

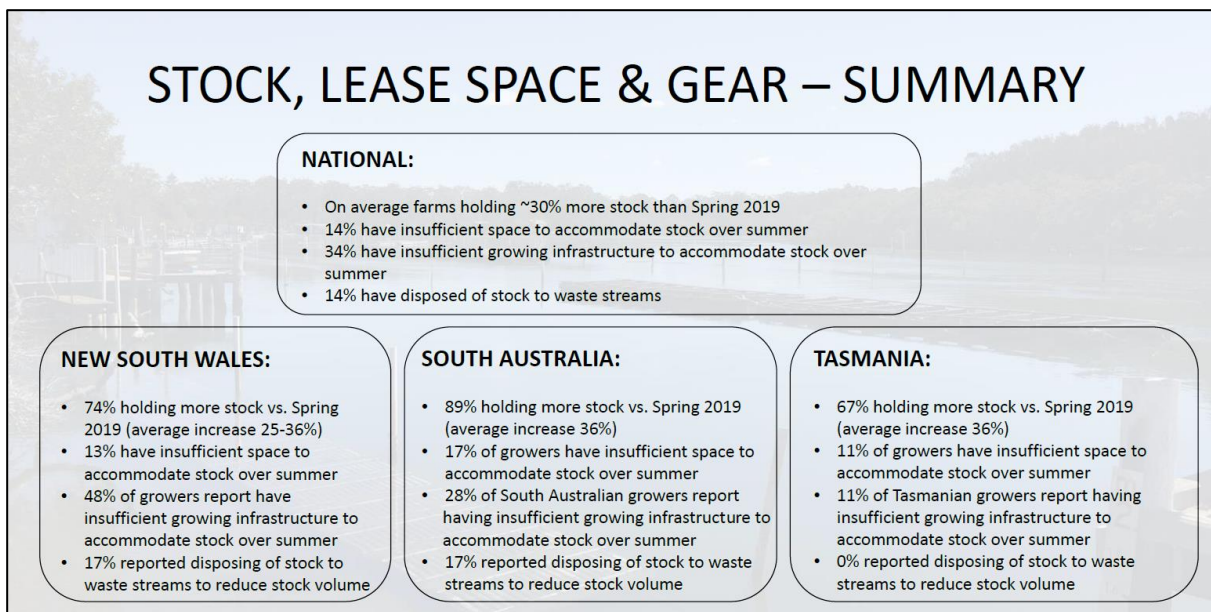


Figure 2. Summary of stock, lease space & gear data from industry survey in September 2020.

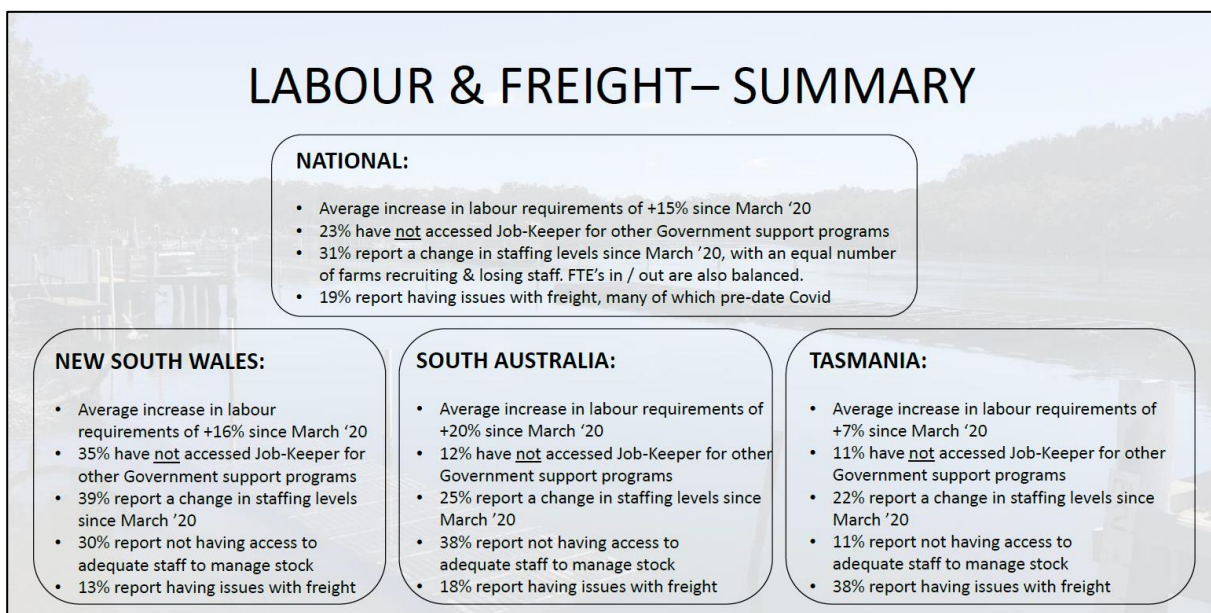


Figure 3. Summary of labour & freight data from industry survey in September 2020.

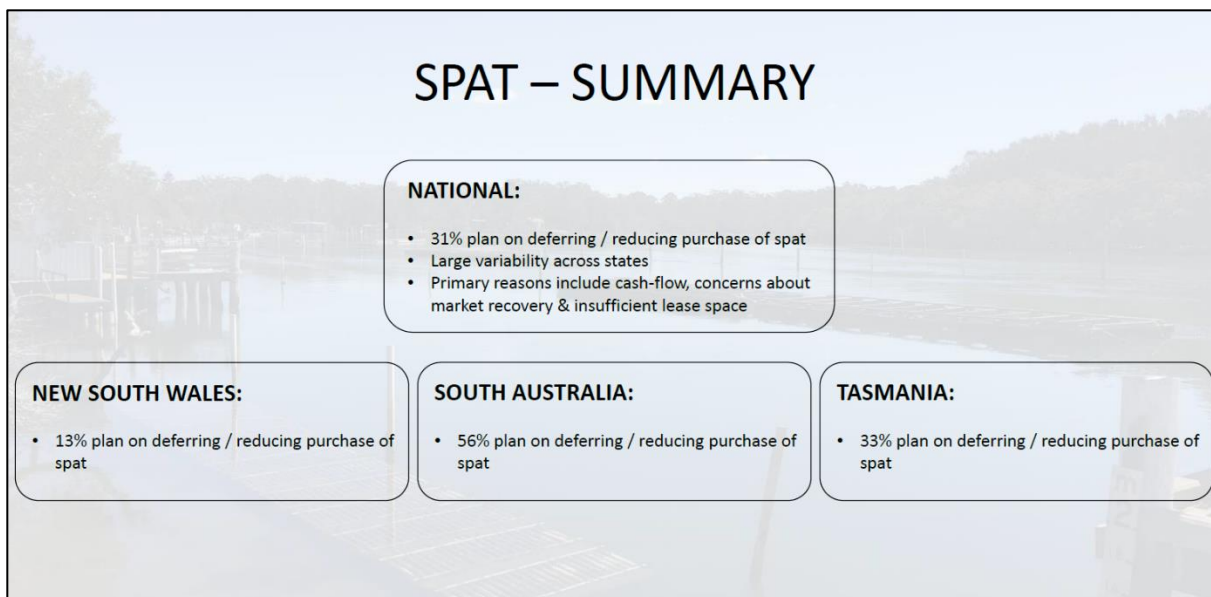


Figure 4. Summary of spat purchase data from industry survey in September 2020.

Industry Situation Summary

The situation summary was restricted to one page to ensure the message was succinct. It served its purpose in advising governments about the state of the industry during the Covid19 crisis, and it will be suitable for use in future consultations at a state and Commonwealth level.

The key messages in the statement are:

- Australia’s 550 oyster farms directly employ 850 people.
- Income to oyster businesses has dropped more than 70%. This is on top of loss of income due to bushfires and POMS disease in recent years.
- Recovery of the industry will be dependent on retaining skilled workers employed on oyster farms
- Costs increase as stock are retained on farm
- As quarantine restrictions are reduced there may be a glut of oysters on the market, resulting in suppressed prices.

Advice on supply chain cooperation

Table 2 below shows a summary of the major recommendations from the Sperou report and a response to each by the OA Board

Recommendations	Response
1. Price vs. consumption - lower the farm gate price to stimulate the existing market.	While lowering the farm gate price is an anathema to growers, the message here is that we should be ready for a glut of oysters coming on to the market that will substantially drop the price. Hence, use this proactively to encourage consumers back to oysters, ideally as part of a marketing campaign.
2. Use of Point of Sale material in the retail market, particularly fresh seafood outlets.	Retail sales for home consumption are growing. Point of Sale materials will help drive this. Implemented through the national SIA campaign, and potential for further leverage.
3. Create a National oyster marketing campaign as the idea was well received throughout the supply chain.	Implemented through the national SIA campaign, and potential for further leverage.
4. Develop a frozen oyster retail pack for national supermarkets.	While frozen half shell oysters are used widely in food service, they are rarely, if ever sold direct to consumers in Australia, cf USA sold as oyster meat, and NZ sold as half shell See https://www.gourmetseafood.co.nz/pacific-oysters-half-shell-marlborough-large To achieve this we would need the products to be developed and a consumer education campaign to match.
5. Optimize the consumption of oysters at every opportunity. Oysters appear mostly as an entree on menus but appearing as a main course on menus will raise the level of consumption. Engage culinary experts and chefs to promote oysters as ideal ingredients for breakfast, lunch and dinner.	Difficult to achieve and not possible within current budget. Not a priority at this time according to Brand Council
6. Oysters Australia should facilitate industry meetings to discuss the many concerns and opportunities facing the industry. Meetings should include representatives from all levels of the supply chain.	Industry meetings not possible with social distancing in place. But could meet small groups by Zoom, probably on a State by State basis. Need to develop a contact list of oyster wholesalers.
7. Establish a platform for on line selling, farm to consumer.	Many oyster selling businesses have already moved to this format and there is plenty of support for them available. SA, Tas & NSW have

	all developed platforms to showcase farms that offer retail sales.
8. Conduct research into increasing the shelf life of processed oysters. This will have far reaching results.	Added to list of R&D priorities for the OA strategic plan
9. Research the possibility of a one for all Food Safety QA system protecting growers to consumers.	Millions of dollars have been spent by many industries in an attempt to solve this issue. Horticulture Australia has been successful and it is up and running for fruit and veg as a commercial, stand-alone operation. See: https://harpsonline.com.au/ FRDC remains abreast of this issue.
10. Develop export markets.	The Australian government has introduced support for airfreight to Asia during the crisis. Also, SafeFish is working to gain entry to the USA market.

Table 2. Major recommendations from Sperou report & OA board response

Oyster Sales Reporting

The National Oyster Market Report is published on the Oysters Australia website, and has also been distributed through the state industry associations.

To date, 81 data submissions have been made by industry to the two market reports. The value of the report will grow as more businesses contribute to it. These market reports increase transparency and facilitate access to information. Oysters Tasmania are also using the data to improve the accuracy of GVP reporting by the Tasmanian state government to ABARES. The feedback from industry has been very positive:

- *“This is good. Hopefully more & more people can contribute to the surveys and we can get even better data”* – NSW oyster farmer
- *“Good job. I think it is useful. Thank you”* – SA oyster farmer

A sample section from the report is shown below.

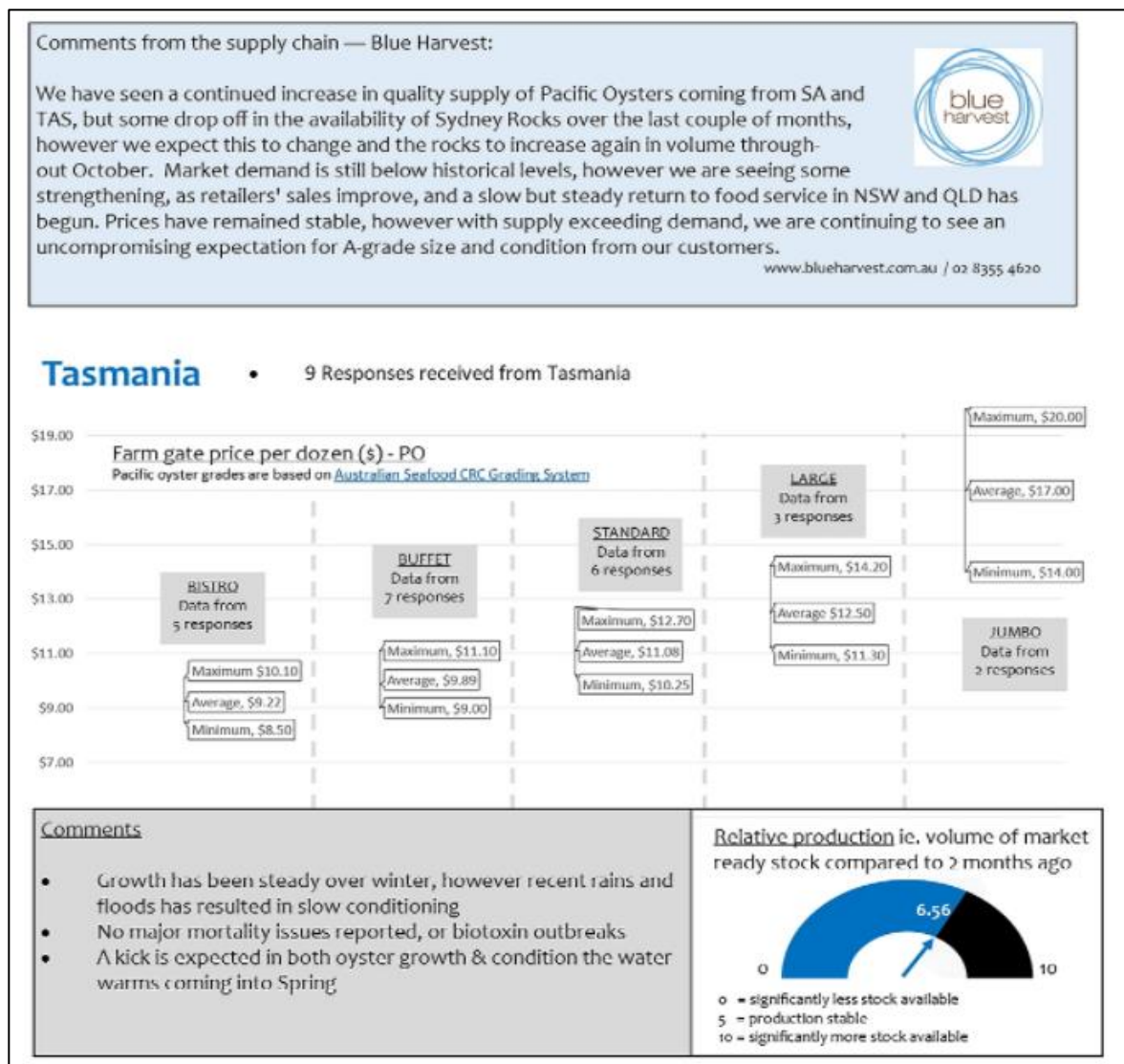


Figure 5 – Sample of data from a National Oyster Market Report.

Market Development

The details of Brand Council's recommendations can be found in their report, See Attachment 8. Their main recommendations are summarised below.

Previous research has shown that there are three factors that must be addressed to alleviate barriers to purchase for chilled seafood from supermarkets. These are, trust, transparency, freshness.

Current point of sale materials in many oyster retailers are non-existent, or poor quality. This is an area that can be easily and quickly improved with initiatives such as:

- Labels / badging / packaging depicting farm, location and flavour notes
- Shucking demonstrations and oyster samples, so consumers can try them.
- Recipe leaflets to increase usage occasions.
- In store videos showing the farms/ growing regions to increase trust and providence cues as well as sustainability messaging.
- Information about the health aspects of oysters.
- Posters and POS stickers on the seafood display to highlight oysters.

Brand Council suggested that a range of “Strategic Territories” could be established to drive the desire for oysters. The territories can be used as a basis for development of marketing materials. Each Territory is defined by (a) an insight about oysters, (b) an insight about consumers’ state of mind during Covid19, and (c) the Territory. An example is the Style Territory:

Territory: STYLE	
Oyster Insight	Oysters are thought of as fancy.
Consumer Insight	We have stopped getting dressed up.
Activity:	Isolate in Style

Table 3. Example of a strategic territory in which market oysters. Further Strategic Territories are described in the report (Attachment 8).

A range of tactical support activities were also suggested. These included:

- Grow support for the industry through talk back radio, podcasts and social media.
- Manage supply and grow publicity through product donations to high profile groups
- Partner with a distributor to send boxes incl. oysters to make someone feel special
- Support farmers to go direct to consumers

Brand Council also advised that all marketing materials need to bring out a *Personality* for oysters. “We need to have charisma. Now more than ever we want to give oyster lovers something to look forward to and savour.” The proposed personality traits are:

- **Confident.** We are secure in ourselves and what we bring to the world. We don’t need other people’s praise.
- **Mature.** We are seasoned and experienced. We are respectful and mindful of our actions. We don’t take too much and we don’t expect too much.
- **Salty.** We are unique, and we have a good sense of humour
- **Charismatic.** We are intelligent and charming, but never sleazy.

Discussion and Conclusions

The objectives of this project were to assess the impact of Covid19 on the industry, and to identify activities that could be carried out to help the industry ride through the pandemic.

Consultation with the industry identified that sales of oysters had dropped to less than seventy percent of normal levels, due primarily due to the lock down of food service and tourism facilities. This had the expected effect of reducing prices and grower incomes. It had an equally important impact by clogging up the supply chain with unsaleable oysters. As oysters continue to grow more space is needed for them, so farms with limited space must keep moving saleable oysters off the farm. In some cases, growers had no option but to dispose of a proportion of their production.

Paradoxically, the retention of stock on farms created more work because stock of all sizes require continual working and grading to maintain oyster health and quality. This in turn required payment for more labour at a time when farm income was limited.

The extent of the damage to the industry was described in the industry situation statement prepared as part of this project. The statement was useful in discussions with industry and governments about financial relief in the form of licence fee suspensions and Job Keeper payments.

As time progressed the situation in each state evolved and it was apparent that the volumes of oysters sold and prices received for them varied. Consequently, a national oyster market report was introduced to track changes in volume and price of oysters sold. The findings from these reports reinforced the situation. In July, prices were suppressed across all grades, although this suppression was not so pronounced in the larger sizes. Comments from the supply chain suggested that there were still sales of large, high-grade product, and that the market was very much demanding that premium element.

With easing of restrictions, demand had started to pick-up by September and farm-gate price increased across all sizes. Despite the more buoyant market, the volume of oyster sales for the time of year was still down. The reports picked this up with states reporting increased availability of market-ready product sitting on farm.

To stay connected with the industry and remain up to date on the issues, three industry situation analysis surveys were conducted over the period March to September 2020. The findings of these surveys were wide ranging, and tell and story of recovery, but not to the extent of 'normality'.

Food service: In March farmers reported that food service markets all but stopped, with a 95% drop in demand. Throughout the year this gradually improved and by September the industry was reporting an average downturn in food service sales of 33% compared to the same time last year. NSW and South Australia oyster farmers have fared slightly better than Tasmanian growers, who have greater dependence on the Melbourne market. This is because Victoria suffered a second wave of Covid19 cases resulting in the reinstatement of restrictions.

Retail markets: The pivot towards retail markets has been a feature of the oyster industry's recovery during the pandemic. In March, oyster farmers reported an immediate 75% drop in sales through the retail sector. With social distancing restrictions and the expected slow recovery of the food service market, many farmers pivoted towards the retail space. By September, the industry was reported an average downturn of only 9% of retail sales compared to the same time last year. Given their proximity to customers, NSW oyster farmers have been particularly successful with this pivot, reporting a 9% upturn in retail sales for the time of year.

Export: Prior to Covid19, about 1% of Australia's oyster production was exported and only 4% of growers were interested in this sector. As a result of the slow domestic scene, this figure has jumped, with 1 in 4 growers now interested in export as an opportunity to move product. Despite this growing interest, export figures do not reflect an increase volume of oysters being sent overseas.

Knock on effects: The downturn in oyster sales has had several secondary impacts on the oyster industry. With increased stock on farm which continues to grow, farmers have needed to accommodate this ballooning stock volume. In May, almost three-quarters of growers were reporting that they had insufficient cultivation equipment to manage stock. Despite the recovery of markets, 34% of growers were still listing this as a concern in September. Oyster growth slows over the cooler winter months, so the recovery of markets was welcomed before spring growth really kicked in.

Despite the market recovery, the availability of growing infrastructure (and lease space) remains an issue. Nationally, 1 in 3 farmers are reporting that they plan on deferring or reducing the purchase of spat. This will have a financial impact on the viability of commercial hatcheries and nurseries, and potentially reduce the production output from farms in the coming years.

Throughout the year the concern around a potential glut of oysters stimulated interest in a promotion campaign to encourage consumers to purchase more product. Historically, there have been mixed views on the value of generic promotion of oysters - who should pay and who will derive the benefits. However, in response to the Covid-19 crisis there was increased willingness to co-invest in demand creation.

The recommendations provided by Brand Council were well received by the industry, and state associations in Tasmania, South Australia and NSW began the process of sourcing funds to implement some of the concepts. Midway through the process the \$4m seafood promotion campaign was announced by Seafood Industry Australia (SIA). As a result, Oysters Australia decided to wait until the SIA campaign was developed, then use state association resources to build on the national campaign. For example, point of sale materials might be prepared along the same theme as the national campaign, but focussed only on oysters.

The consultation with businesses in the oyster supply chain conducted by Peter Sperou identified ten ideas to help businesses survive the impact of Covid19. Some of those ideas are being implemented, such as promotion and point of sale materials. Others, such as frozen product development, improved shelf-life and harmonised quality assurance schemes need to be considered in the OA strategic planning process. One of the more important, but understated findings of the study, is that there are no forums in which all sectors of the oyster supply chain can come together to discuss issues of common interest. Many other industries have a process whereby businesses who are normally competitors can come together to resolve issues that affect them all, such as quality, training, government policy, biosecurity and crisis response. Oysters Australia will consider establishing a suitable forum over the coming year.

Recommendations

It is recommended that following the completion of this project, Oysters Australia should consider the following:

1. Continue to participate in the SIA seafood promotion campaign. In future years this will require the industry to raise its own funds to pay for the campaign.
2. Maintain the Industry Situation Summary so that it is current and can be easily refreshed to address specific issues when needed.
3. Continue conducting the Industry Situation Analysis surveys
4. Continue the National Oyster Market Report if the industry determines it is worthwhile and of value.

Extension, Adoption and Project Materials

Industry Situation Analysis Surveys

The industry survey results have been provided to state associations and summaries sent to FRDC and SIA. The surveys are also available on the OA website. See Attachments 1, 2 & 3

These surveys will be continued at the request of the state associations. The following series of snapshot surveys are proposed:

- September 2020 – coming in Spring (completed)
- January 2021 – after Christmas
- April 2021 – after Easter

The blank industry survey form is included as Attachment 9.

Industry Situation Summary

The one-page industry situation summary of how the industry was faring during the pandemic was provided to state associations and governments. It will be updated as needed. See Attachment 4.

National Oyster Market Report

These reports are publicly available on the Oysters Australia website. See Attachments 6 & 7. Its value will be assessed in the coming year, and if considered worthwhile, will be continued.

Market Development

The results of the Brand Council work were presented via several on-line forums. These were:

- 8th May – Brand Council presented to the board of Oysters Australia
- 18th May – Brand Council presented to the boards of Oysters Tasmania, NSW Farmers Association & the South Australian Oyster Growers Association
- 4th June – Brand Council presented to representatives from emerging oyster industries in QLD, WA & NT
- 1st Sept – Brand Council webinar and Q&A for broader industry extension

See Attachment 10, for a copy of the webinar invitation.

The Brand Council presentation is provided in Attachment 8. It can also be accessed via:

https://ef6ecbde-ef4e-47c2-8176-63c142db431b.filesusr.com/ugd/9e5536_b8b973086d7844518fcf88e3dfcf29d3.pdf

Attachments

Attachment 1- Summaries from March & May Covid impact surveys

Attachment 2 - May Covid impact survey report (NSW)

Attachment 3 - Insights into the impacts of the Covid-19 pandemic - Sept 2020

Attachment 4 - Industry situation summary (July 2020)

Attachment 5 - Supply Chain Report by P. Sperou

Attachment 6 - National Oyster Market Report (July 2020)

Attachment 7 - National Oyster Market Report (September 2020)

Attachment 8 - Brand Council Oysters Covid Presentation Report

Attachment 9 – Blank industry survey form

Attachment 10 - Brand Council webinar invitation

ATTACHMENT 1

Summaries from March & May 2020

Covid Impact Surveys

	1. General comments on how they are going amidst the pandemic	2. Are they still operating producing or have there been any changes to practices	3. Are they experiencing any issues with labour	4. Are there any logistical constraints with regard to movement of product/perishability issues	5. Are they experiencing issues with access to markets/sale of product	6. Are they experiencing issues associated with inputs such as fuel, aquaculture feed availability, operational equipment such as fishing gear, netting material etc	
OYSTERS							
March comment	<p>The oyster industry was already suffering on back of other disturbances (eg. spat issues in SA, fires & floods in NSW).</p> <p>With the demise of the food service sector the wholesale & retail market for oysters have fallen off a cliff. Cash flow is going to be a major issue - staff will be let go, and businesses will be placed under extreme financial hardship. Survival mode for many, and not all in the industry will make it through this disaster.</p> <p>Oysters are in the water, and will need to be repeatedly worked & thinned out without any income. As oysters take multiple years to reach the market, unsold stock clogs the production line, and restricts farmers ability to bring in juveniles, creating a knock on effect to future years.</p> <p>Need for a unified approach to ensure what happens out the back end - domestic and export strategy so there is not a glut on the market.</p>	<p>The production side of the industry continues with the exception of harvest / sales. There are multiple generations of oysters in the water at any time which need to be continuously worked & graded to maintain oyster health & product that meets unexpectations of the market.</p> <p>Without cash-flow & adequate staffing levels, farm & stock maintenance can only be maintained for so long.</p>	<p>Some staff have already been let go, others have had their hours reduced. There is a concern that some staff will be lost to other sectors.</p> <p>There is a further concern that any illness to staff will result in a 2 week isolation for all farm employees.</p> <p>Many small oyster farms are family-owned & operated so whilst labour may not be a problem, owners will be working without income for an indefinite period.</p>	<p>At the industry level this is not recognised as a major issue at the moment, although some farmers are reporting a lack of lease space to retain stock. Also some uncertainty about continued availability of transport in regional locations.</p>	<p>90% drop in wholesale market 75% drop in retail market 70% drop in sale of juveniles</p> <p>As and when markets return, there is concern about a potential glut of oysters. Farmers will also be in dire need of cash-flow. Prices will inevitably be pushed down.</p>	<p>Not at the moment, but to accommodate unsold stock some farmers will need additional cultivation gear - the bulk of which is manufactured in China.</p>	<p>A range of needs have been put forward by industry.</p> <p>State-level responses have been forwarded to peak bodies in each state - with suggestions focusing largely on fee relief.</p> <p>Other ideas to be discussed by Oysters Australia include the scoping of export markets, the need for promotional campaigns, freezing half-shell oysters, support with 'direct to consumer' sales, supporting cash-flow (grants, interest-free loans, deferred payments etc.)</p>
Late May update	<p>The announcement of the Jobkeeper allowance, and a variety of state-level support measures (including fee waivers & grant schemes) has helped, although many in the industry remain in a perilous position. Very few businesses entered this crisis with large reserves - NSW came in on back of bushfires & floods, South Australia came in with full farms after 3-4 years of production issues, and Tasmania came in after multiple years of disease impacts.</p> <p>Sales have improved slightly from March, and many businesses have adapted, offering home delivery, mail-order, and farm-gate sale options. Although this pivot cannot match the volume offered by the wholesale / food service market, many farmers are seeing benefits in being more consumer focused.</p> <p>Beholden to the weather & environment, oyster farmers are accustomed to not selling product continuously, however recovery is generally quick. It's unknown how long this recovery will take, likely months - years.</p> <p>Main concerns are around the glut of oysters that continues to build and take up space, the knock on effect to future years production as farmers defer bringing in spat and the price war that's already started.</p>	<p>The production side of the industry continues. With the downturn in sales there is backlog of product on farms. Farmers with available space & access to gear have been spending considerable time installing new infrastructure to accommodate ballooning production volumes.</p>	<p>Jobkeeper has helped, however ~30% remain concerned about adequate cash-flow to pay staff. Some staff are casual, seasonal employees and are not eligible for the Jobkeeper allowance.</p>	<p>Not really</p>	<p>Both the retail and wholesale (food service) markets have improved slightly from March May, however this improvement is not equally shared across industry. Some farmers are selling considerably more than they were in March, others are selling much the same.</p> <p>There's still considerable concern about not just a glut of oysters, but competing with other 'luxury' products during recovery.</p> <p>As South Australia re-enters the oyster market following production issues over the last few issues, they will want to regain market share and will be coming in with large pacific oysters priced to sell. This could impact heavily on other oyster growing regions - particularly NSW</p>	<p>~70% of oyster farmers in NSW are reporting that they don't have enough cultivation infrastructure to carry over stock. This has been compounded by the fact that many growers missed their peak sales period last Christmas / summer with bushfires. Many were hoping for a strong Easter - which didn't happen with the lockdown.</p> <p>Sales slow over winter, so many will be sitting on stock until spring / summer sales pick up.</p> <p>Those without room to accommodate growing product are considering disposing of stock to waste to make way for juveniles. If room is not made available and juveniles are not brought in, this would result in a production shortfall 2-4 years down the track.</p>	

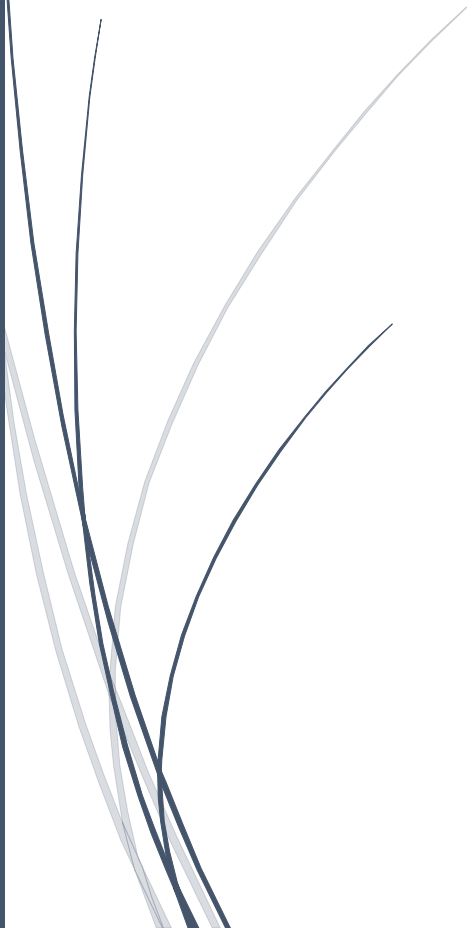
ATTACHMENT 2

May 2020 Covid-19 Impact Survey Report (NSW)

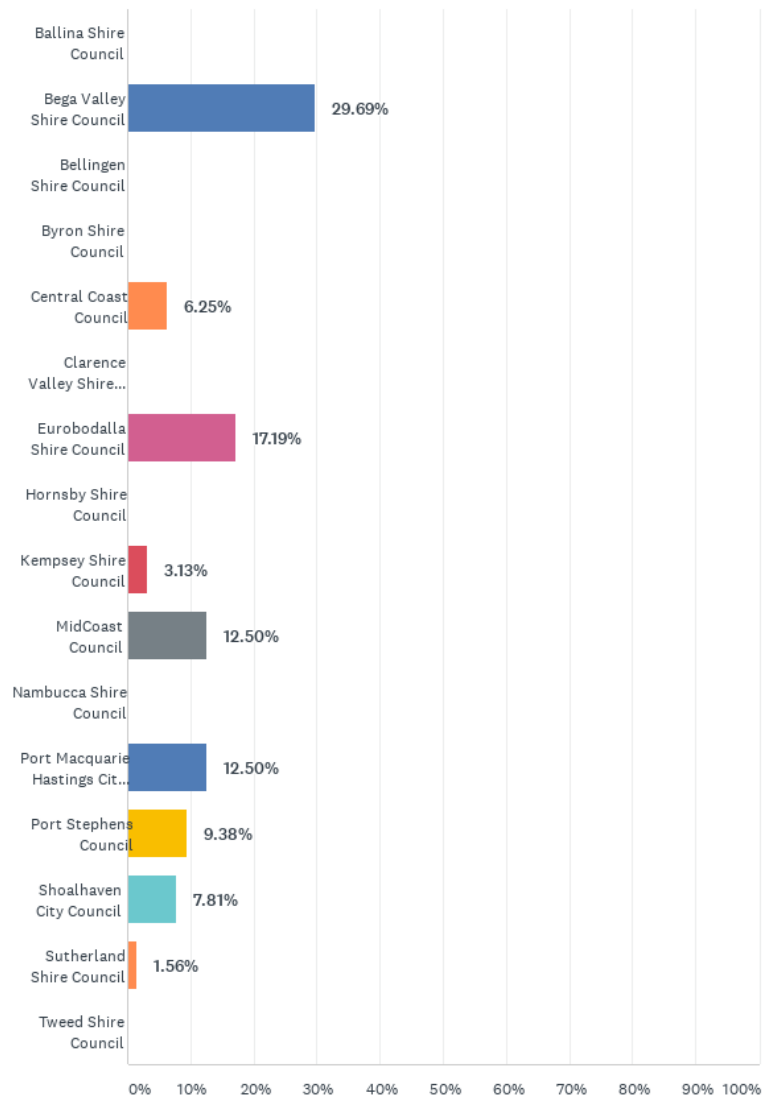


Summary Report

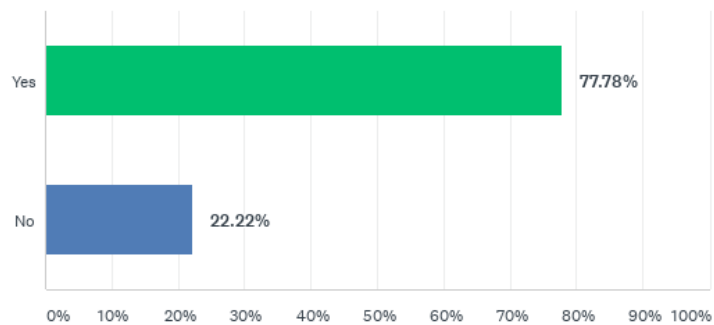
Impacts of COVID 19 on the NSW Oyster
Industry – May 2020

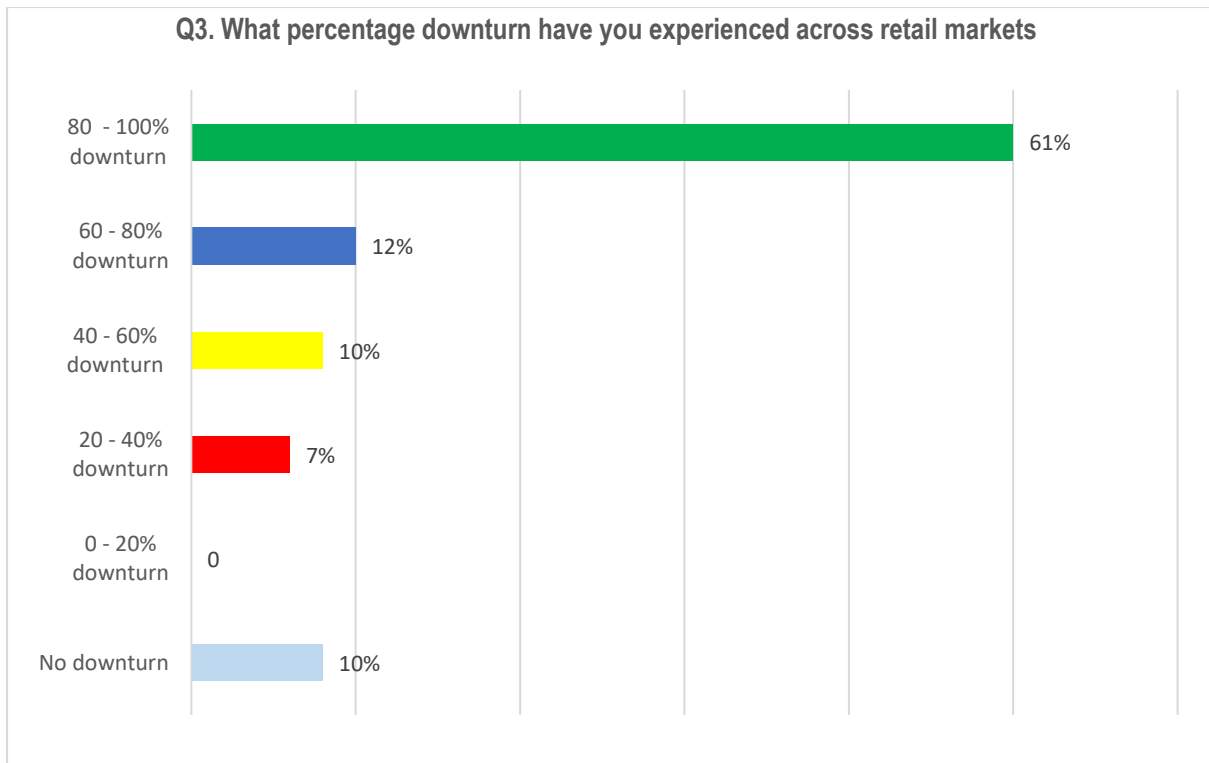


Q1 Please select which Local Government Area you are from

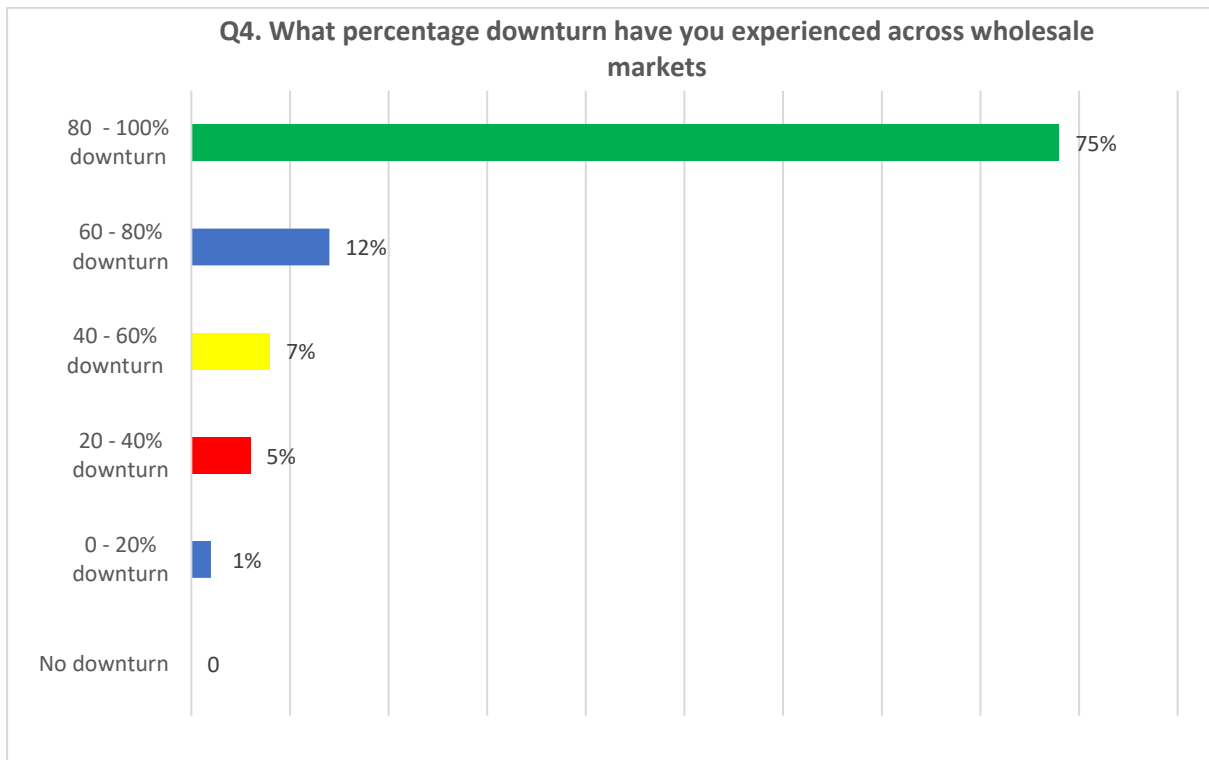


Q2 Are you still operating / producing ?





Of the respondents to this question, only 65% sell to retail markets. Of those that do sell to retail, a significant downturn has been reported, with 61% of respondents experiencing an 80 – 100% downturn in sales, and 12% experiencing a 60 – 80% downturn.



Of the respondents to this question, 94% sell to wholesale markets. Of those a significant downturn has been reported with 75% of respondents having experienced an 80 – 100% downturn in sales, and 12% experiencing a 60 – 80% downturn.

Q5. Has your business developed an alternate plan to sell oysters (develop online capacity, home deliveries, farmgate sales, social media promotion, export, other)?

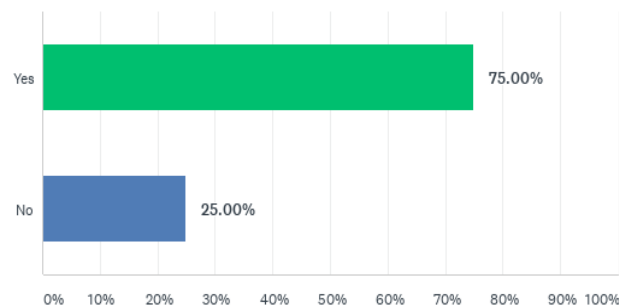
Open feedback was sought on how businesses were currently positioned with alternate plans to sell oysters. 59 responded to this question, of which a total of 40 indicated they did not currently have an alternate plan developed. Some of the barriers to farmers developing an alternate plan included lack of viability to do deliveries / online due to transport. Of the 19 respondents that did have a plan in place, this primarily focused on online sales including utilising social media, and home deliveries.

Some businesses have commented that given the transport costs & time to deliver, home deliveries are only a short-term option.

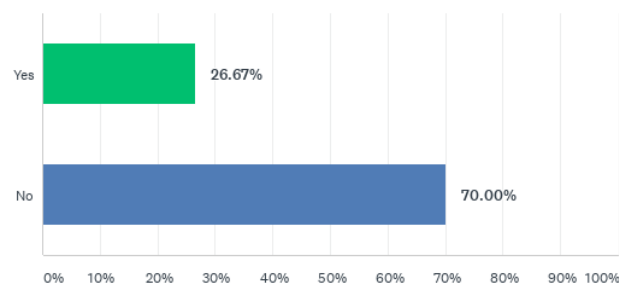
Q6. What additional support would assist in this transition?

Open feedback was sought on what additional support would assist in the transition. Many responses to this question have been omitted as people mention other support mechanisms such as fee-relief which isn't directly related to Q5. Areas of support related to development of alternative plans to sell oysters included social media /marketing training, and a broader marketing / campaign approach for the oyster industry to highlight health benefits.

Q7 Have you access to enough staff to manage your existing crops?

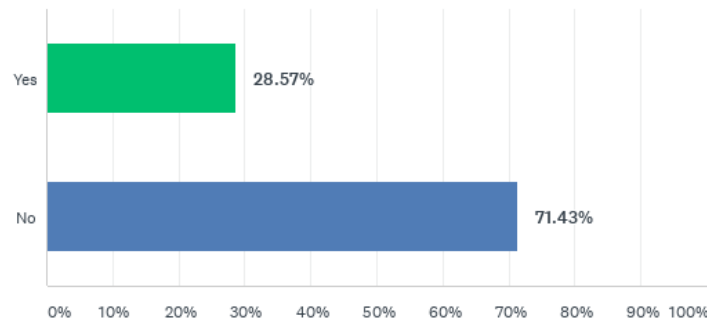


Q8 Are you experiencing any general issues with labour?



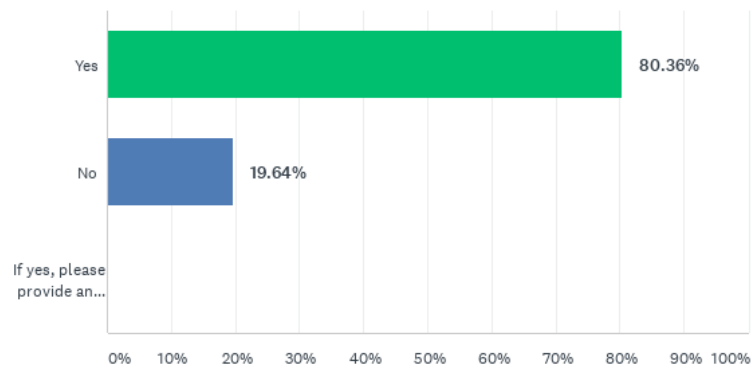
~30% are currently experiencing issues with labour. The feedback received on this question showed the main area of concern was lack of cash flow to pay staff, and that as many staff were casual seasonal employees, they were not eligible for the Job-keeper allowance.

Q9 Do you have enough cultivation infrastructure (baskets/trays)?



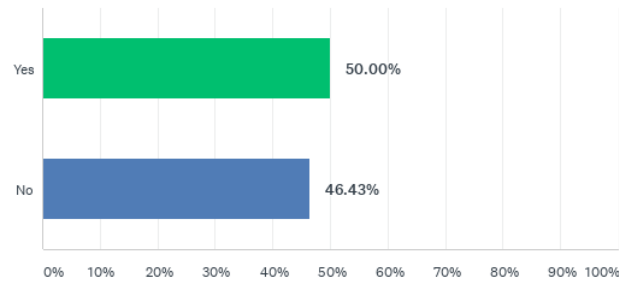
71% identified as not having enough cultivation infrastructure. The majority of open feedback indicated that this was due to having to carry over stock. It was also identified that lack of local supply to purchase infrastructure was a barrier.

Q10 Have you enough lease area to manage existing crops in the coming months?



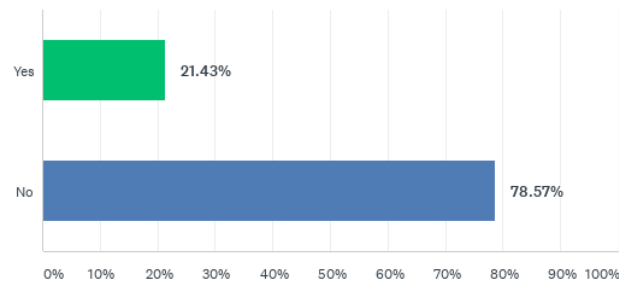
20% of farmers indicated they did not have enough lease space. Reasons given were primarily due to holding over of stock. Indications of additional space needed ranged between 2 – 5 ha.

Q11 Will you need to dispose of oyster stock to waste in the coming months?



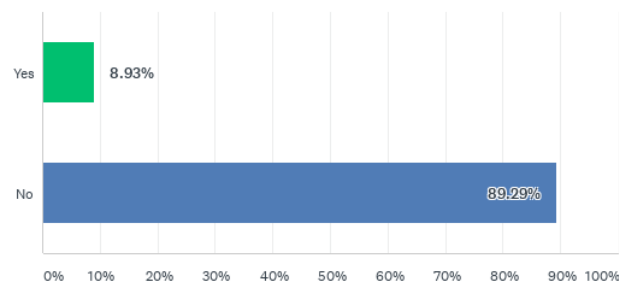
Although the graph figures on the need to dispose of stock seems fairly evenly divided, the open feedback for this question told a story of uncertainty, with many indicating that it was too early to tell. Some farmers indicated that they were currently building or planning to build additional infrastructure to hold over stock. Feedback included some estimates of how much stock may be disposed of, but these are broad estimates at this stage.

Q12 Are there any logistical constraints with regard to movement of product / perishability issues?



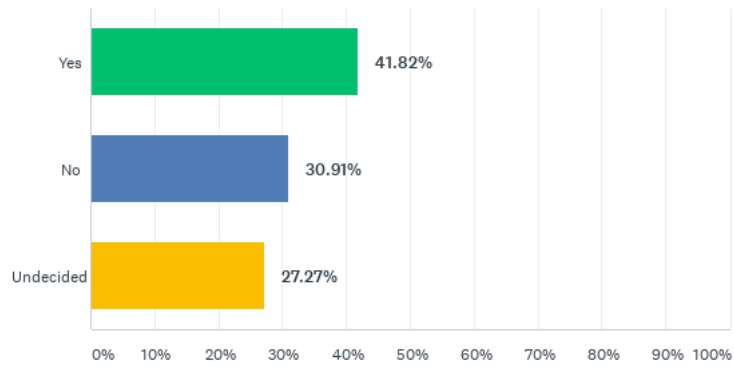
Of the 21% that indicated that there were experiencing logistical constraints, it was indicated that this was due to transport issues (slowed movements) and lack of demand.

Q13 Are you currently experiencing any domestic freight issues?

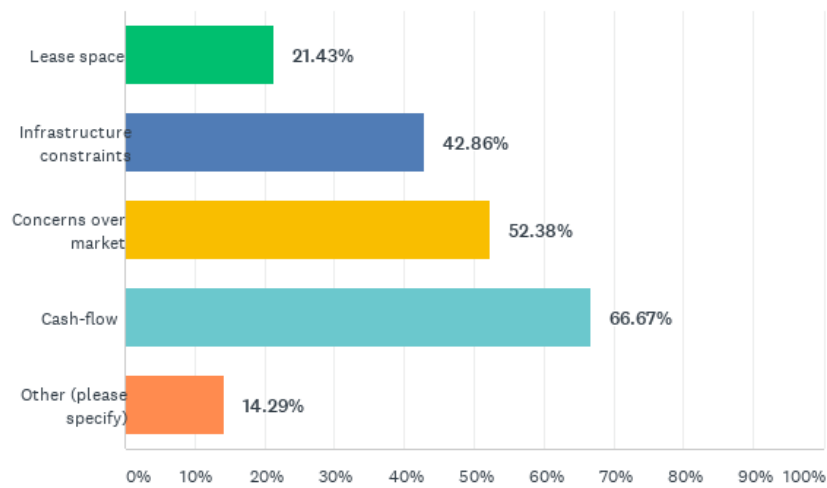


9% of respondents identified that they were experiencing domestic freight issues. Commentary provided identified Australia post delivery was slower and unreliable.

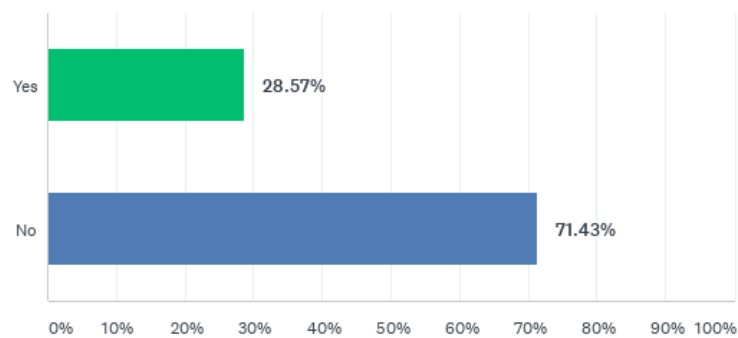
Q14 Are you planning on deferring the purchase of spat (hatchery or wild-caught)?



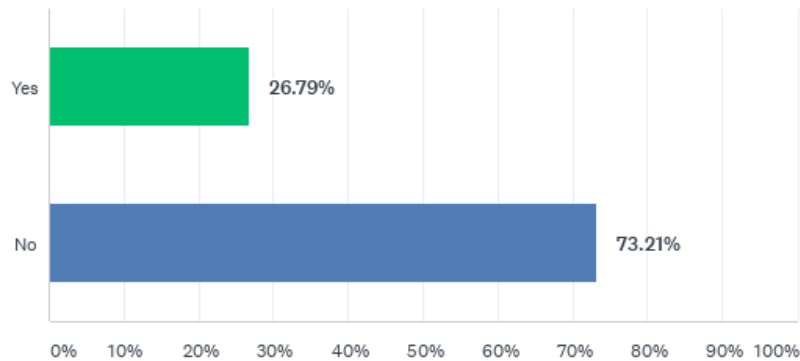
Q15 If yes, is your decision to defer purchase of spat due to:



Q16 Do you have a facility that needs export accreditation?



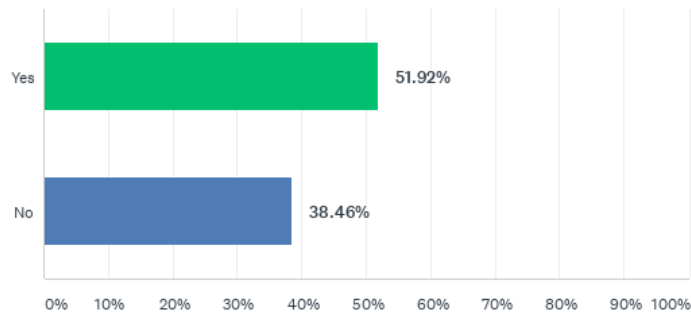
Q17 Do you have a harvest area you want approved for export?



Q18. Which countries are you targeting for export.

Of those looking to export, 33% identified Asia (region) as their target area, in addition to this 15% specifically identified China, 7% identified Singapore, bringing the total for the Asian market to 55%. Other areas included EU, and Russia.

Q19 Is there additional assistance you require other than existing State and Commonwealth measures for business and employee support?



Of the 51% that identified needing additional assistance, 33% of these provided in the comments that they wanted a reduction or waiver in fees. Additional comments included the confusion around accessing grants as not a land-based activity, and confusion over what current assistance is available.

Q20 What activities, projects or support do you think would benefit the oyster industry in these uncertain times?

31% of respondents identified a reduction or waiver in fees, and 17% highlighted the need for grants. Other ideas raised included support networks, branding / marketing assistance and improvements in communications.

ATTACHMENT 3

Insights into the impacts of the
Covid-19 pandemic – Sept. 2020

Insights into the impacts of the Covid-19 pandemic on the Australian oyster industry

September 2020



*2019-210 Oyster industry response to the Covid 19 Crisis is supported by funding from the
FRDC on behalf of the Australian Government*

BACKGROUND:

Spring & Summer holds extra importance for the oyster industry in 2020 as the sector looks to recover from the impacts of Covid-19, and interrupted supply over the last few years. As the weather warms and oyster growth accelerates, it's a critical period which will hopefully be countered by increased consumer demand & sales.

With this in mind Oysters Australia and the state peak bodies are keen to monitor the trajectory of the oyster industry over the Spring & Summer periods. Such insights will provide the information needed should we need to approach governments for assistance, or enact some other supporting activity.

A series of snapshot surveys are proposed:

- September 2020 – coming in Spring
- January 2021 – after Christmas
- April 2021 – after Easter

THIS REPORT:

This report provides an analysis of data collected from the industry survey conducted in **September 2020**. This survey was completed by 53 oyster farmers from across the major oyster-producing states in Australia:

- 26 oyster farmers in NSW
- 18 oyster farmers in South Australia
- 9 oyster farmers in Tasmania



MARKETS

SALES – ALL MARKETS

National (n=50)

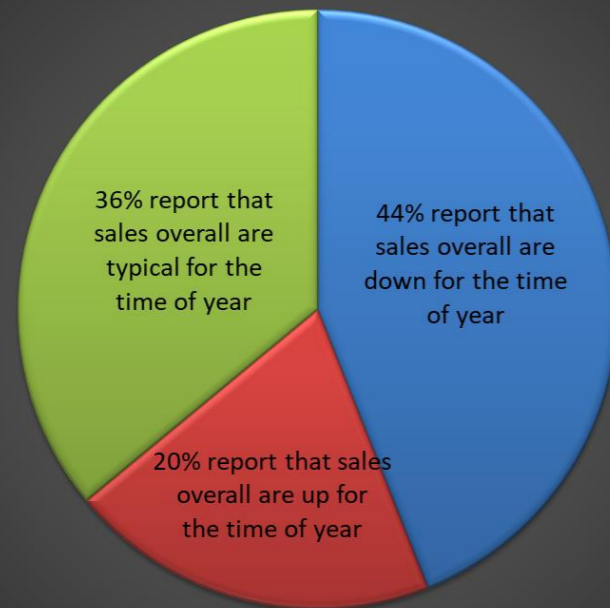


- Overall average downturn in trade of 26%*
- Highly variable

*All responses are treated equally, and the analysis doesn't account for different size farms

SALES – ALL MARKETS

NSW (n=25)



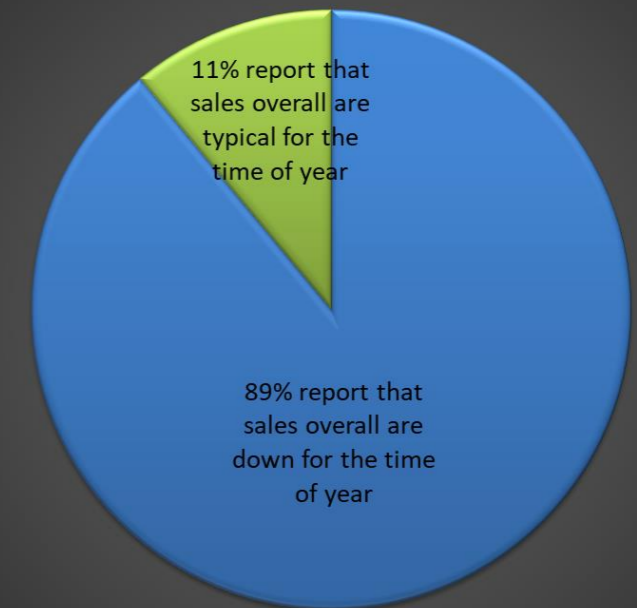
NSW average downturn in trade of 15%

SA (n=16)



SA average downturn in trade of 30%

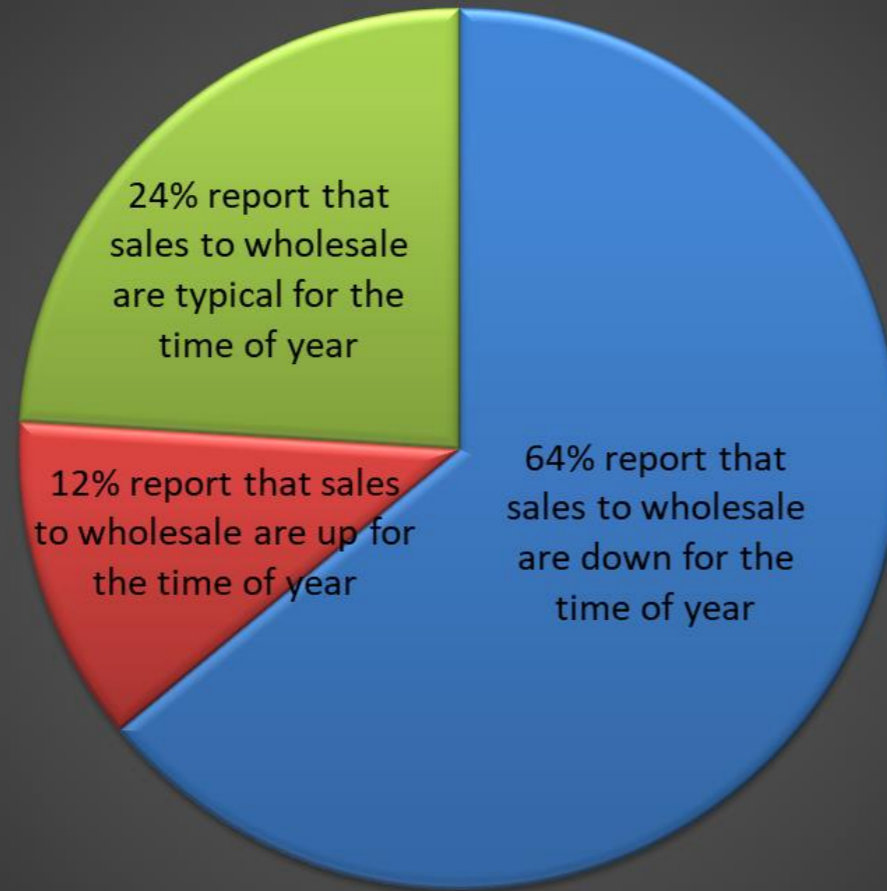
TAS (n=9)



TAS average downturn in trade of 47%

SALES – WHOLESALE MARKET

National (n=42)

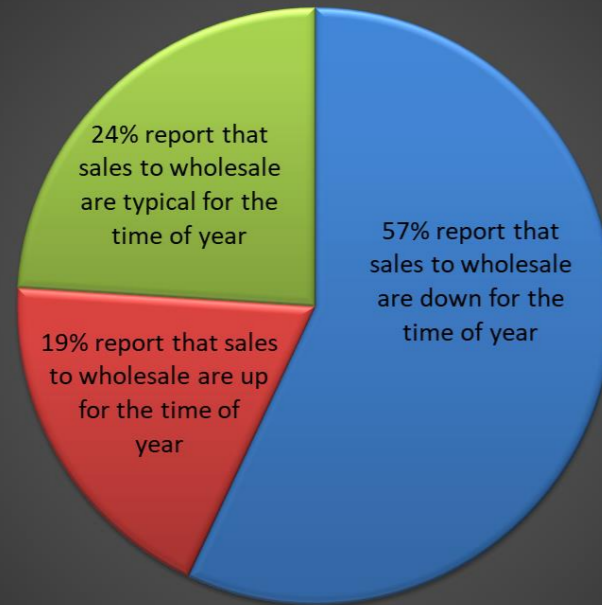


- Overall average downturn in wholesale trade of 33%*
- Highly variable

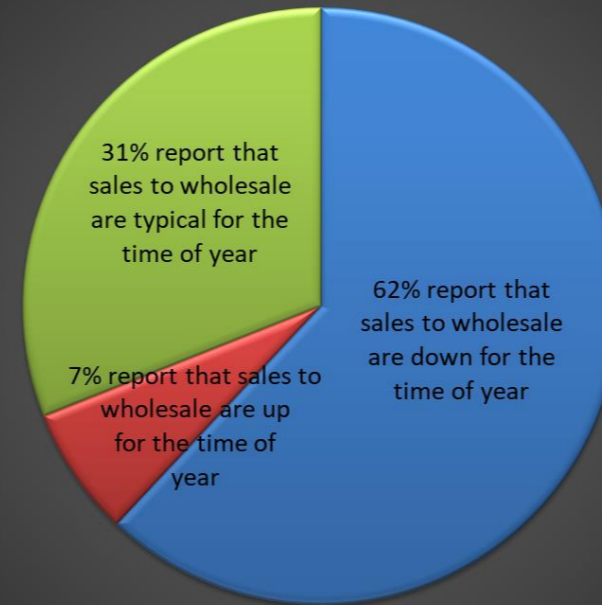
*All responses are treated equally, and the analysis doesn't account for different size farms

SALES – WHOLESALE MARKET

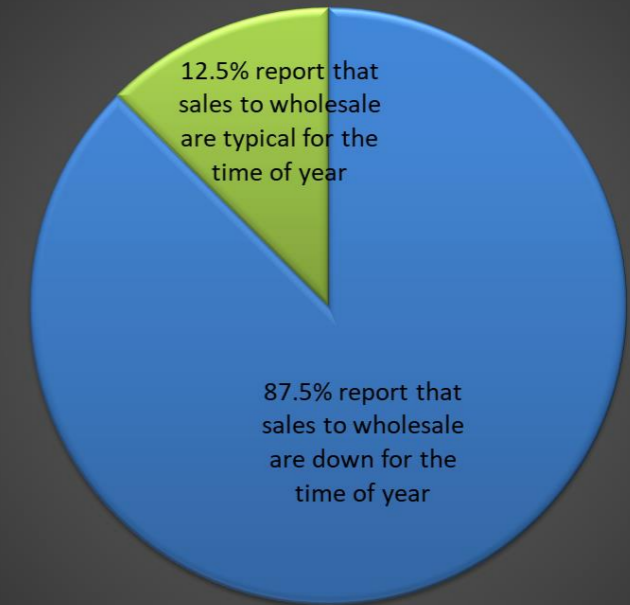
NSW (n=21)



SA (n=13)



TAS (n=8)



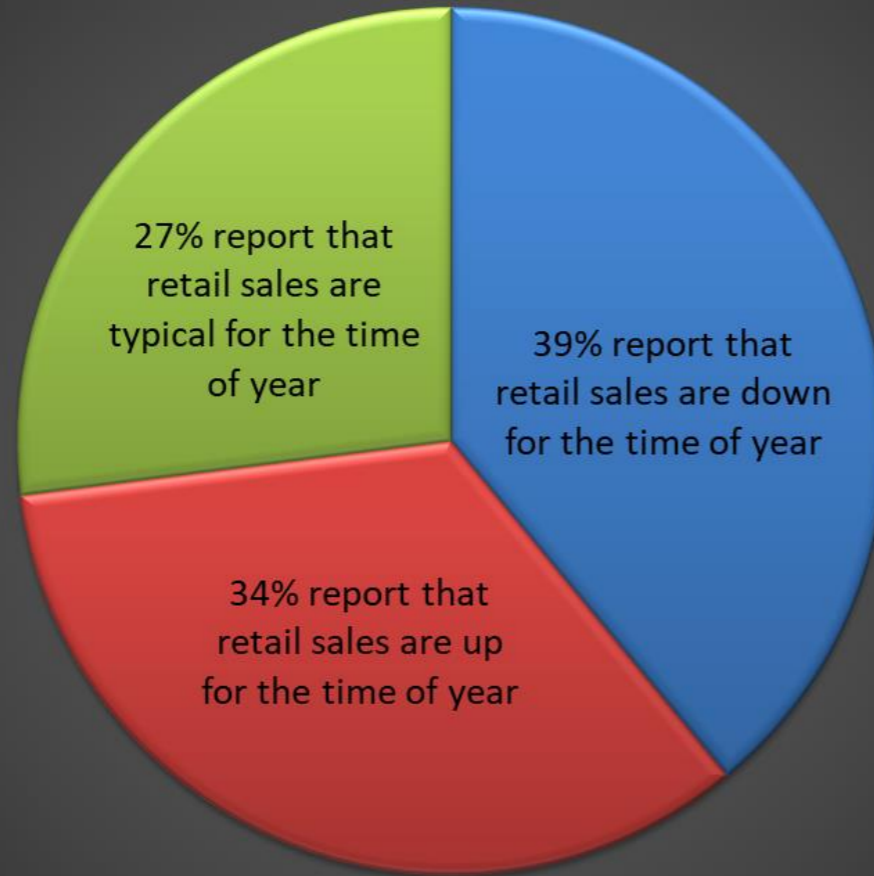
NSW average downturn in wholesale trade of 29%

SA average downturn in wholesale trade of 30%

TAS average downturn in wholesale trade of 47%

SALES – RETAIL MARKET

National (n=33)

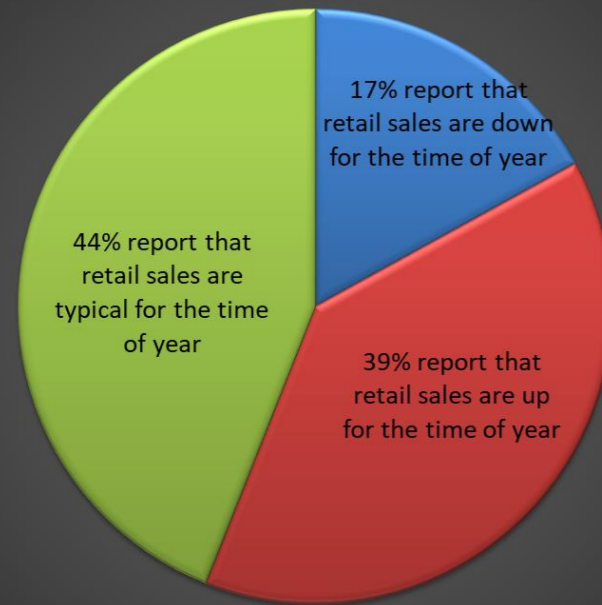


- Overall average downturn in retail trade of 9%*
- Highly variable

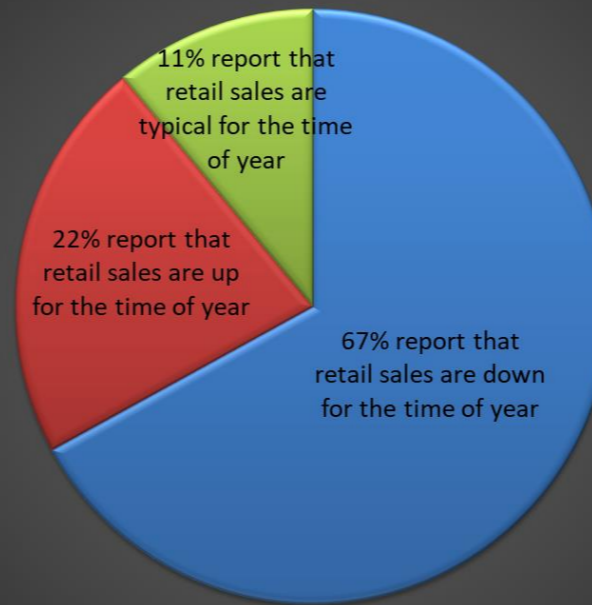
*All responses are treated equally, and the analysis doesn't account for different size farms

SALES – RETAIL MARKET

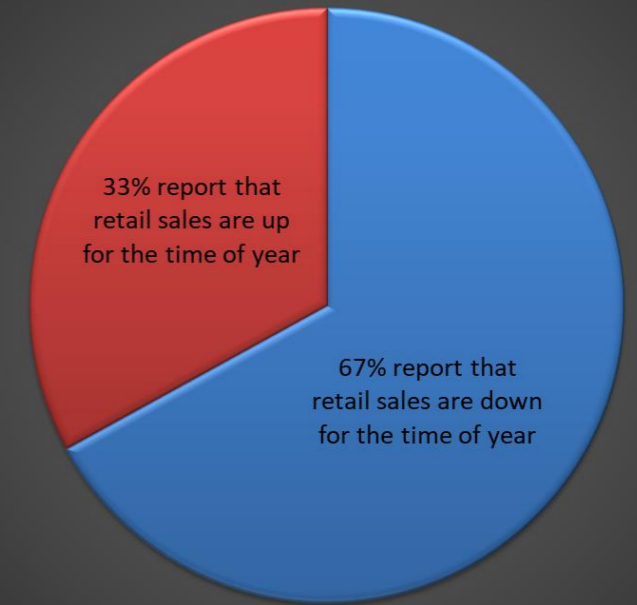
NSW (n=18)



SA (n=9)



TAS (n=6)



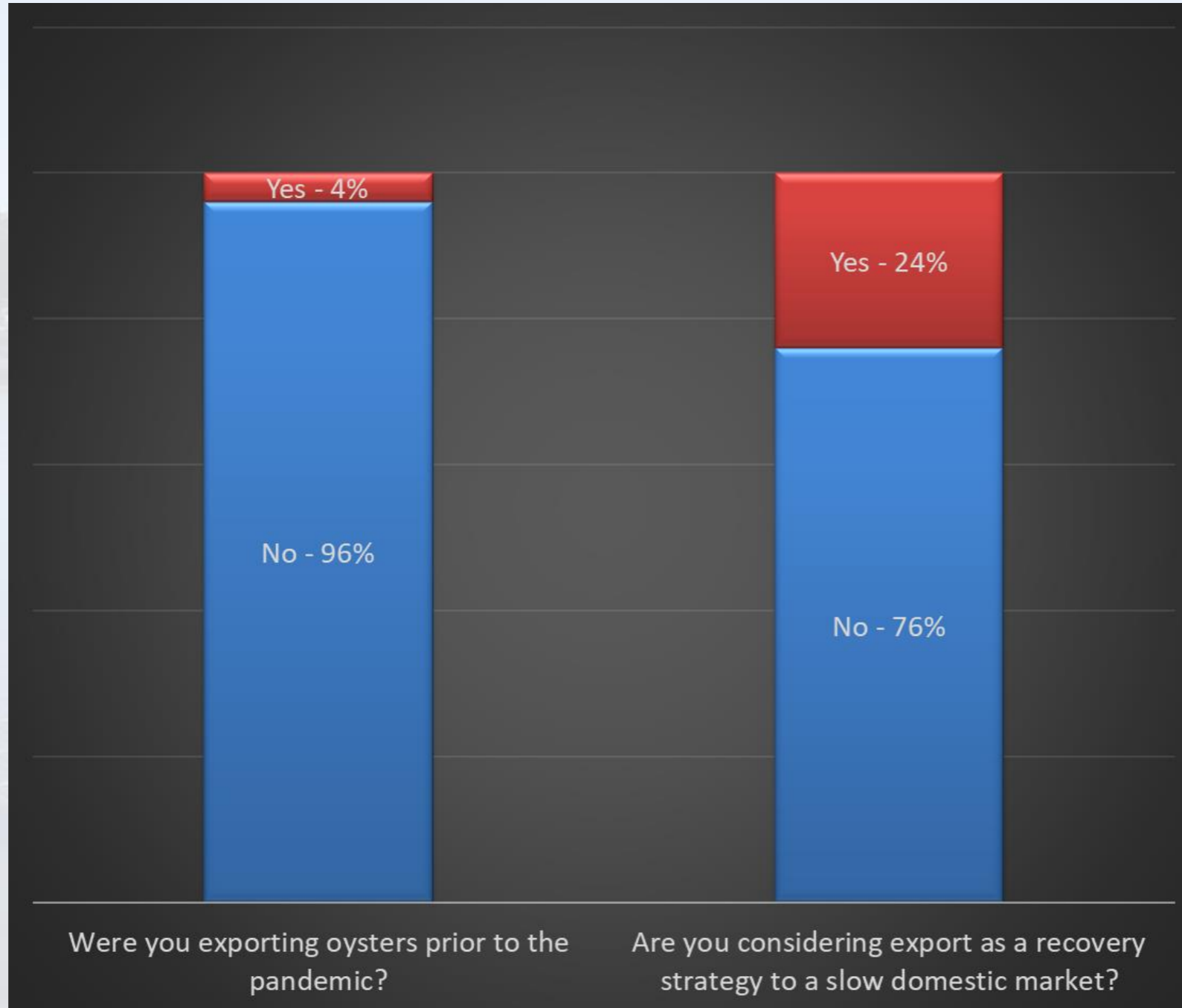
NSW average upturn in retail trade of 9%

SA average downturn in retail trade of 29%

TAS average downturn in retail trade of 30%

SALES – EXPORT

National (n=51)



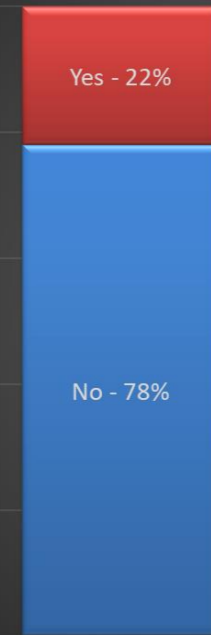
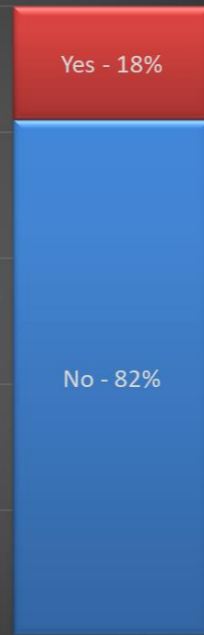
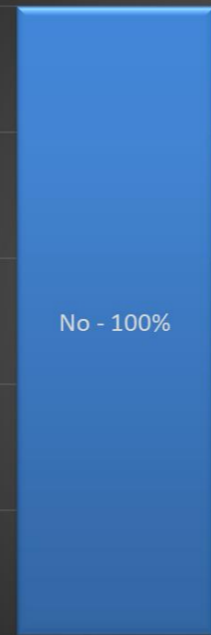
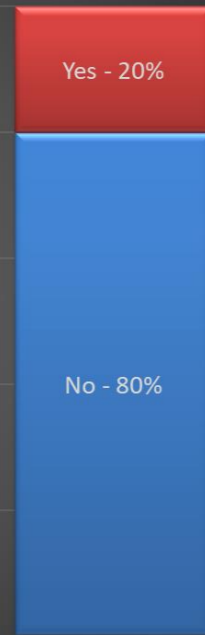
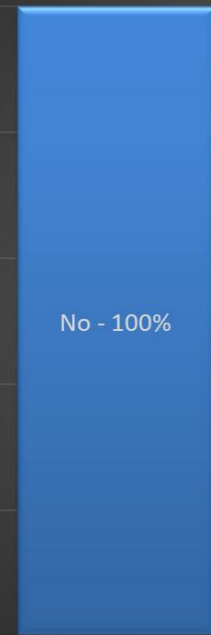
- 4 in 100 were exporting prior to the pandemic
- 24 in 100 are considering export as a recovery strategy

SALES – EXPORT

NSW (n=25)

SA (n=17)

TAS (n=9)



Were you exporting oysters prior to the pandemic?

Are you considering export as a recovery strategy to a slow domestic market?

Were you exporting oysters prior to the pandemic?

Are you considering export as a recovery strategy to a slow domestic market?

Were you exporting oysters prior to the pandemic?

Are you considering export as a recovery strategy to a slow domestic market?

MARKETS – SUMMARY

NATIONAL:

- ↓ Average downturn in oysters sales of 26%
- ↓ Average downturn in wholesale trade of 33%
- ↓ Average downturn in retail trade of 9%
- ↑ 20% increase in farmers considering export

NEW SOUTH WALES:

- ↓ Average downturn in oysters sales of 15%
- ↓ Average downturn in wholesale trade of 29%
- ↑ Average upturn in retail trade of 9%
- ↑ 20% increase in farmers considering export

SOUTH AUSTRALIA:

- ↓ Average downturn in oysters sales of 30%
- ↓ Average downturn in wholesale trade of 30%
- ↓ Average downturn in retail trade of 29%
- ↑ 18% increase in farmers considering export

TASMANIA:

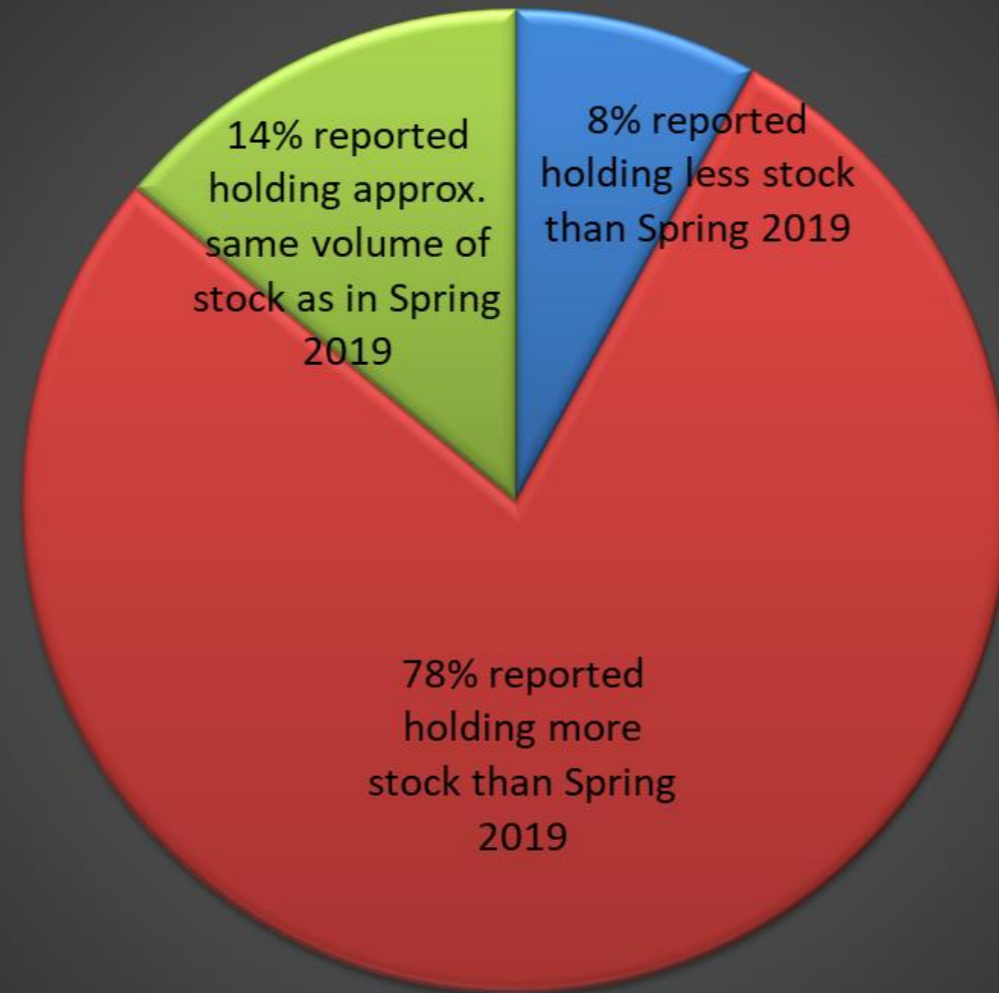
- ↓ Average downturn in oysters sales of 47%
- ↓ Average downturn in wholesale trade of 47%
- ↓ Average downturn in retail trade of 30%
- ↑ 22% increase in farmers considering export



STOCK, LEASE SPACE & GEAR

VOLUME OF STOCK ON FARM VS. SPRING 2019

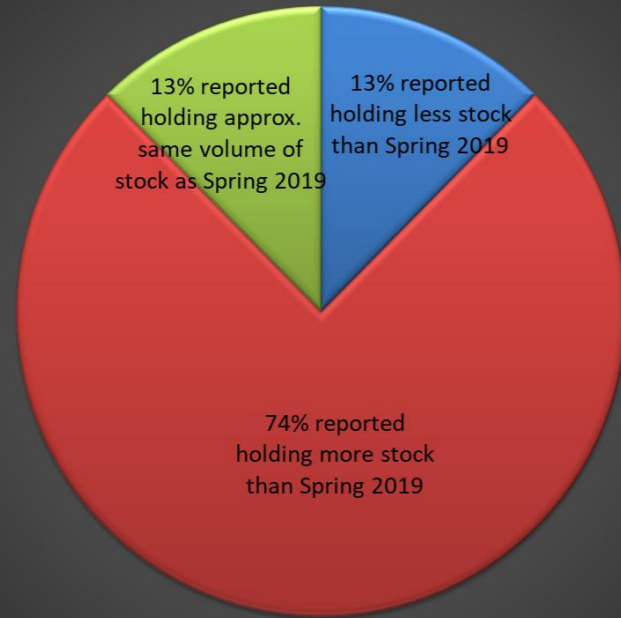
National (n=50)



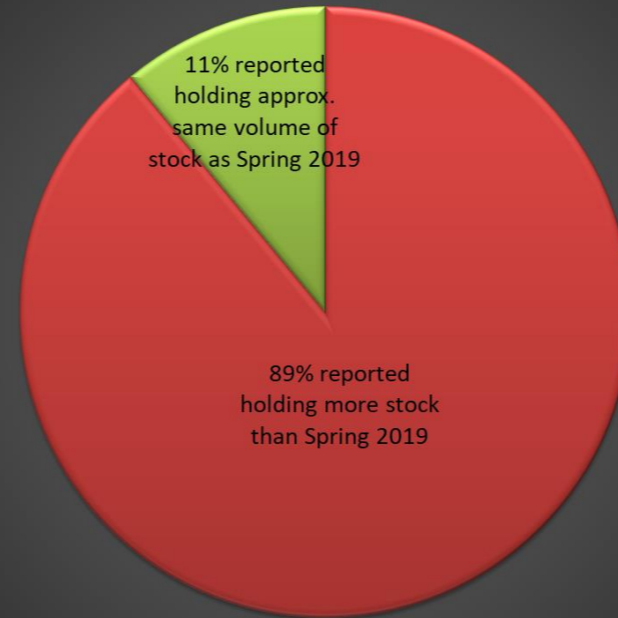
- Those reporting a decline in volume, cited disease as the reason – not market factors
- If omit those impacted by disease, average increase in stock volume on farm is +35% or 61,000 dozen
- Even accounting for those impacted by disease, average increase in stock volume on farm is +27%
- Stock increases not solely due to reduced market demand / Covid-impacts. SA & TAS were returning following production issues, and NSW lost sales opportunities over 19-20 summer due to bushfires.

VOLUME OF STOCK ON FARM VS. SPRING 2019

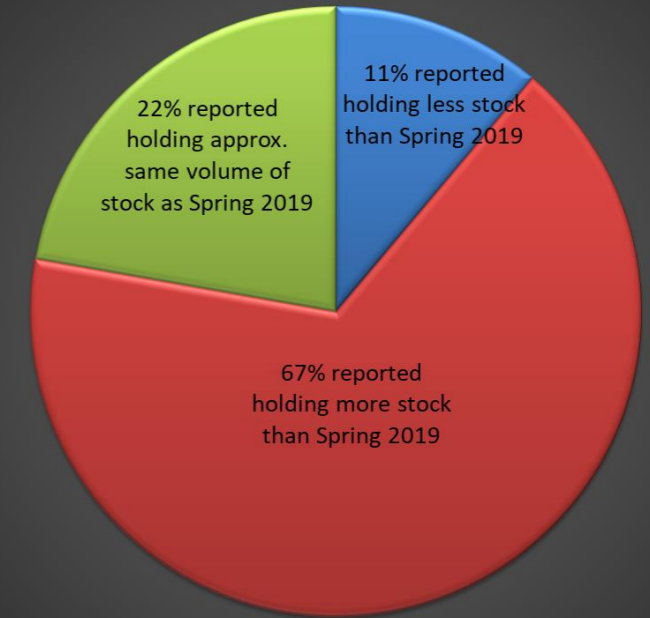
NSW (n=23)



SA (n=18)



TAS (n=9)



If omit those impacted by disease, average increase in stock volume on farm is +36% or ~47,000 dozen

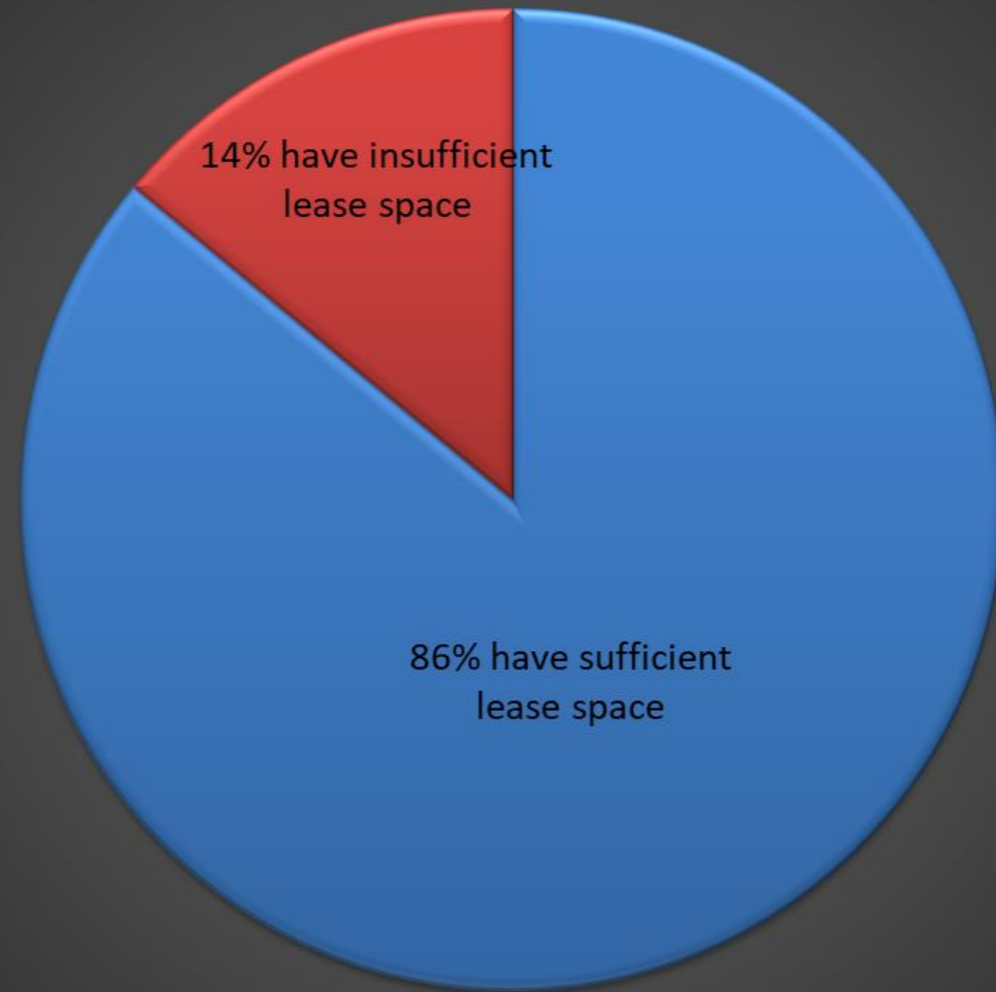
Even accounting for those impacted by disease, average increase in stock volume on farm is +25%

Average increase of stock volume on farm compared in Spring 2019, is +36% or ~70,000 dozen

Average increase of stock volume on farm compared in Spring 2019, is +18%

LEASE SPACE FOR STOCK OVER SUMMER

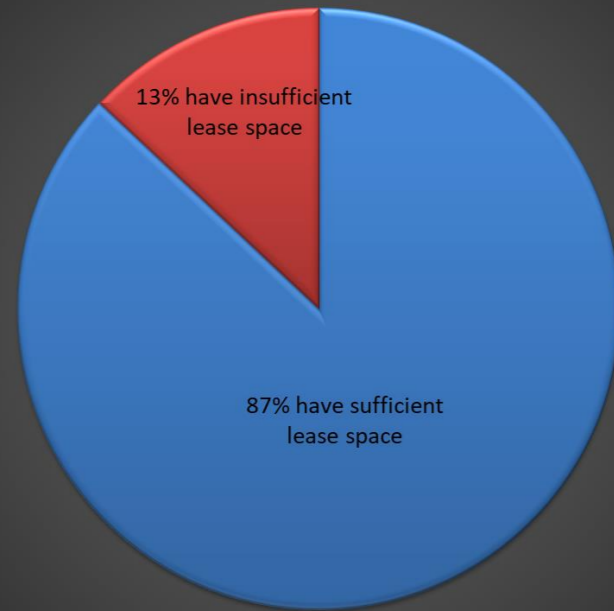
National (n=50)



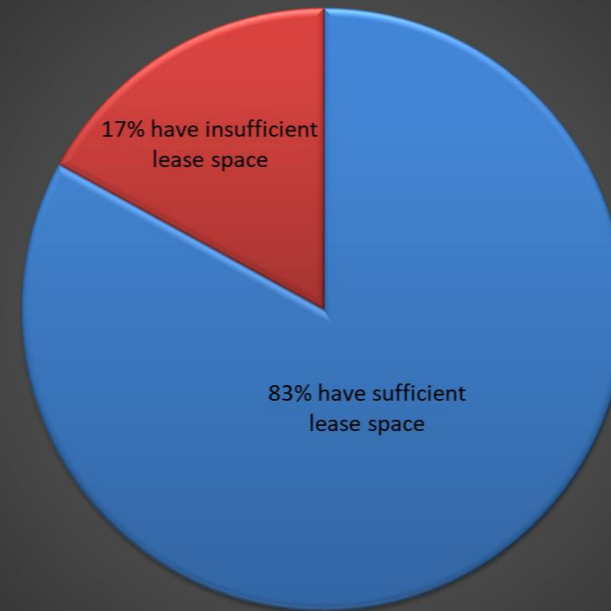
- Average of 3.1ha needed by those that have insufficient lease area

LEASE SPACE FOR STOCK OVER SUMMER

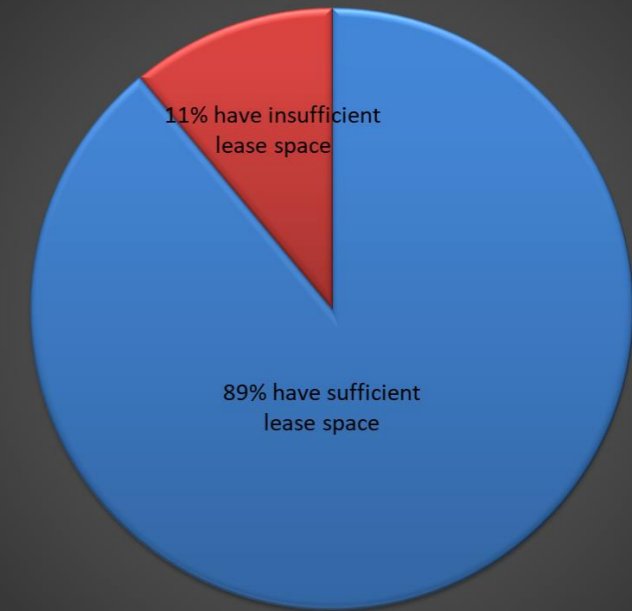
NSW (n=23)



SA (n=18)



TAS (n=9)



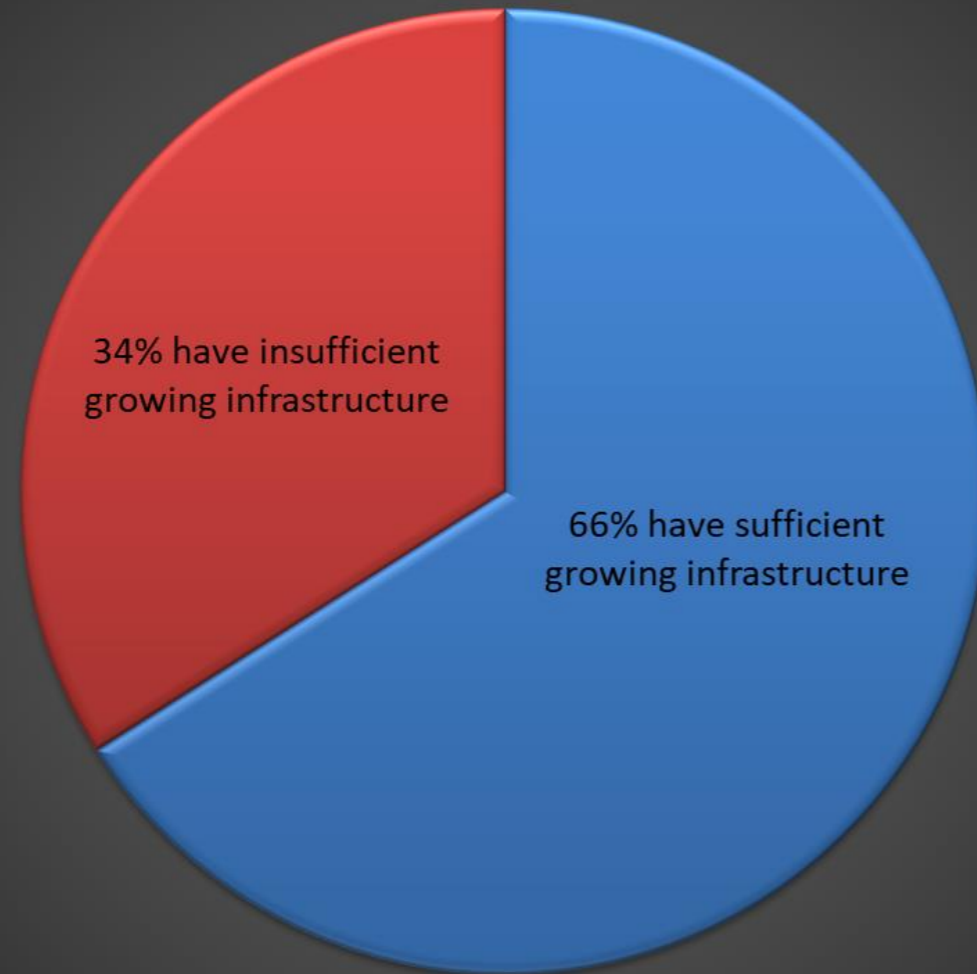
Average of 2.3ha needed by those NSW growers that have insufficient lease area (only 3 growers in sample)

Average of 3.3ha needed by those SA growers that have insufficient lease area (only 3 growers in sample)

Average of 5ha needed by those Tasmanian growers that have insufficient lease area (only 1 grower in sample)

GROWING INFRASTRUCTURE FOR STOCK OVER SUMMER

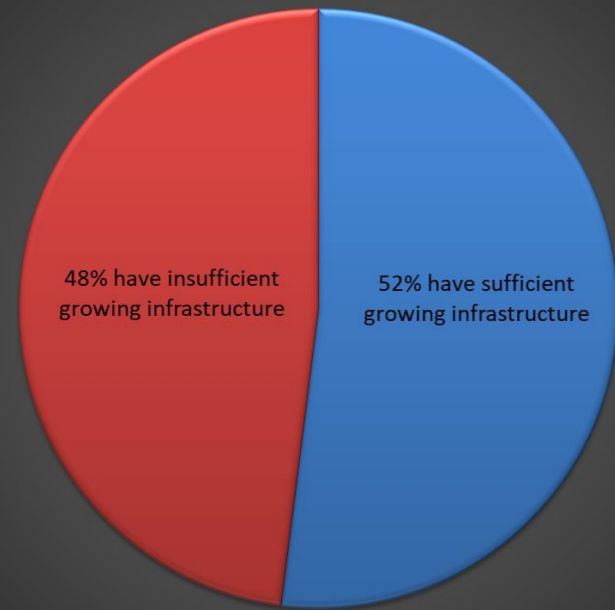
National (n=50)



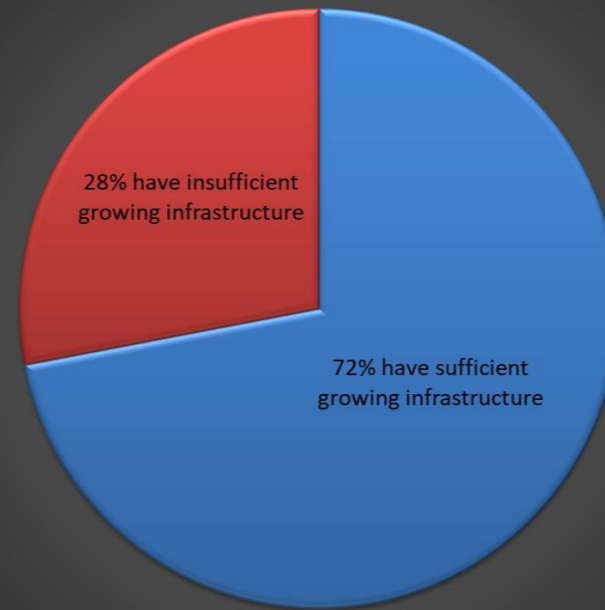
- 34% of growers have insufficient growing infrastructure to accommodate stock over summer

GROWING INFRASTRUCTURE FOR STOCK OVER SUMMER

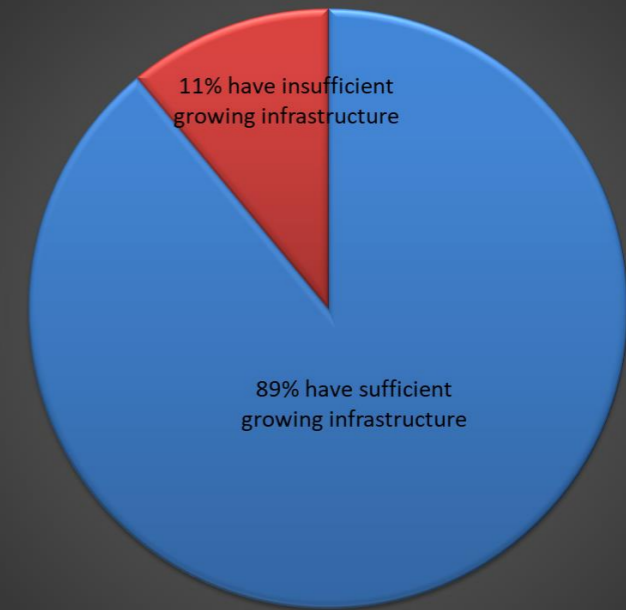
NSW (n=23)



SA (n=18)

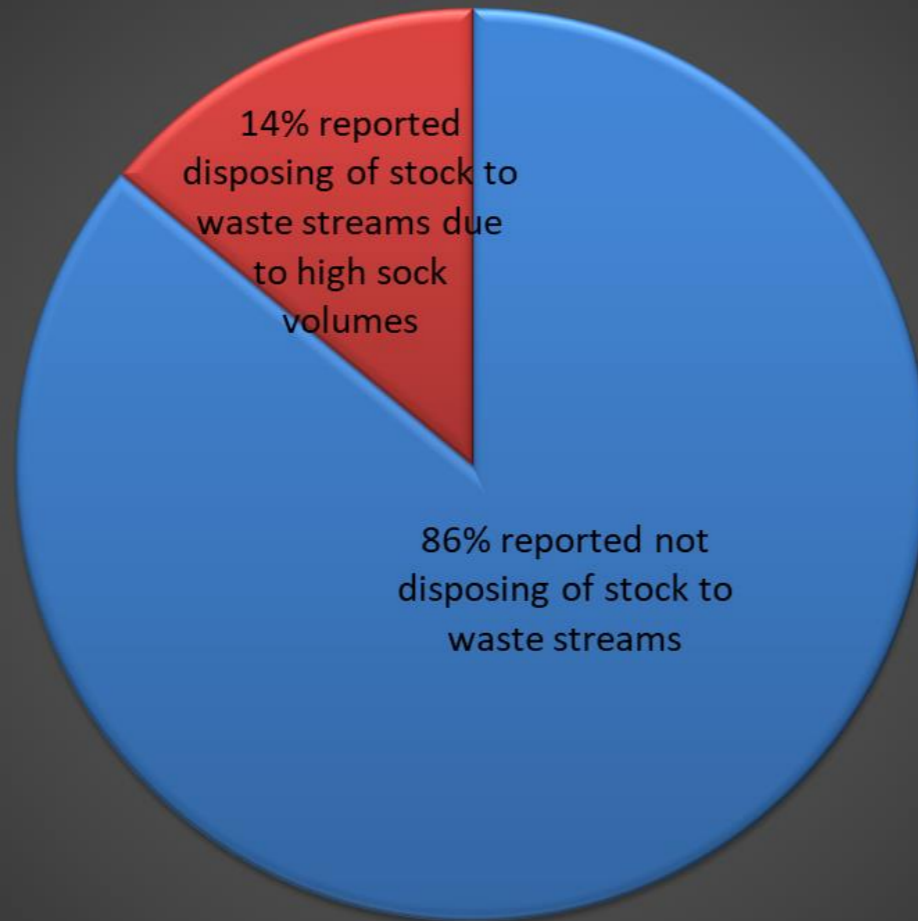


TAS (n=9)



STOCK DISPOSAL TO WASTE STREAMS DUE TO HIGH VOLUMES

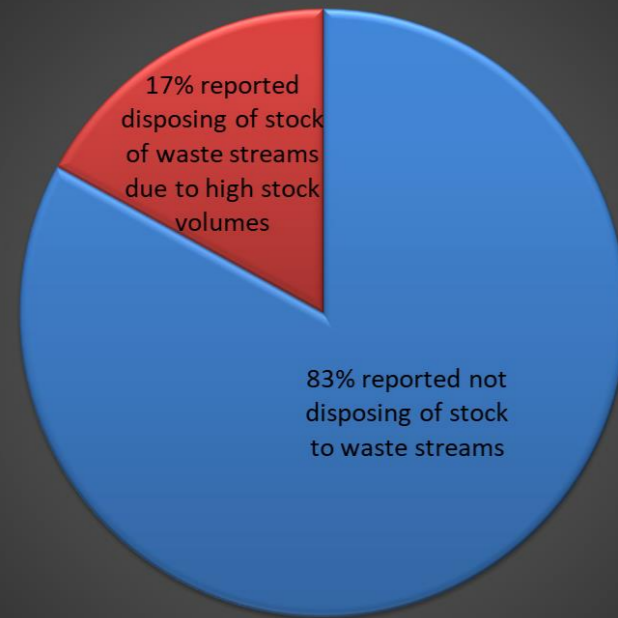
National (n=50)



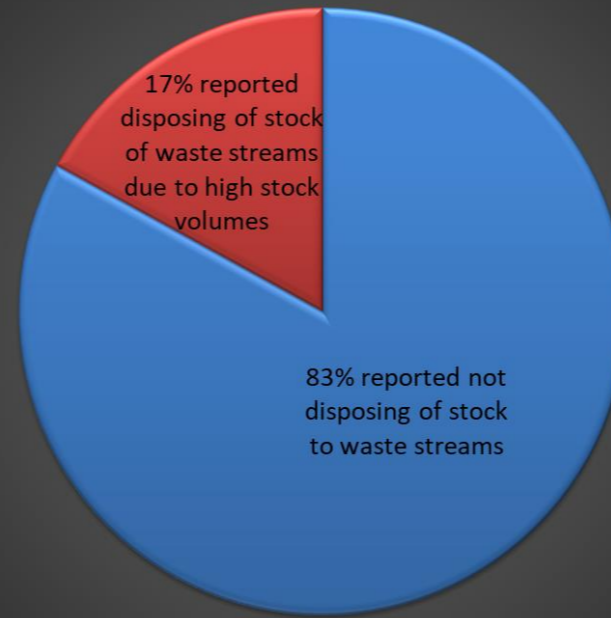
- 14% reported disposing of stock to waste streams due to high stock volumes
- 7 farmers reporting disposing of stock to waste, for a total of 64,000 dozen (average ~9,150 dozen)

STOCK DISPOSAL TO WASTE STREAMS DUE TO HIGH VOLUMES

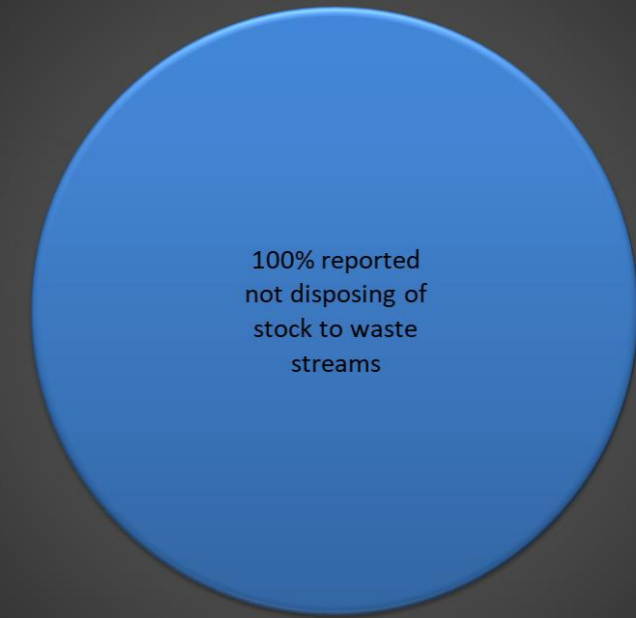
NSW (n=23)



SA (n=18)



TAS (n=9)



Average of ~7,250 dozen disposed to waste, by NSW growers that can't accommodate larger than normal stock volumes (only 4 growers in sample)

Average of ~11,650 dozen disposed to waste, by SA growers that can't accommodate larger than normal stock volumes

No Tasmanian growers reported disposing of stock to waste streams

STOCK, LEASE SPACE & GEAR – SUMMARY

NATIONAL:

- On average farms holding ~30% more stock than Spring 2019
- 14% have insufficient space to accommodate stock over summer
- 34% have insufficient growing infrastructure to accommodate stock over summer
- 14% have disposed of stock to waste streams

NEW SOUTH WALES:

- 74% holding more stock vs. Spring 2019 (average increase 25-36%)
- 13% have insufficient space to accommodate stock over summer
- 48% of growers report have insufficient growing infrastructure to accommodate stock over summer
- 17% reported disposing of stock to waste streams to reduce stock volume

SOUTH AUSTRALIA:

- 89% holding more stock vs. Spring 2019 (average increase 36%)
- 17% of growers have insufficient space to accommodate stock over summer
- 28% of South Australian growers report having insufficient growing infrastructure to accommodate stock over summer
- 17% reported disposing of stock to waste streams to reduce stock volume

TASMANIA:

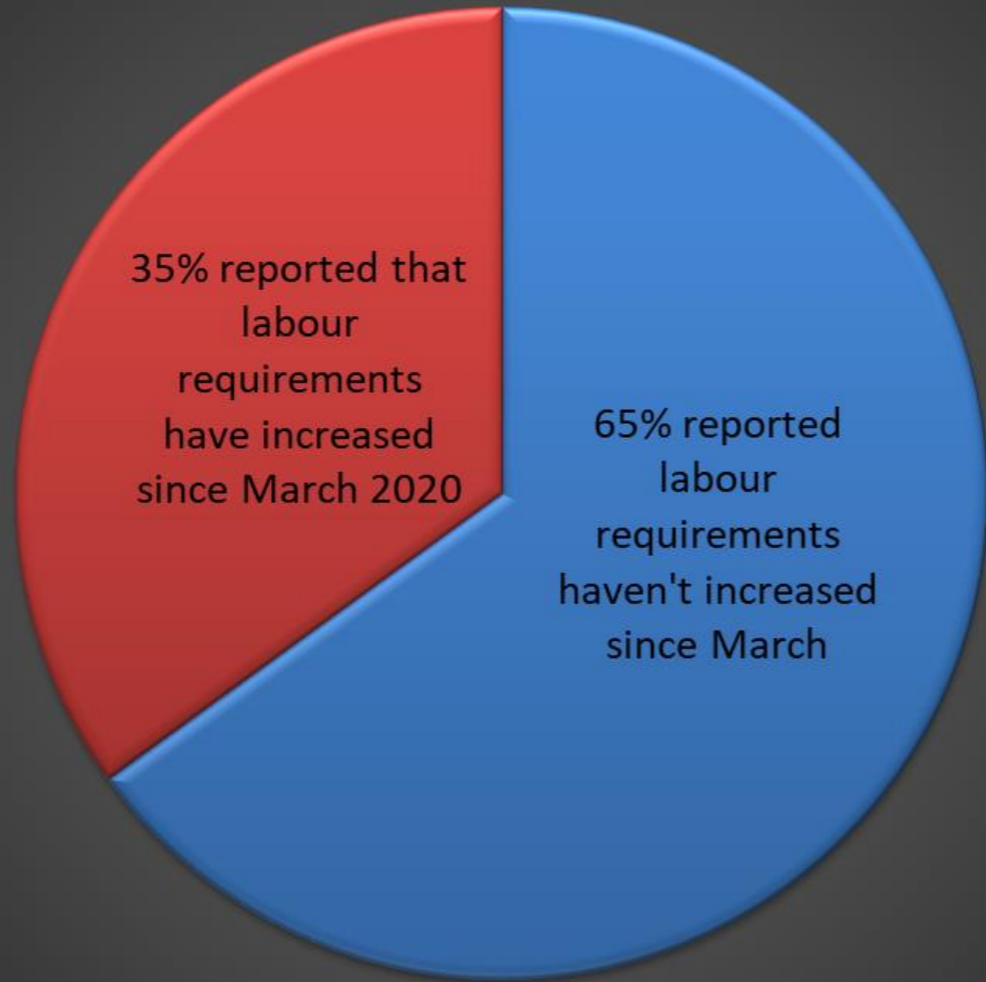
- 67% holding more stock vs. Spring 2019 (average increase 36%)
- 11% of growers have insufficient space to accommodate stock over summer
- 11% of Tasmanian growers report having insufficient growing infrastructure to accommodate stock over summer
- 0% reported disposing of stock to waste streams to reduce stock volume



LABOUR & FREIGHT

LABOUR REQUIREMENTS SINCE MARCH 2020

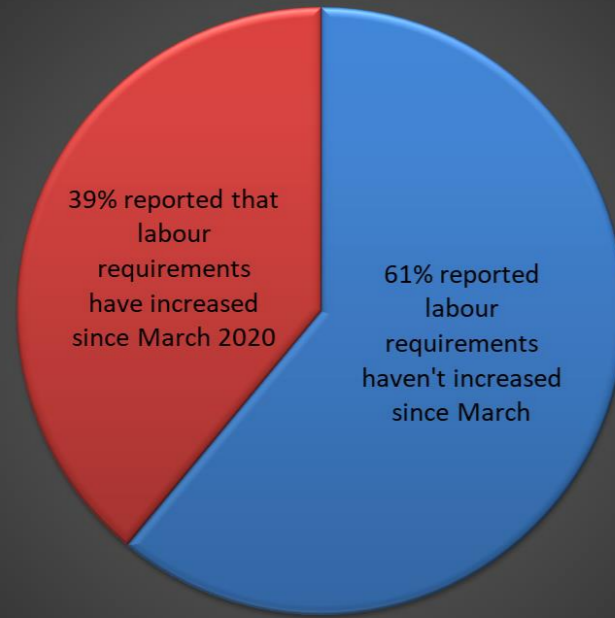
National (n=49)



- 35% report that labour requirements have increased since Covid-19 first started impacting markets in March 2020
- Average increase in labour requirements of +15% since March 2020

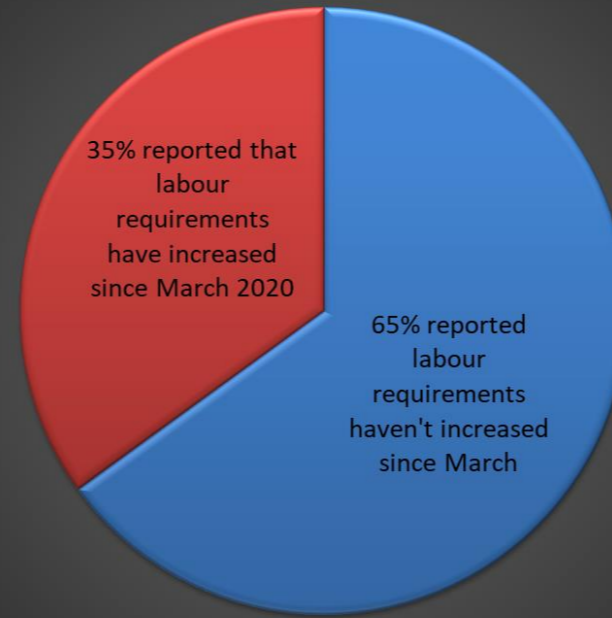
LABOUR REQUIREMENTS SINCE MARCH 2020

NSW (n=23)



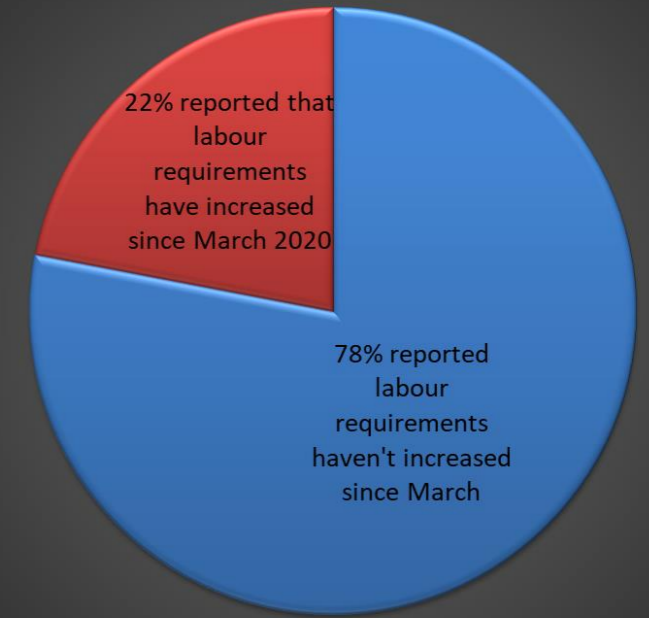
Average increase in labour requirements of +16% since March 2020

SA (n=17)



Average increase in labour requirements of +20% since March 2020

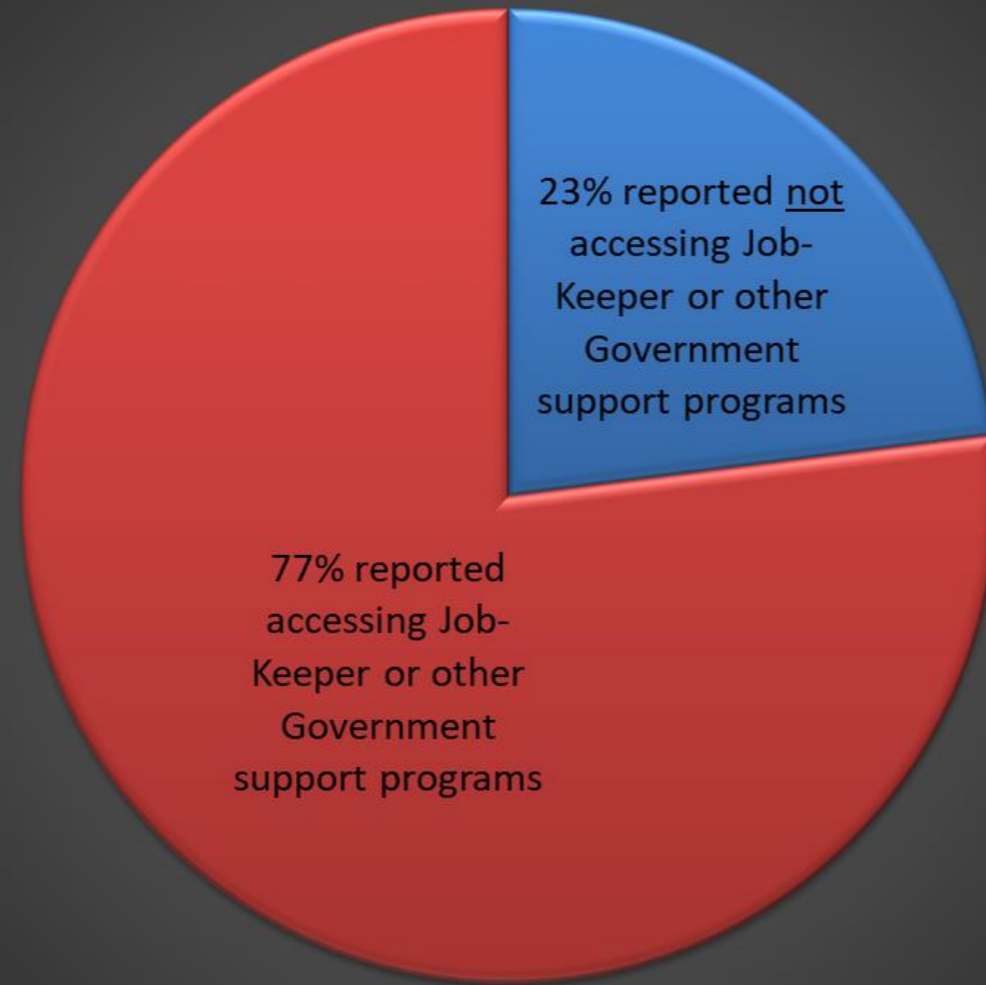
TAS (n=9)



Average increase in labour requirements of +7% since March 2020

GOVERNMENT SUPPORT / JOBKEEPER

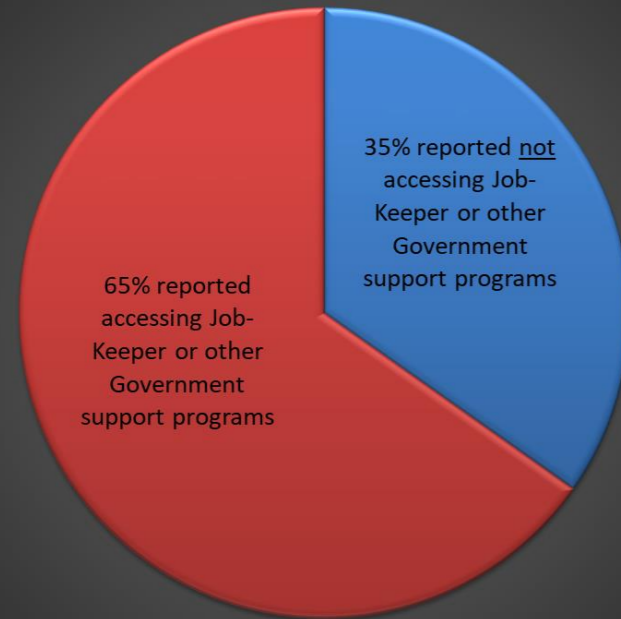
National (n=48)



- 23% reported not-accessing Job-Keeper or other Government support programs

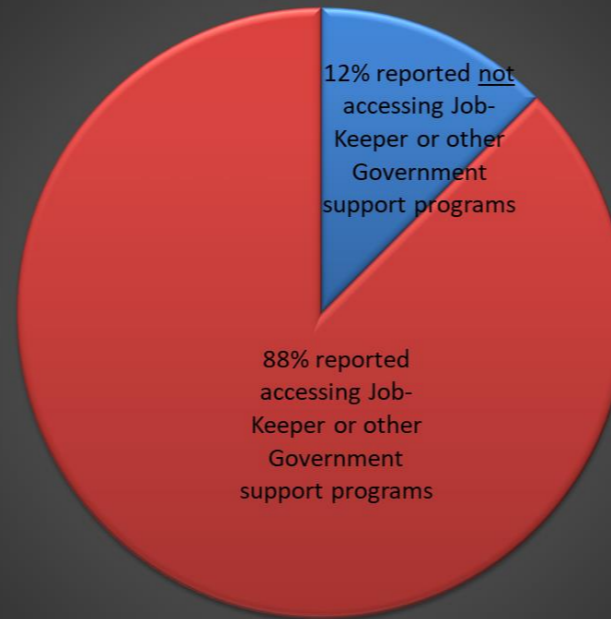
GOVERNMENT SUPPORT / JOBKEEPER

NSW (n=23)



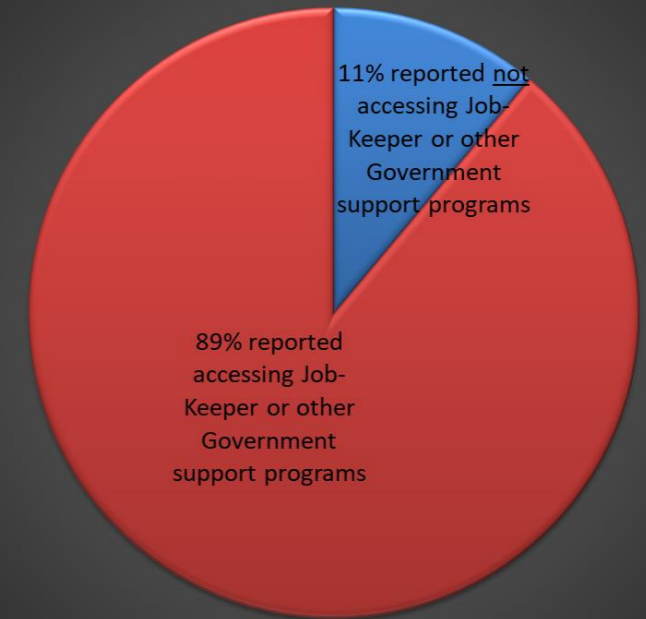
35% reported not-accessing Job-Keeper or other Government support programs

SA (n=16)



12% reported not-accessing Job-Keeper or other Government support programs

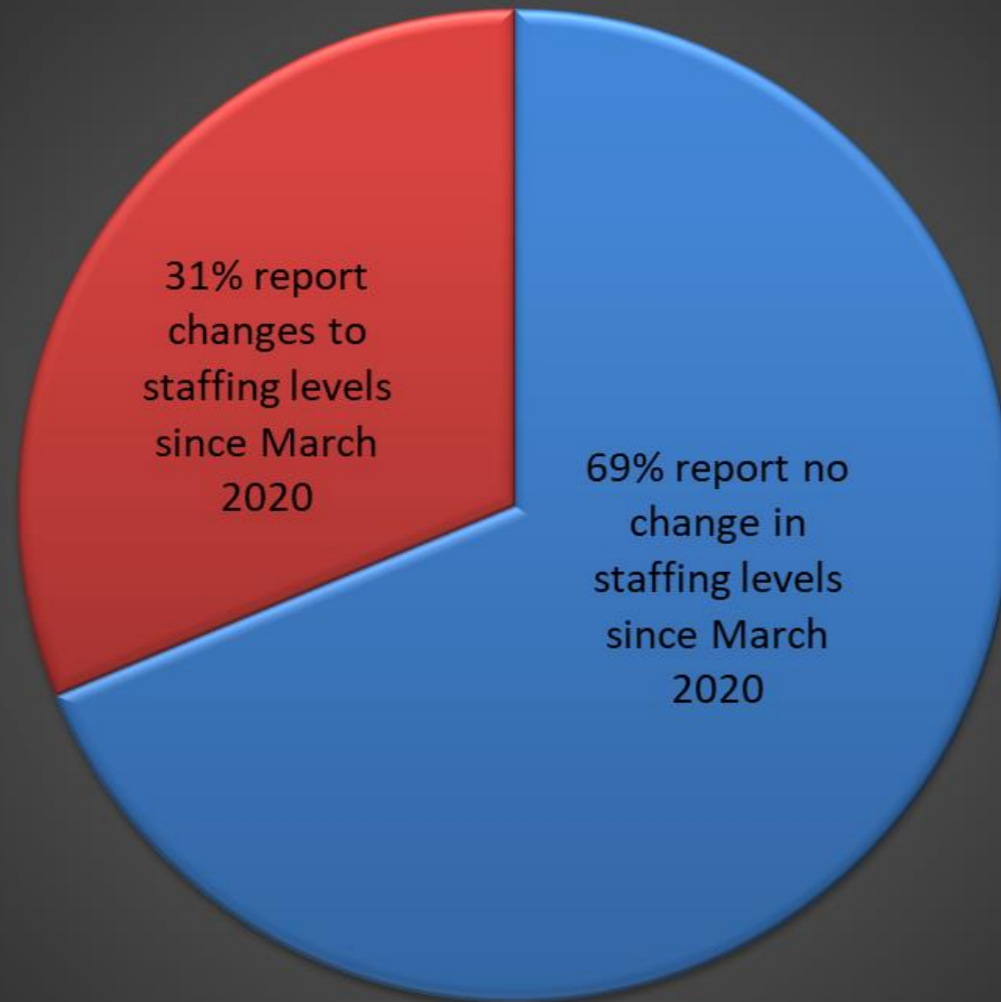
TAS (n=9)



11% reported not-accessing Job-Keeper or other Government support programs

STAFFING LEVELS

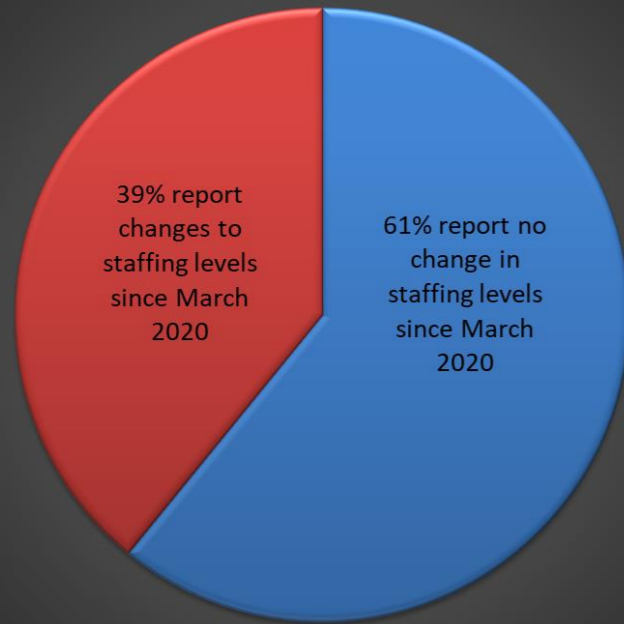
National (n=48)



- 31% reported changes to staffing levels since March 2020
- Of those that reported changing staff levels:
 - ~50% have lost staff
 - ~50% have recruited

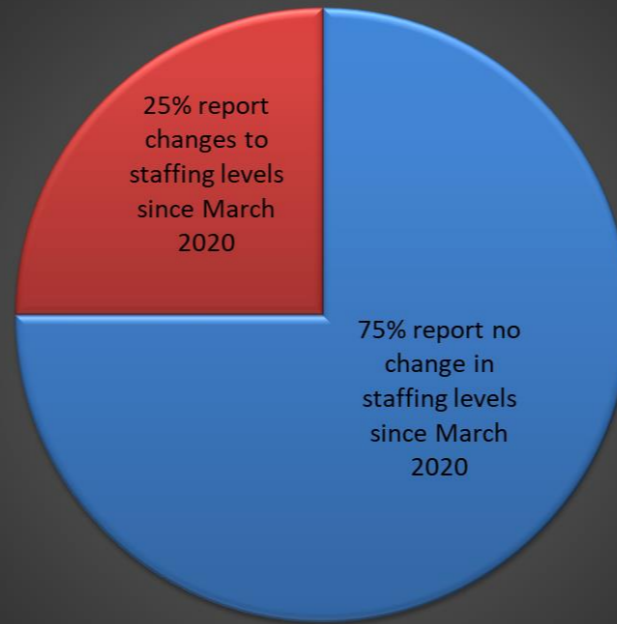
STAFFING LEVELS

NSW (n=23)



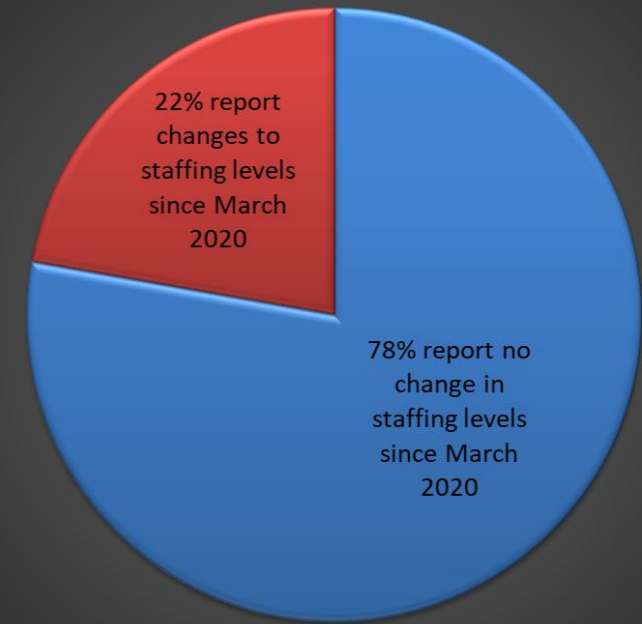
39% reported changes to staffing levels since March 2020

SA (n=16)



25% reported changes to staffing levels since March 2020

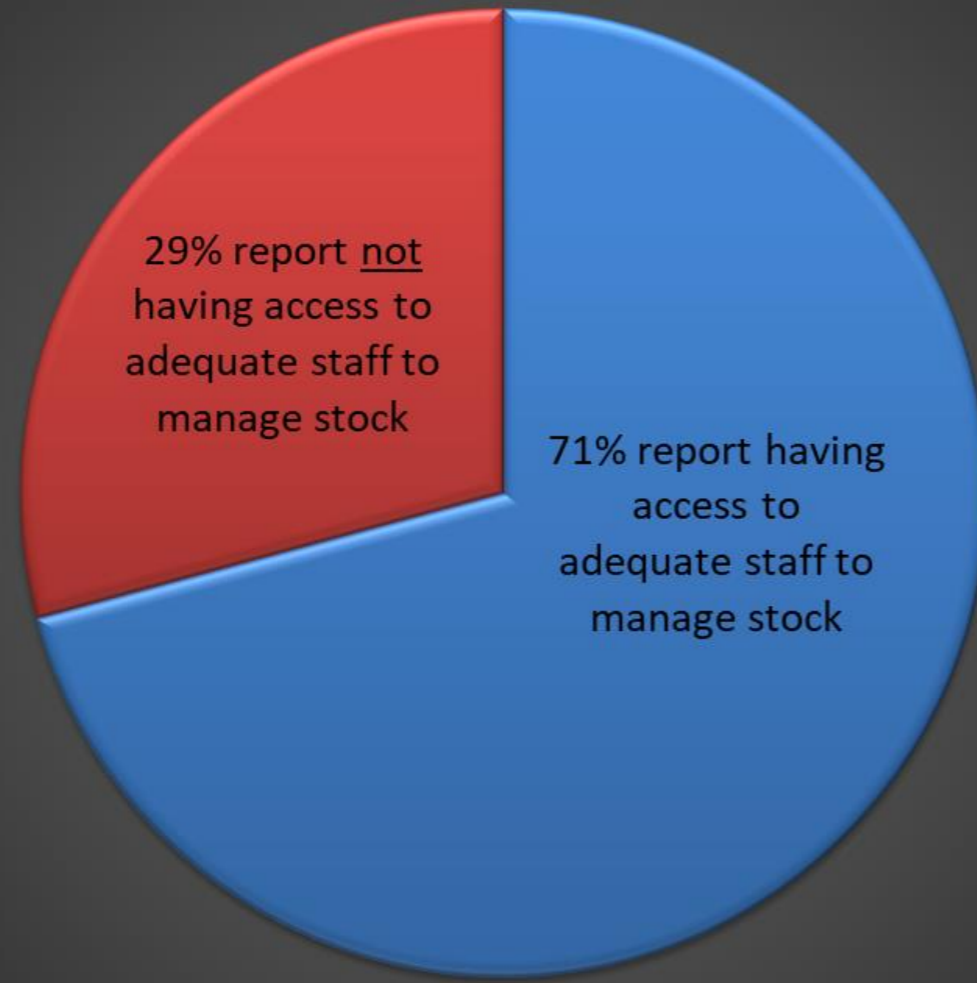
TAS (n=9)



22% reported changes to staffing levels since March 2020

ACCESS TO ADEQUATE STAFF & TRAINING NEEDS

National (n=48)



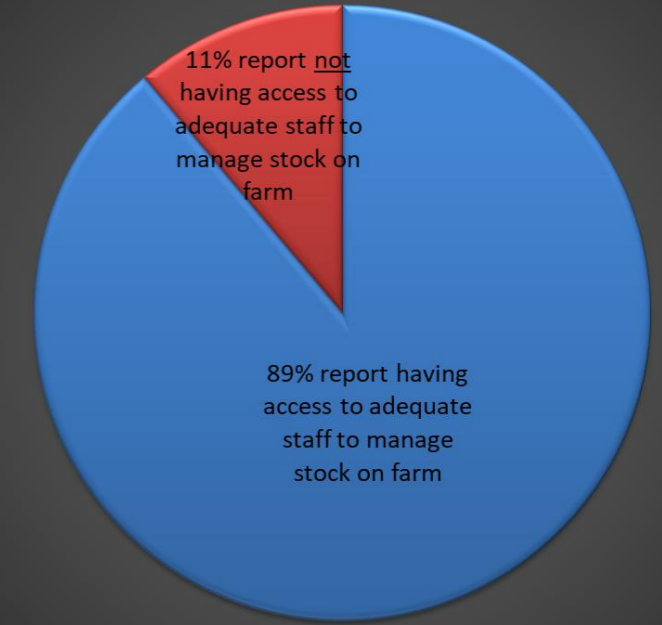
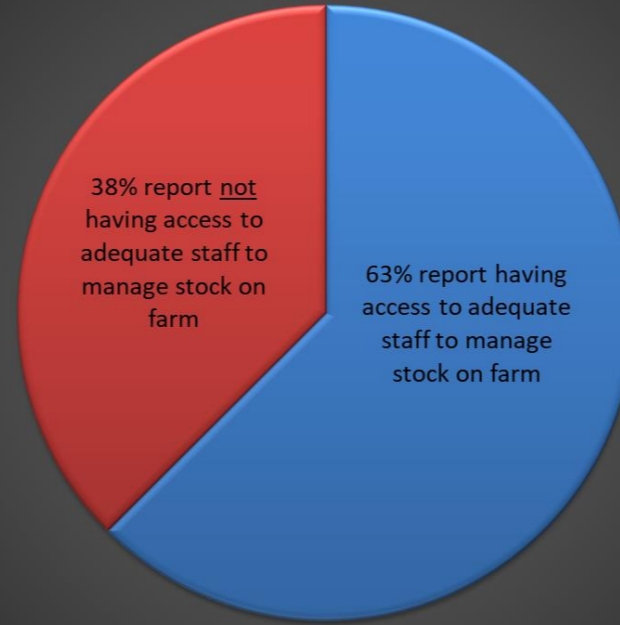
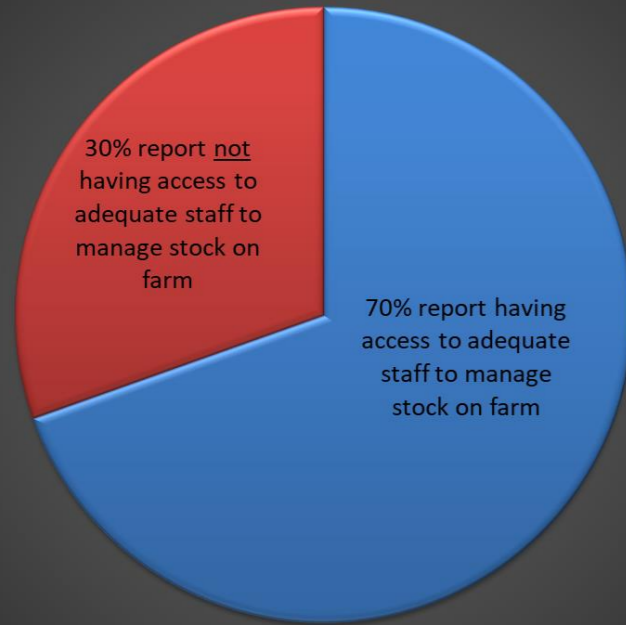
- 29% report not having access to adequate staff to manage stock on farm
- Training needs identified include:
 - Exemption 38 tickets
 - Forklift licences

ACCESS TO ADEQUATE STAFF & TRAINING NEEDS

NSW (n=23)

SA (n=16)

TAS (n=9)



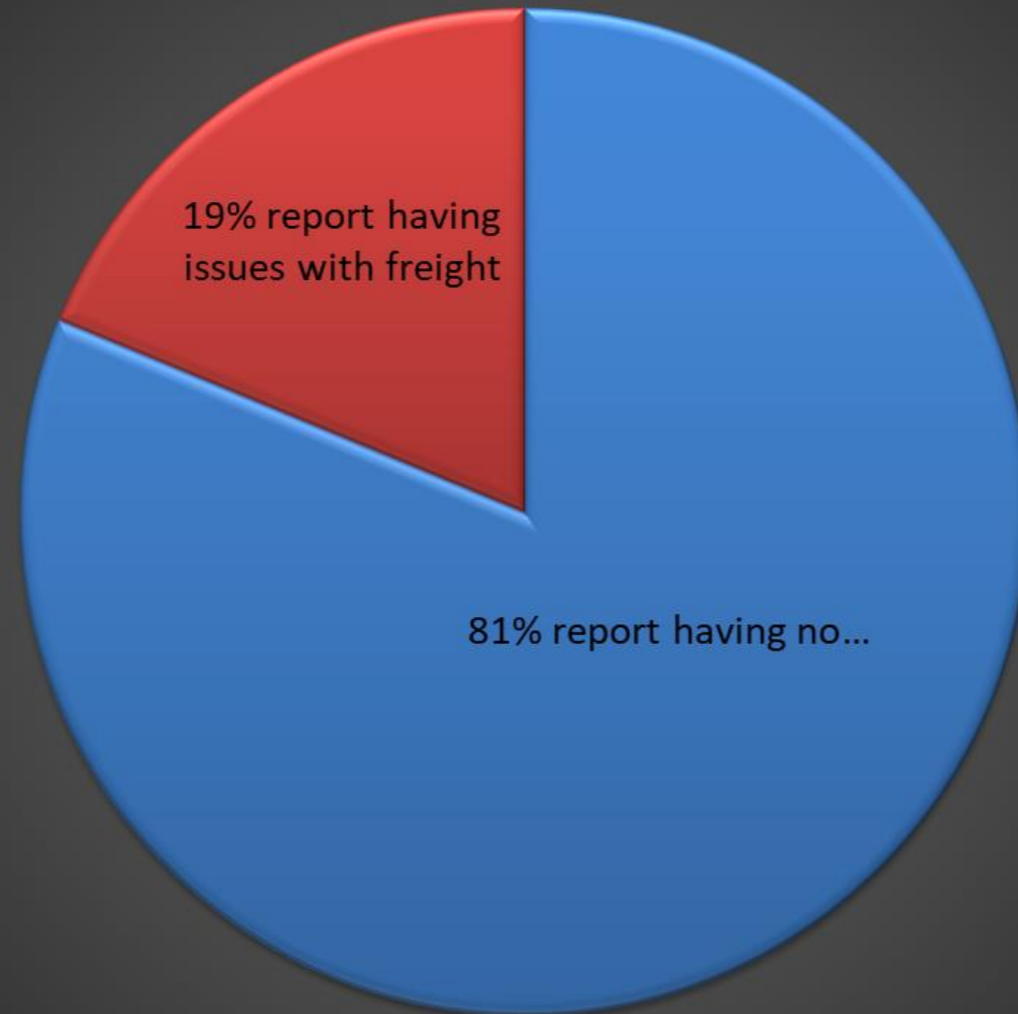
30% report not having access to adequate staff to manage stock on farm

38% report not having access to adequate staff to manage stock on farm

11% report not having access to adequate staff to manage stock on farm

FREIGHT

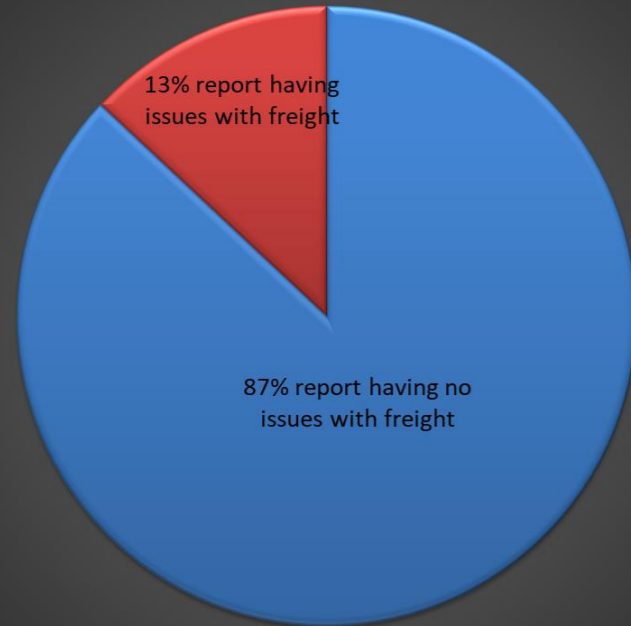
National (n=48)



- 19% report having issues with freight
- These relate to locality and are largely state specific (see next page)
- Freight issues cited are not necessarily a result of the Covid-19 pandemic

FREIGHT

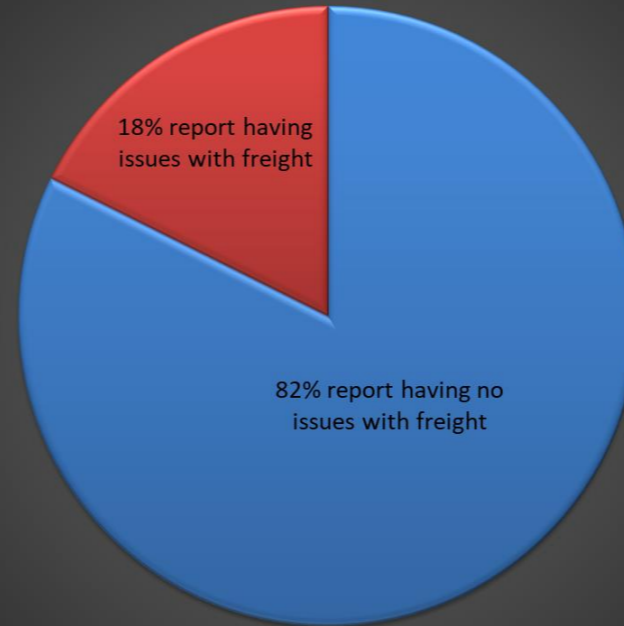
NSW (n=23)



13% report having issues with freight:

- Slow delivery times
- Limited options

SA (n=17)



18% report having issues with freight:

- No overnight interstate service
- Additional costs & delays
- Mostly non-refrigerated

TAS (n=8)



38% report having issues with freight:

- Increased cost due to reduced transport options
- Unreliable delivery
- Restricted flight capacity for export markets
- High cost to export freight

LABOUR & FREIGHT– SUMMARY

NATIONAL:

- Average increase in labour requirements of +15% since March '20
- 23% have not accessed Job-Keeper for other Government support programs
- 31% report a change in staffing levels since March '20, with an equal number of farms recruiting & losing staff. FTE's in / out are also balanced.
- 19% report having issues with freight, many of which pre-date Covid

NEW SOUTH WALES:

- Average increase in labour requirements of +16% since March '20
- 35% have not accessed Job-Keeper for other Government support programs
- 39% report a change in staffing levels since March '20
- 30% report not having access to adequate staff to manage stock
- 13% report having issues with freight

SOUTH AUSTRALIA:

- Average increase in labour requirements of +20% since March '20
- 12% have not accessed Job-Keeper for other Government support programs
- 25% report a change in staffing levels since March '20
- 38% report not having access to adequate staff to manage stock
- 18% report having issues with freight

TASMANIA:

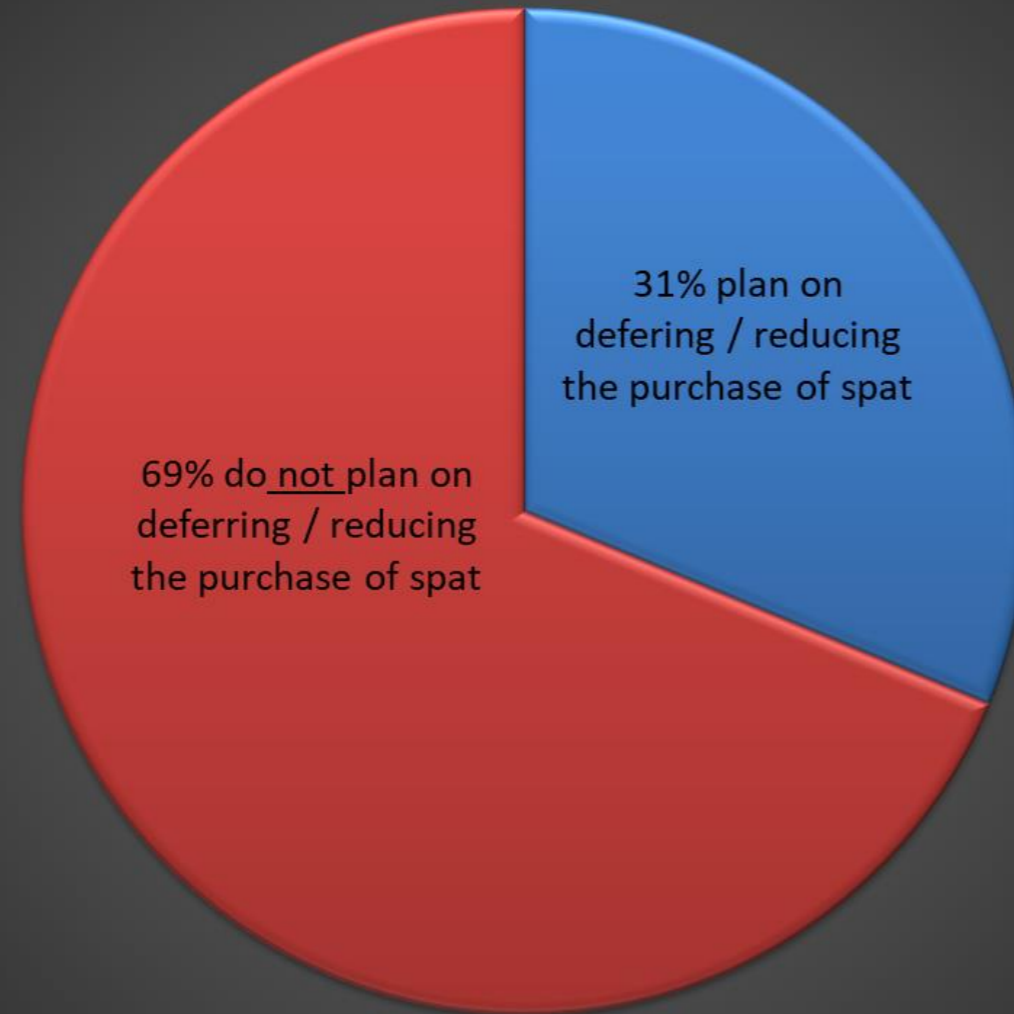
- Average increase in labour requirements of +7% since March '20
- 11% have not accessed Job-Keeper for other Government support programs
- 22% report a change in staffing levels since March '20
- 11% report not having access to adequate staff to manage stock
- 38% report having issues with freight



SPAT

PURCHASING SPAT (HATCHERY / WILD-CAUGHT)

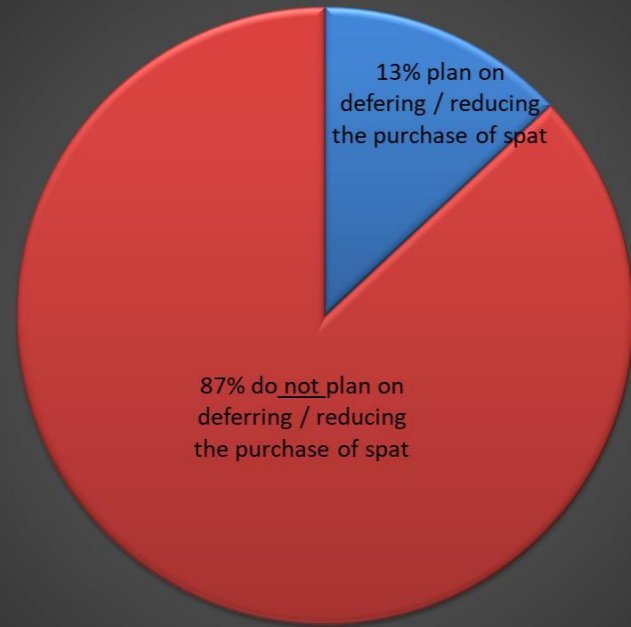
National (n=48)



- 31% plan on deferring or reducing the purchase of spat
- Of those deferring or reducing the purchase of spat, the reasons cited include,
 - Cash-flow (66%)
 - Concerns about market recovery & farmgate price (60%)
 - Insufficient lease space (47%)
 - Insufficient cultivation gear (27%)
 - Labour requirements (13%)

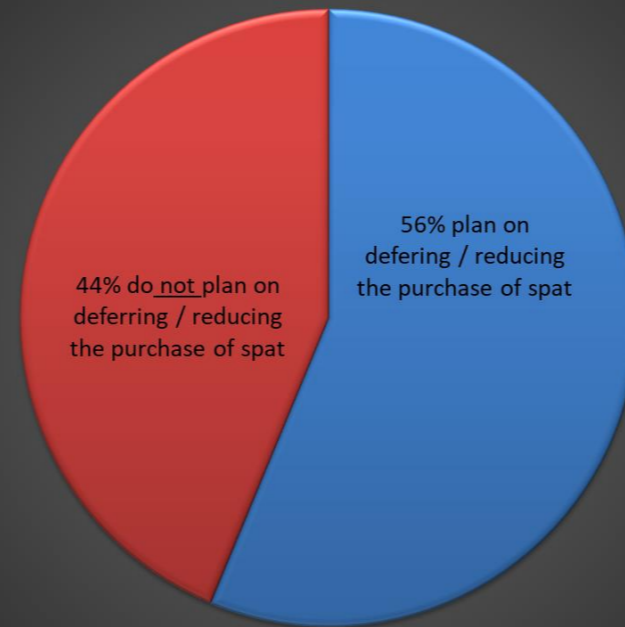
PURCHASING SPAT (HATCHERY / WILD-CAUGHT)

NSW (n=23)



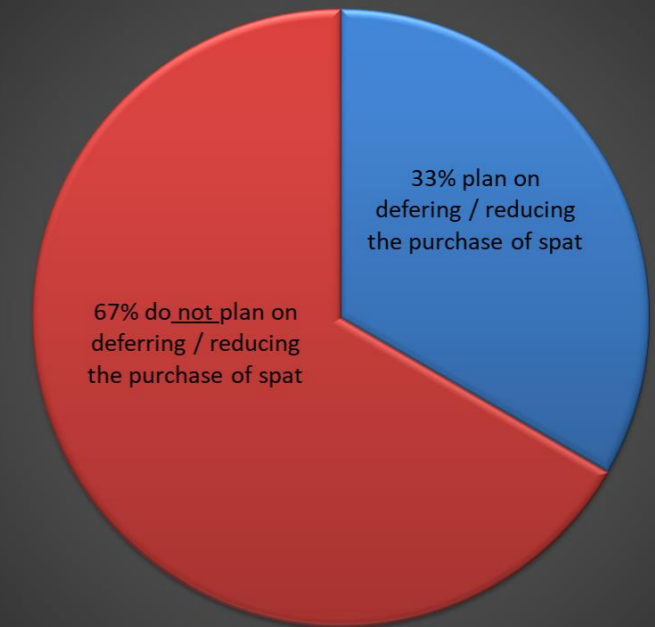
13% plan on deferring or reducing the purchase of spat

SA (n=16)



56% plan on deferring or reducing the purchase of spat

TAS (n=9)



33% plan on deferring or reducing the purchase of spat

SPAT – SUMMARY

NATIONAL:

- 31% plan on deferring / reducing purchase of spat
- Large variability across states
- Primary reasons include cash-flow, concerns about market recovery & insufficient lease space

NEW SOUTH WALES:

- 13% plan on deferring / reducing purchase of spat

SOUTH AUSTRALIA:

- 56% plan on deferring / reducing purchase of spat

TASMANIA:

- 33% plan on deferring / reducing purchase of spat



2019-210 Oyster industry response to the Covid 19 Crisis is supported by funding from the FRDC on behalf of the Australian Government

Thanks to the South Australian Oyster Growers Association, Oysters Tasmania & the NSW Farmers Association for assistance in distributing this survey, and encouraging oyster farmers to contribute.



ATTACHMENT 4

Industry Situation Summary – July 2020

Ongoing support to keep our people working



AUSTRALIAN OYSTER INDUSTRY

550 oyster farms

850 direct jobs

2,700 total jobs

\$127 million from farm value

\$500million* farm and flow-on value

The Australian oyster industry provides significant economic benefits in the regional and remote communities where it is based. The flow-on impacts of the employment we provide supports schools, businesses and services in these areas.

Most oyster production occurs in NSW, Tasmania and South Australia, but there is an emerging tropical industry in Queensland, Northern Territory and Western Australia.

What are we seeking?

Oysters Australia is advocating for the Australian Government to extend the JobKeeper initiative, or an equivalent scheme to the Australian oyster industry. This will enable us to:

- Keep our trained and skilled workers employed
- Cover the increased costs of keeping stock alive
- Be prepared for industry recovery
- Continue to support regional and remote communities where we operate

How are we faring?

The oyster industry has been rocked by recent events, whether it's a family business selling oysters from their farm in NSW, an ASX listed company in SA selling to the national wholesale market or a shellfish hatchery in Tasmania providing spat for farmers.

Heavily reliant on the tourism and hospitality sectors, national sales dropped by 90% in the early days and remain about 70% down on normal sales volume.

As it is widely acknowledged that the tourism and hospitality sectors will be slow to recover, this will impede the recovery of our important regional industry.

The major producing states of NSW, Tasmania and South Australia were in various states of recovery before the pandemic struck. This includes the impacts of oyster diseases such as the Pacific Oyster Mortality Syndrome in SA and Tasmania and bushfires in NSW.

This has exacerbated the impacts of COVID-19.

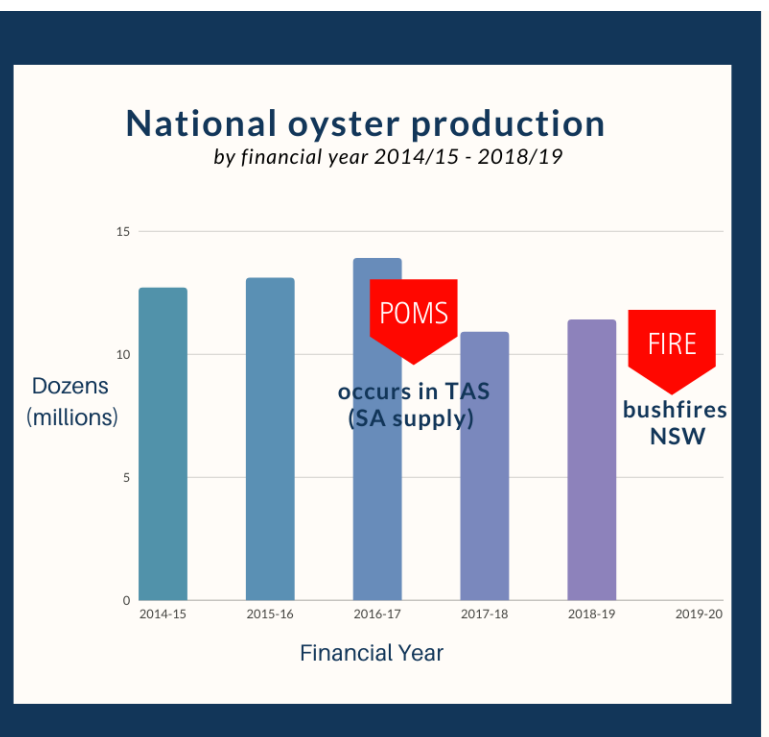
Why is there more work?

As oysters take years to grow to market size, farmers have multiple generations in the water at any time and purchase oyster seed or juvenile oysters to replace sold stock. Stock of all sizes requires continual working and grading by our skilled workers to maintain oyster health and quality.

Despite cash-flow dropping precipitously the operational costs in farms and hatcheries have increased due to a backlog of product.

Recovery of our industry will be dependent on having the resources to retain staff and keep our product alive. JobKeeper has helped us do both.

Andy Myers
Executive Officer, Oysters Australia
June 2020
management@oystersaustralia.org



ATTACHMENT 5

Supply Chain Report by P. Sperou

OYSTERS AUSTRALIA – WHOLESALERS REPORT

The following parties were contacted to share their experience, industry knowledge and ideas in relation to oyster sales amidst the restrictions forced by Federal and State Governments,

- Wholesalers; Businesses that sell to hotels, pubs, restaurants, foodservice and retail outlets.
- Processors; Process seafood and wholesale it.
- Distributors; Businesses that sell to wholesalers and processors.
- Seafood Retailers; Seafood retail shops.
- National Importer/Distributor; Import seafood and sell to wholesalers.
- Major Retail Chain Seafood Buyer; Majors are WW, Coles, Aldi, COSTCO etc
- Restaurants;
- Exporters;
- Freight Forwarder/Seafood Trader;

They represent a cross section of the supply chain, market and consumers, post harvest. The actions brought about by the government to curb Coronavirus have drastically reduced the performance of many businesses and shut down others. All have been impacted. To some survival is now the priority.

All the information that follows is based purely on comments from the businesses herewith.

The Supply Chain

All the businesses were positive with regards to the dynamic of the supply chain. The supply chain is a combination of growers supplying live oysters to:

- 1 Distributors (agents). A distributor has the capacity to buy pallets of live oysters and in turn delivers smaller parcels to processors, wholesalers and retailers, thus consolidating freight and cold storage.
- 2 Processors. The processor consolidates freight, cold storage, shucks and distributes oysters to wholesalers, retailers and food service (restaurants, pubs and hotels). Many of the processors are able to contract open, pack and snap freeze oysters and welcome the opportunity to do so.
- 3 End users, being retailers, supermarkets, food service and personal consumers.

Many of the businesses are distributors, wholesalers and processors. Each step of the supply chain adds value. Long term supply relationships exist between growers, distributors, wholesalers and processors facilitating the ability to grow markets.

The Market

Restaurants, hotels and food service, were forced to close their doors due to the Coronavirus pandemic, are now left devastated. Wholesalers and processors supplying them have naturally lost sales ranging from 50% to 85% of their total sales. The majority of sales are half shell oysters. The greater the dependence is on restaurants and hotels, the greater is the loss. "POMS virus destroyed the supply, Coronavirus the demand." Restaurants, hotels and foodservice represent 60% of total oyster sales. This market has now been wiped out.

OYSTERS AUSTRALIA – WHOLESALERS REPORT

Retail outlets are the fresh seafood retail shops, wet markets and supermarket seafood outlets. As they are still open for business, sales continue. Response from retail shops varied reporting up to a 60% decrease in sales. They represent 30% of the total oyster sales. Retailers are supplied by growers, distributors, wholesalers and processors. The supply is for both live and half shell.

National importers and distributors sell frozen seafood to wholesalers, distributors, national retail chains and larger buyers generally. They are capable of purchasing volumes of frozen, shucked oysters that can be shipped to remote regions where it is difficult to procure fresh. They also compete with Australian oyster sales because they import frozen NZ oysters. When fresh oysters are either not available, suffer quality issues or when demand far exceeds supply, during the Xmas season, frozen oysters fill the void. Processors supply them with frozen half shell oysters. Depending on what state they are in, they are experiencing a downturn in sales of 50% to 85%.

Export markets do exist but they appear to be price sensitive niche markets. Export markets want quantity and quality and do compete on price against suppliers from other countries. Packaging requirements must meet the demands of the buyer and not what we want to send.

Concerns and ideas

- 1 Restaurants, hotels and foodservice forced to shut down are having catastrophic effect upon the oyster industry. 60% of the oyster market has been wiped out.
- 2 Suppliers to restaurants, hotels and food service require only 10% to 15% of their normal supply.
- 3 Suppliers to retailers, wet shops and supermarket outlets require only 60% of their normal supply.
- 4 Many of the processors, wholesalers and distributor still carry frozen stock from Xmas that is paid for but not possible to sell in the current climate.
- 5 Suppliers to restaurants and other closed venues have outstanding debts that may not be recoverable causing cash flow problems that could intrude into the supply chain.
- 6 Grading and quality concerns echoed from all in the supply chain. It is important that both are consistent. A plump fresh oyster is mouth watering.
- 7 Oyster sales compete against other seafood that is both more profitable and versatile than oysters in restaurant, pub, hotel and food service venues. Competition comes from farmed salmon, prawns, squid, mussels, half shell scallops etc.
- 8 Competition from other proteins apart from seafood is based on profitability.
- 9 Oysters appear mainly as entree and not main course on menus making them less versatile. Other seafood can easily be an entree and main course offering.
- 10 Oysters have been deleted from many menus due to price. A restaurant must double the cost of oysters to make them viable. They do appear on specials boards where the operator may use oysters as a lost leader.
- 11 Are oysters value for money? This was mentioned on numerous occasions. Is it perception or fact? Why do restaurants sell oysters by the unit?
- 12 Perception of oysters as a luxury food. In the past oysters were considered food of the common man.
- 13 How much have oysters increased in price since POMS?

OYSTERS AUSTRALIA – WHOLESALERS REPORT

- 14 In retail outlets oysters must be price pointed, \$19.99 per doz as compared to \$20.50 per dozen. One retailer mentioned these figures. Once over the \$20 threshold sales plummeted.
- 15 Perception the middle man is making too much money. In this case the middleman is the processor. The on costs of processing include QA, running and maintaining a processing facility, vehicles and staff. Nearly all processors/wholesalers sell a variety of products and value add creating efficiencies which in turn benefit the customer.
- 16 Hotels, Restaurants and Pubs looking to buy direct from Growers. This is to cut out the middle man.
- 17 Growers selling direct to consumers at farm gate prices. Pricing needs to be structured so that the buying power of a distributor compared to that of an end user is reflected in the buying price. Many distributors buy the majority of a grower's harvest.
- 18 Collapse of farm gate price due to downturn in market and oversupply.
- 19 Competition from frozen NZ oysters.
- 20 Competition from interstate oysters.
- 21 No business contacted was willing to commit funds to a national promotion campaign. Many do their own promoting and advertising.
- 22 Air freight for the export market is problematic. Freight is not available and the cost has more than doubled as carriers no longer service markets. As an example, the cost of freight for electrical components rose from \$4 to \$28. Oysters cannot sustain such an increase. Sea freight is still competitive though.
- 23 Tourism, will it get back to what it was? Tourists fill restaurants, hotels and cafes.
- 24 What are the buying habits of Australians now? Commodities? Disposable income?
- 25 Variety of QA systems to be complied with.
- 26 High pressure machine, high volume oyster processing to open and extend shelf life. Great for large volume processing.

Recommendations

- 1 Price versus consumption, lower the farm gate price to stimulate the existing market being,
 - a. All seafood retailers and major supermarkets,
 - b. Takeaways,
and for
 - c. Restaurants, hotels and pubs, once open to put oysters back on their menus where they belong.
- 2 The use of Point of Sale material in the retail market,
 - Fresh seafood outlets
 - Supermarket seafood departments selling fresh, frozen and tray packed
 - Grocery stores
 - Fresh gourmet food stores
 - Butcher shops now selling seafood

OYSTERS AUSTRALIA – WHOLESALERS REPORT

- Point Of sale material will create awareness, educate customers and sell more oysters.
- 3 Oysters Australia to create a National oyster marketing campaign as it was well received.
 - 4 Develop a frozen oyster retail pack for national supermarkets. An opportunity exists for value added. SKUs in supermarket freezer departments are limited and demand a premium GP so must be priced accordingly
 - 5 Optimize the consumption of oysters at every opportunity. Oysters appear mostly as an entree on menus but appearing as a main course on menus will raise the level of consumption. Engage culinary experts and chefs to promote oysters as ideal ingredients for breakfast, lunch and dinner.
 - 6 Oysters Australia should facilitate industry meetings to discuss the many concerns and opportunities facing the industry. Meetings should include representatives from all levels of the supply chain.
 - 7 Platform for on line selling, farm to consumer.
 - 8 Research into increasing the shelf life of processed oysters. This will have far reaching results.
 - 9 Research the possibility of a one for all Food Safety QA system protecting growers to consumers.
 - 10 Develop export markets.

Marketing and Promotion, ideas mentioned

National campaign, Education, Culture, Lifestyle – compare it to the wine industry

Social Media

Education

Online selling platform

Make oysters a desired product, increase domestic consumption

Health benefits of oysters

Clean environment, pristine waters

Point Of Sale ideas mentioned

- a. Labels depicting farm, location and flavour nuances.
- b. The health aspect of oysters.
- c. Shucking demonstrations.
- d. Recipe leaflets.
- e. In store videos.
- f. Oyster samples, get consumers to try them.
- g. Quality, shop with your eyes.
- h. Sustainability.

OYSTERS AUSTRALIA – WHOLESALERS REPORT

- i. Clean and green.
- j. Posters.
- k. Packaging.
- l. Branding oysters.

A typical example of the response received

An oyster wholesaler/processor shared the following. We are now operating at 10% of pre Coronavirus pandemic. Only 25% of our oyster shuckers are employed they open just 10% of what was normal. Sales are dependent on restaurants and hotels and they are closed. Cash flow is further hindered by outstanding debts with little or no chance to collect. Once normality is back can restaurants and hotels depend on tourism? “No tourists, no trade.” The result is devastating.

QA

Oysters are a high risk product demanding the safety of a HACCP based QA Policy. Major retailers Coles, WW, COSTCO, Aldi all have their own QA Policies that suppliers must comply with. Any processor supplying more than one retailer must satisfy multiple QA Policy procedures. QA Policies vary from the demands of a customer to those demanded by local councils. They are expensive and complex to administer. A single Australia wide QA Policy to shadow all seafood processors will save the industry time and money. Above all it will level the playing field and ensure food safety.

Supply

60% of oysters in Australia supply

- Hotels
- Restaurants
- Pubs
- Foodservice

They are supplied by Growers, Distributors, Wholesalers and Processors. Processors sell the majority as half shell oysters.

30% of the oysters in Australia supply

- Major Retailers (WW, Coles, COSTCO, Aldi, Independents etc)
- Wet Market Seafood Shops
- Seafood Retail Outlets

They are supplied by Growers, Wholesalers and Processors.

Up until the Coronavirus pandemic the major market was hotels, pubs, restaurants and food service accounts. That market has disappeared for now and until it is back operating who knows where the future level of supply will settle. The trend in tourism and disposable income will impact future sales.

The current active market, even though suppressed is the retail market. Customers of the retail market are the public. Every effort should be made to promote to and sell to the public. Pull through

OYSTERS AUSTRALIA – WHOLESALERS REPORT

marketing should be deployed. It is anticipated market share will increase because the public cannot dine out so will purchase oysters from a retailer.

Meetings representing all industry levels are necessary. Oysters Australia to facilitate. Growers, Distributors, Wholesalers, Processors, Exporters and Govt. Bodies should be present. From there branches can be established that seek information, present ideas and action agenda items that ultimately cut red tape, strengthen relationships, develop and enforce strategies, continue business as usual and promote sustainability and growth.

Those contacted are hands on operators, many time poor concerned for their businesses. Their focus is entirely on the current state of play and mitigating losses. Basically, they are all dealing with the short term and non committal to an unsure future as the extreme changes have been a shock.

Written and prepared by Peter Sperou

ATTACHMENT 6

National Oyster Market Report – July 2020

NATIONAL OYSTER REPORT

- July 2020 -



Oysters Australia is trialling the publication of a bimonthly National Oyster Report. The intent of the report is to increase transparency, facilitating access to information. The information presented below is a summary of feedback from each jurisdiction. Thanks to the South Australian Oyster Growers Association, Oysters Tasmania & NSW Farmers Association to help collect data.

If you have any feedback, or suggested improvements on future content, please contact Andy Myers on management@oystersaustralia.org.

Comments from the supply chain — Blue Harvest:

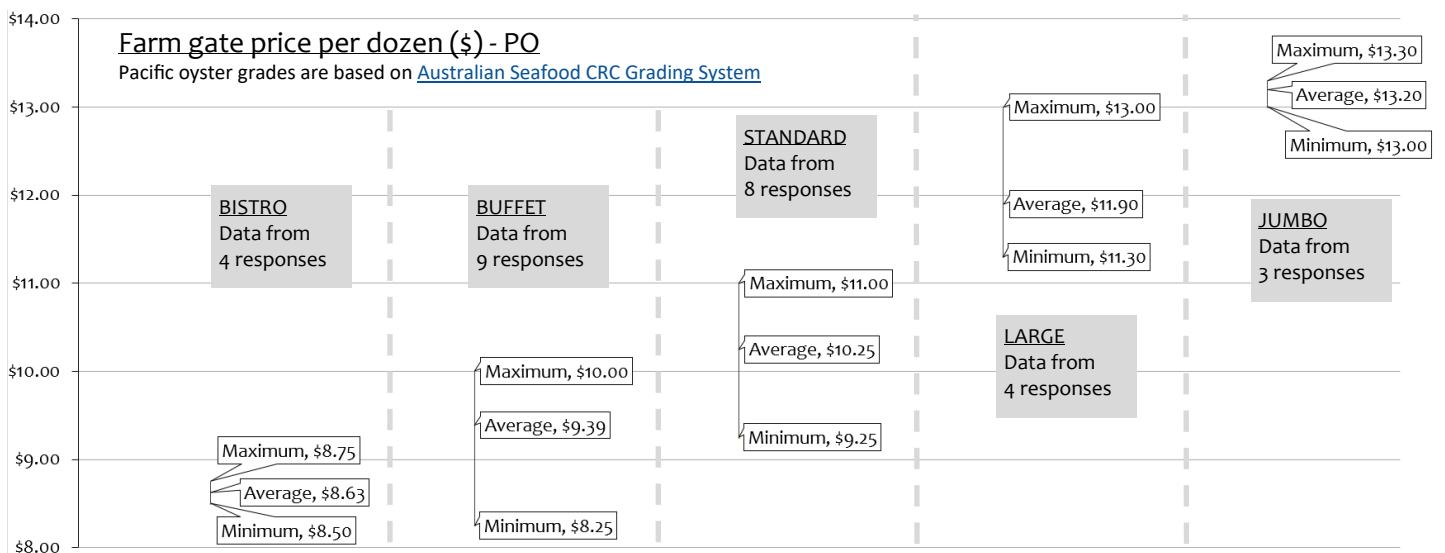
With the combination of winter slowing demand and COVID hospitality closures, demand has been well below historical levels for the past few months. This has correlated with an increase in supply from all States. Despite this situation causing some downward pressure on price, the most significant difference we have noted is the increasing quality expectations of customers, with little or no acceptance of oysters that are not in A-grade condition. Top quality oysters continue to sell well but those that are not at their best are struggling to find a home regardless of their price, and although demand will increase as we come into Spring and Summer, we believe this trend will remain for the foreseeable future.



www.blueharvest.com.au / 02 8355 4620

Tasmania

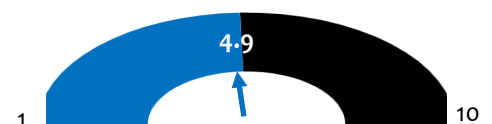
- 9 Responses received from Tasmania
- Insufficient data received on condition to include in this report



Comments

- Growth has backed off across most bays over winter
- For this time of year however, there has been some moderate growth on the back of rainfall events delivering nutrients to the coast
- Demand from the Melbourne market is fluctuating with Covid-19 restrictions

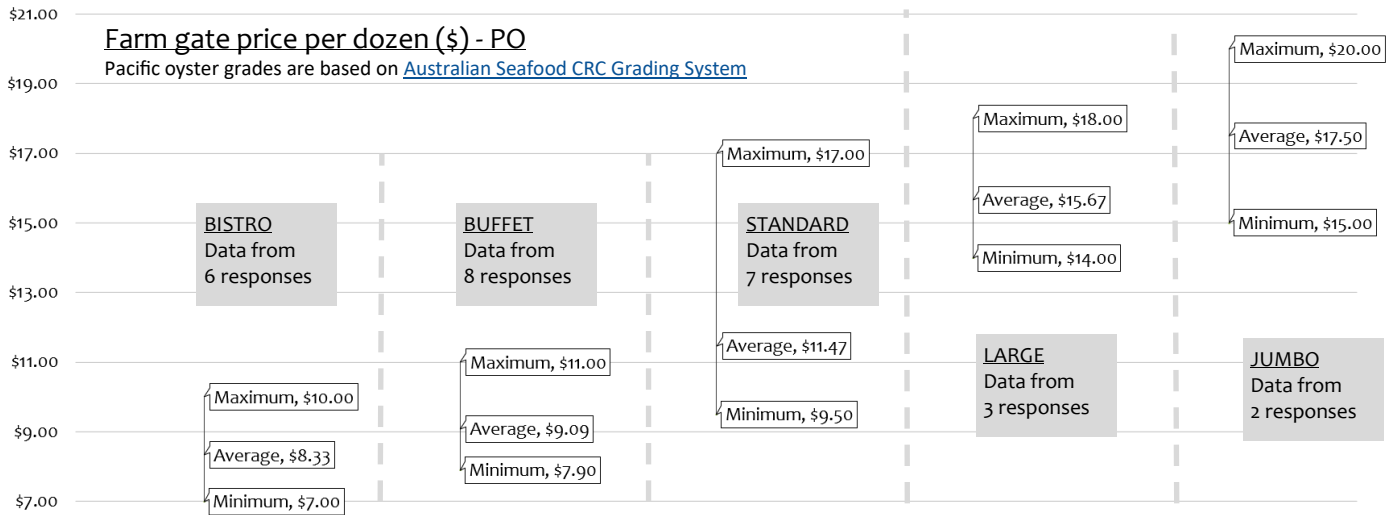
Relative production ie. volume of market ready stock compared to 2 months ago



- 1 = significantly less stock available
- 5 = production stable
- 10 = significantly more stock available

South Australia

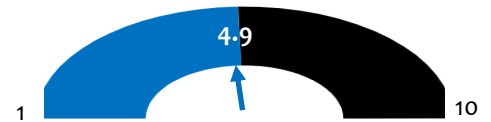
- 10 Responses received from South Australia
- Insufficient data received on condition to include in this report



Comments

- Reasonable winter growth, with some farmers reporting lifting stock to slow it down
- Excellent growing season reported in Coffin Bay with minimal mortality
- Good condition although food counts are relatively low

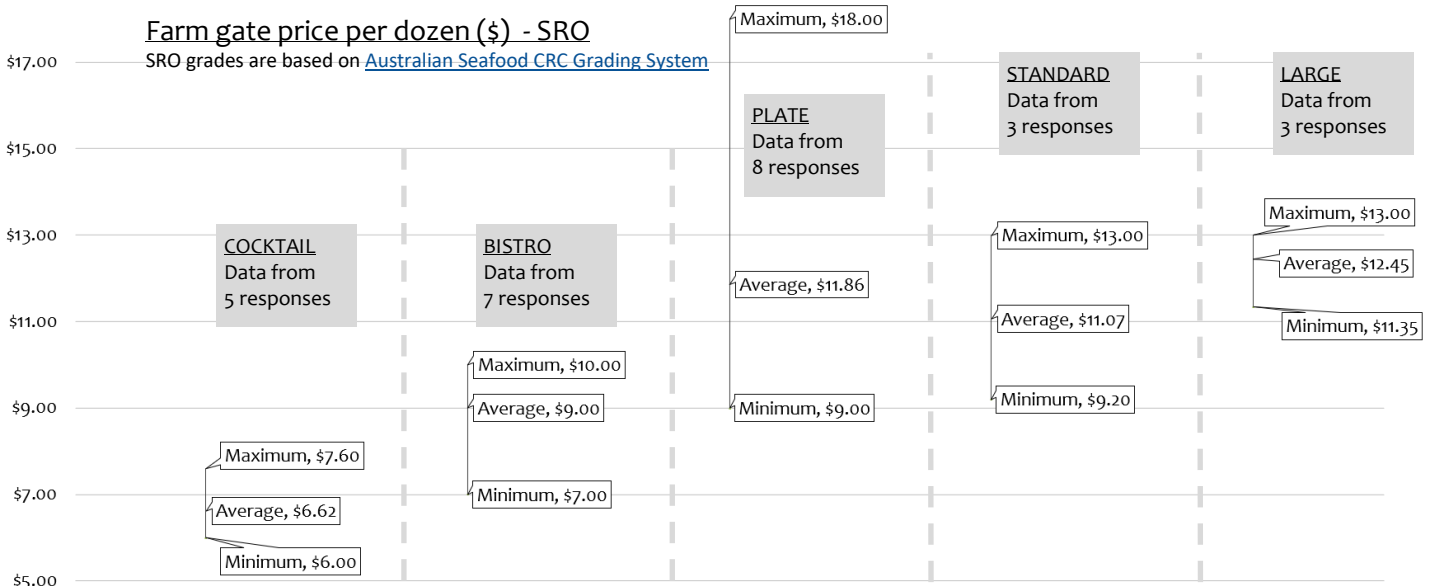
Relative production i.e. volume of market ready stock compared to 2 months ago



- 1 = significantly less stock available
- 5 = production stable
- 10 = significantly more stock available

New South Wales

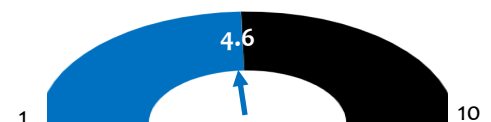
- 10 Responses received from New South Wales
- Insufficient data received on condition to include in this report



Comments

- Some growers reporting mortality (between 10-30%) related to ash impacts following the bushfires—especially in the south of the state
- Oysters have held good condition, although some areas reported multiple spawning events due to high tides
- Currently no evidence of significant winter mortality

Relative production i.e. volume of market ready stock compared to 2 months ago



- 1 = significantly less stock available
- 5 = production stable
- 10 = significantly more stock available

ATTACHMENT 7

National Oyster Market Report – Sept. 2020

NATIONAL OYSTER REPORT

- September 2020 -



Oysters Australia is trialling the publication of a bimonthly National Oyster Report. The intent of the report is to increase transparency, facilitating access to information. The information presented below is a summary of feedback from each jurisdiction. Thanks to the South Australian Oyster Growers Association, Oysters Tasmania & NSW Farmers Association to help collect data.

If you have any feedback, or suggested improvements on future content, please contact Andy Myers on management@oystersaustralia.org.

Comments from the supply chain — Blue Harvest:

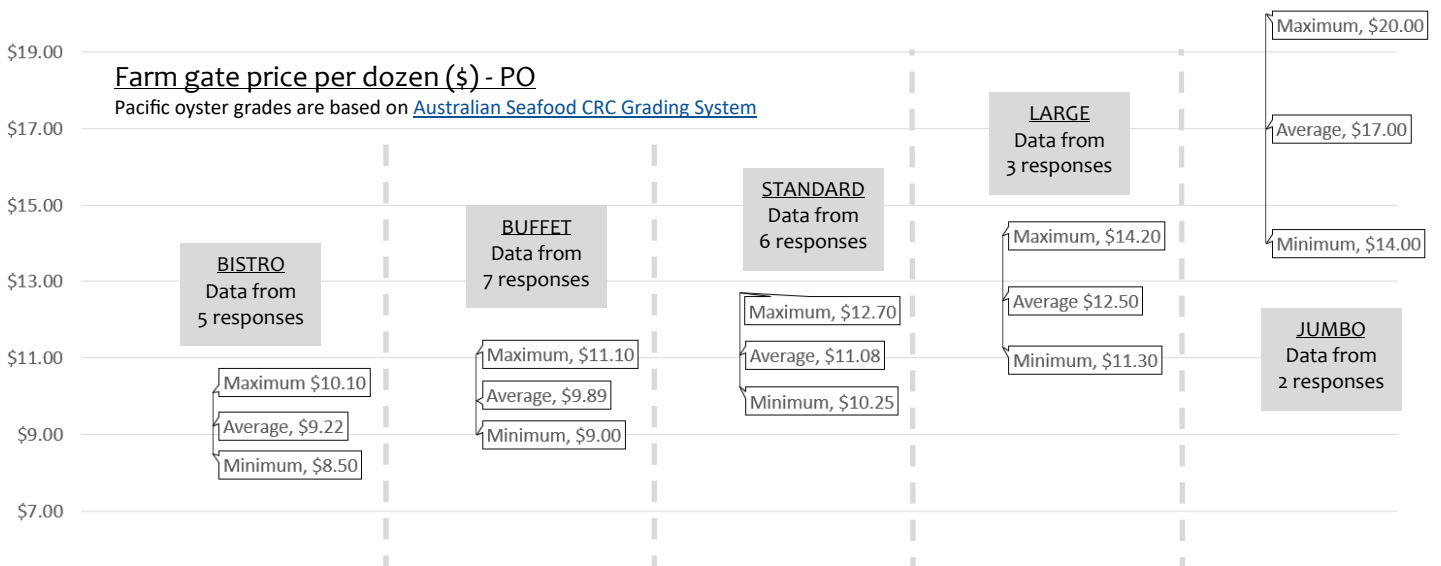
We have seen a continued increase in quality supply of Pacific Oysters coming from SA and TAS, but some drop off in the availability of Sydney Rocks over the last couple of months, however we expect this to change and the rocks to increase again in volume throughout October. Market demand is still below historical levels, however we are seeing some strengthening, as retailers' sales improve, and a slow but steady return to food service in NSW and QLD has begun. Prices have remained stable, however with supply exceeding demand, we are continuing to see an uncompromising expectation for A-grade size and condition from our customers.



www.blueharvest.com.au / 02 8355 4620

Tasmania

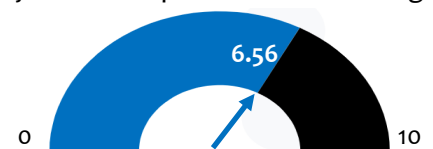
• 9 Responses received from Tasmania



Comments

- Growth has been steady over winter, however recent rains and floods has resulted in slow conditioning
- No major mortality issues reported, or biotoxin outbreaks
- A kick is expected in both oyster growth & condition the water warms coming into Spring

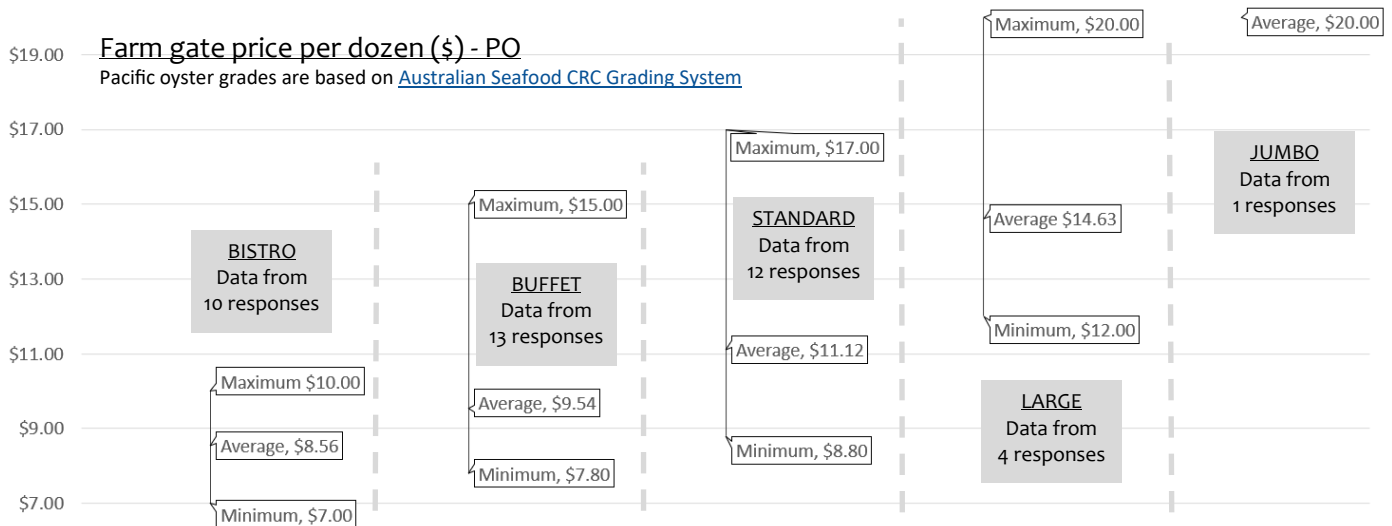
Relative production ie. volume of market ready stock compared to 2 months ago



0 = significantly less stock available
5 = production stable
10 = significantly more stock available

South Australia

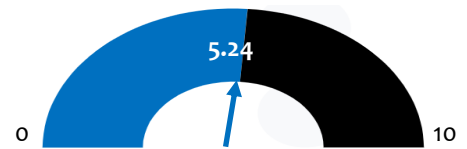
• 17 Responses received from South Australia



Comments

- Mixed reports from growers.
- Majority are reporting relatively poor conditioning & growth over winter due to lack of food, strong winds & inconsistent spat quality of previous years.
- Others are reporting oyster condition above average for the time of year and good growth with low mortality.

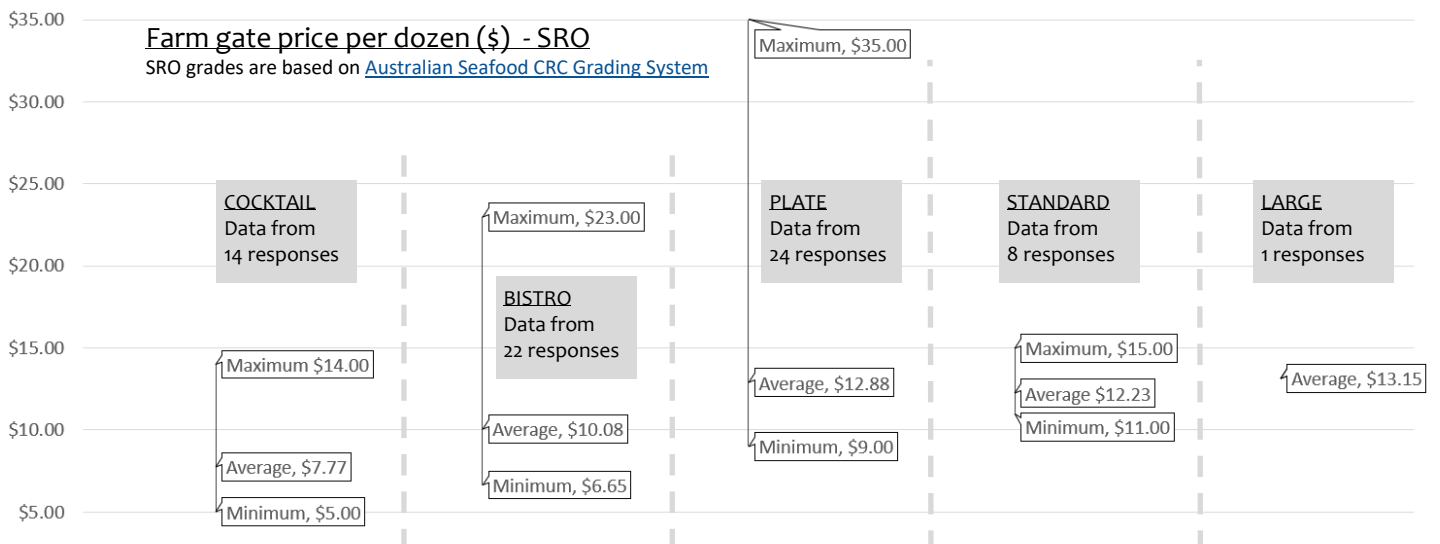
Relative production i.e. volume of market ready stock compared to 2 months ago



0 = significantly less stock available
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New South Wales

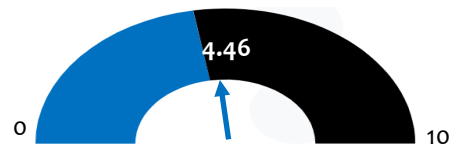
• 26 Responses received from New South Wales for SRO



Comments

- Overall, the production volume have been pulled down by mortalities in estuaries impacted by bushfires, floods & disease outbreaks earlier in the year.
- Some estuaries are reporting slow growth & average condition. Hangover from the drought, and possibly overstocking due to the slow market. Reports of increased flatworm & mudworm.
- Some farmers, particularly in northern NSW, are reporting good growth & condition, both of which will pick up further in the next couple of months.

Relative production i.e. volume of market ready stock compared to 2 months ago



0 = significantly less stock available
5 = production stable
10 = significantly more stock available

ATTACHMENT 8

Brand Council – Oysters Covid Presentation Report



Oysters Australia Covid-19 impact and tactical response Draft territories for discussion

18 May 2020

Brand.Council

About Brand Council

Brand Council is an independent strategic consultancy with a depth of experience in diagnostic research, business strategy, brand transformation and cultural change.

Our experience spans a diverse range of assignments across sectors and markets for some of Australia's and the world's premier brands.

Our clients



The brief

Summary of the project brief

Before we start any project we like to ask the following questions. Clarity at initiation insures the project delivers what is required in a way that is most effective.

1

What is the primary objective?

To keep the Australian Oyster industry alive during the COVID-19 via new forms of demand and distribution.

2

What is the key measure of success?

A clear positioning for Australian Oysters that will build in the long term.

A set of tactical activities that Australian Oysters could do in order to raise the profile of the industry and drive demand for Oyster consumption at home.

3

What is the ideal timeline?

The overarching strategy and approximately 4 or 5 tactical options to be developed within 2 weeks.

4

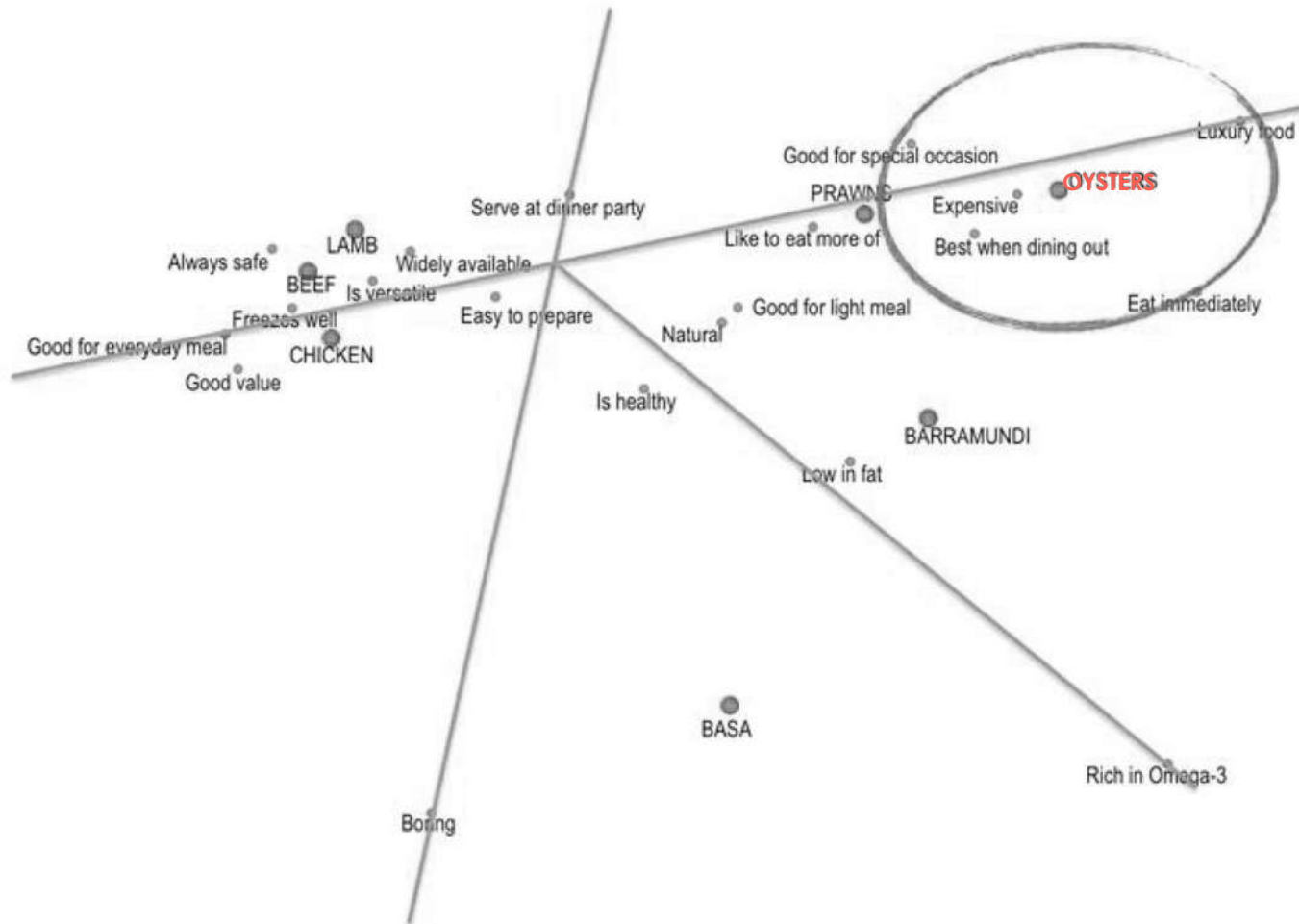
Who are the project owners?

Len Stephens
Andy Myers



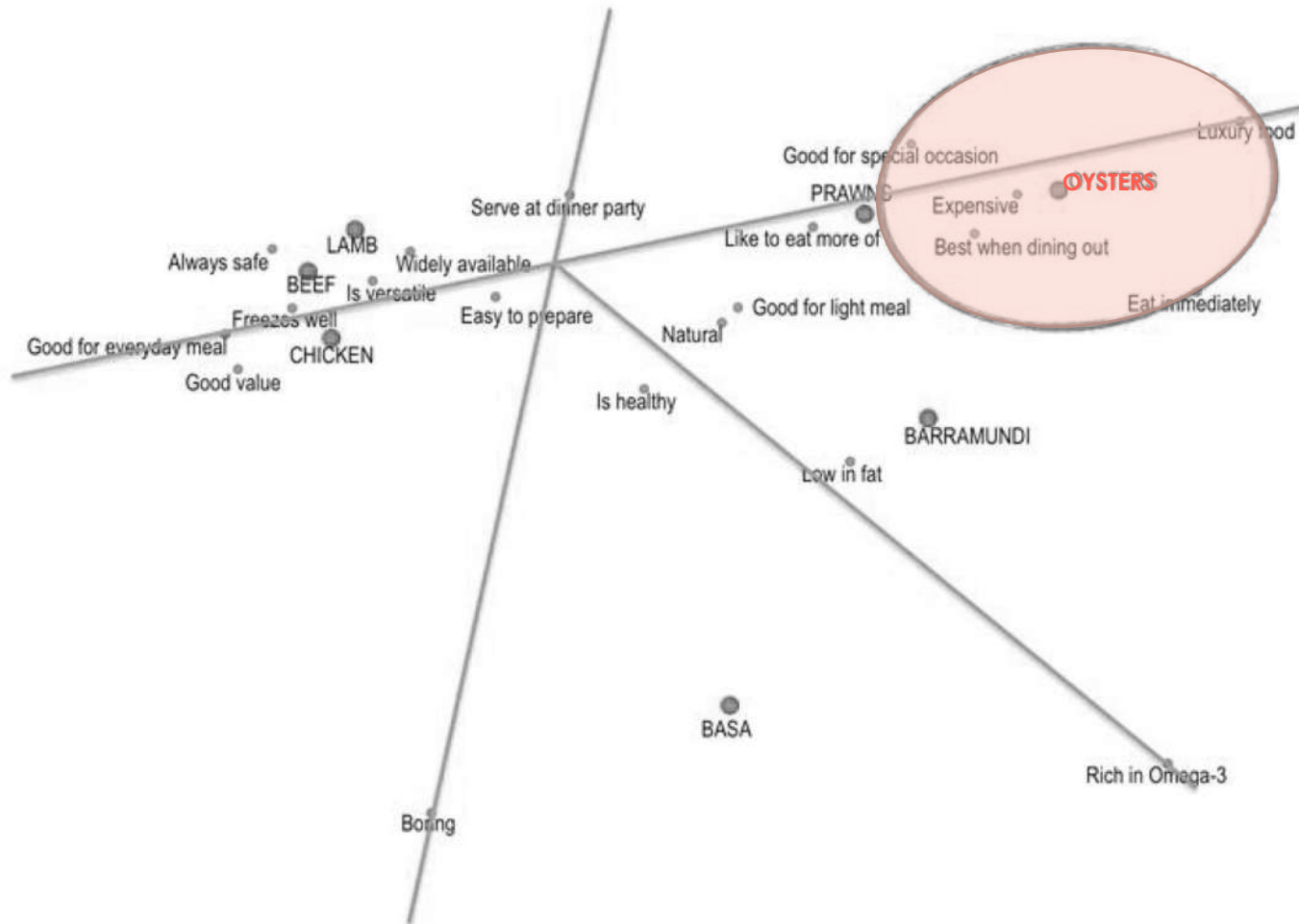
Insight & investigation

Oysters are seen as an expensive luxury, to be eaten immediately when dining out



Source: Your return on R&D \$ investment, focus on consumer research finds.
Australian Seafood Cooperative Research Centre.

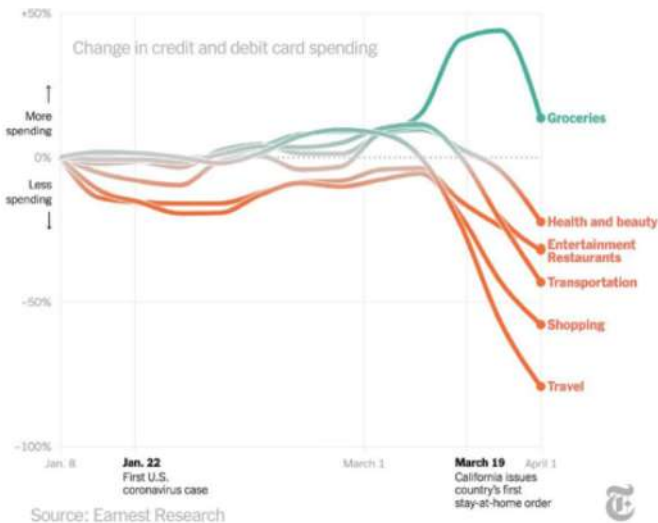
Oysters are seen as an expensive luxury, to be eaten immediately when dining out



Source: Your return on R&D \$ investment, focus on consumer research finds.
Australian Seafood Cooperative Research Centre.

The impact of COVID-19 on a consumer spending

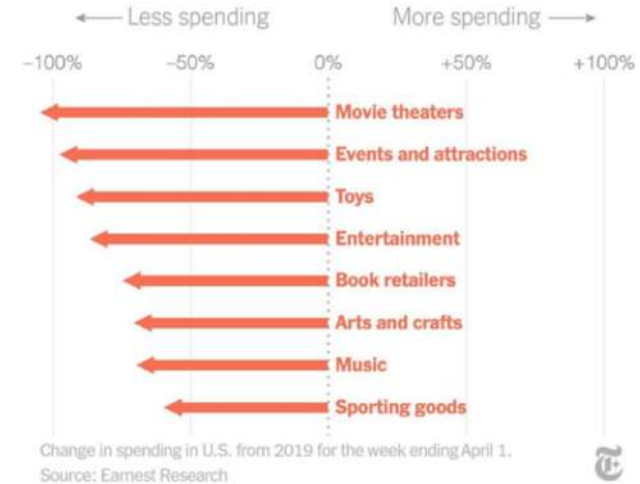
How the Virus Transformed the Way We Spend



Restaurant sales have plummeted.

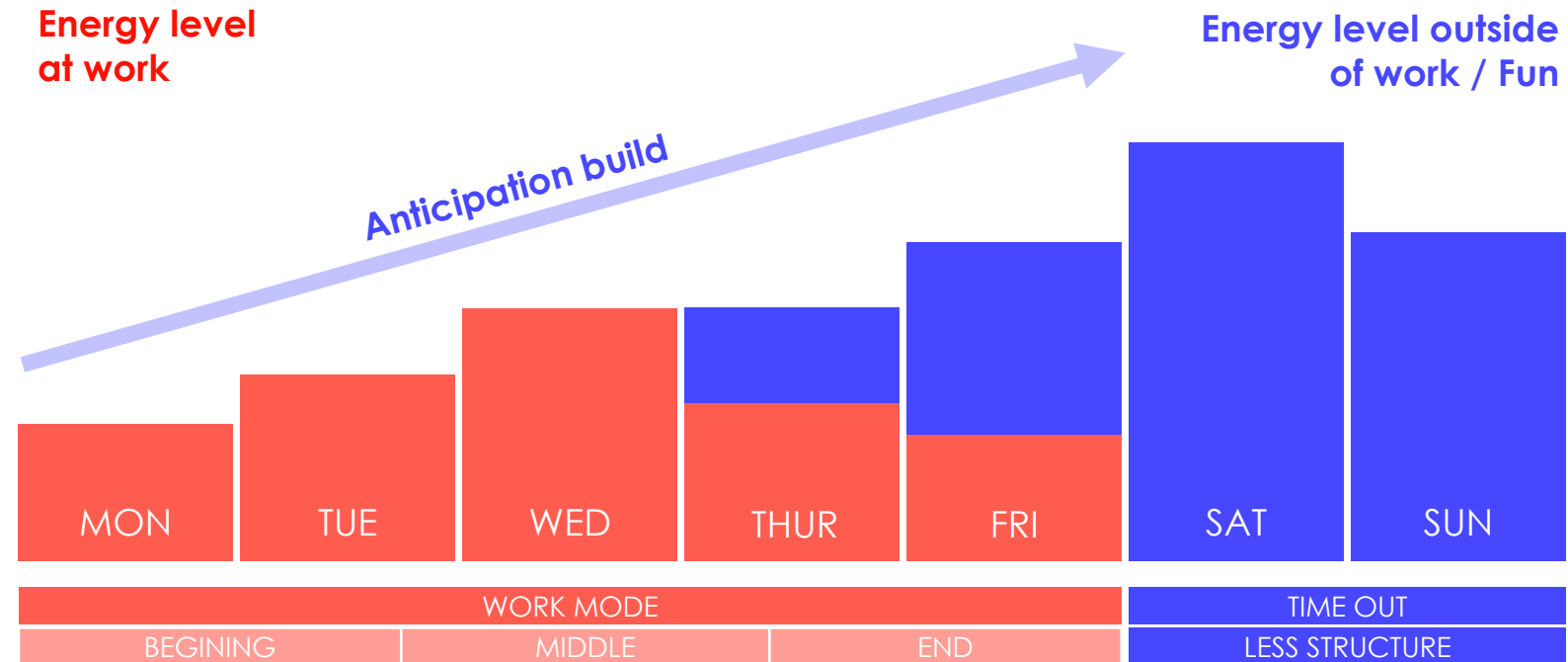


Spending on entertainment and media is mixed, with many losers...



Source: NY Times, 12 April 2020. Data Source, Earnest Research.

The impact of COVID-19 on a typical week



Each day and each week has a clear beginning middle and end.

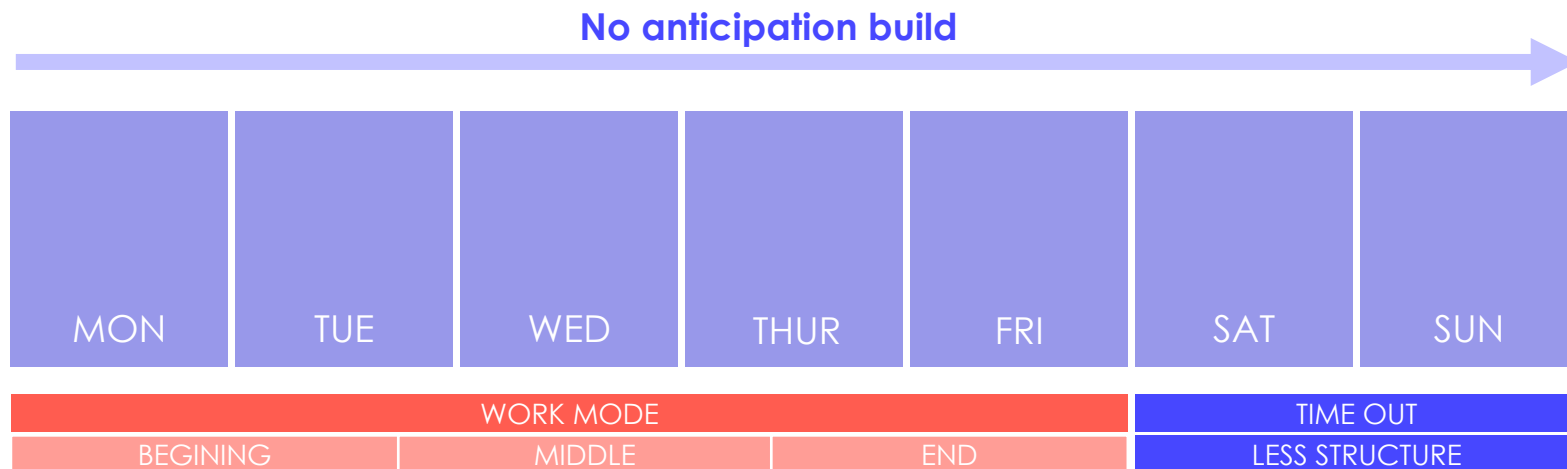
- Punctuated by key cues & rituals: alarm clock, coffee, hot shower, work clothes, commute, work location, commute home to switch off from work, dinner, relax, bed. Repeat.
- Leaving and returning to home are key cues for a shift in mindset and behaviour.
- Spend time with work colleagues and associates.
- Bound by routine, anticipation for fun and relaxation builds as the weekend approaches.
- Celebrate specific days like Thursday drinks, Friday night celebrations, Tuesday movie nights..

Weekends tend to have less structure & more socialisation.

- Less routine, but still key rituals, like no alarm, stay in pj's, walk to coffee shop, play / watch team sport etc.
- Spend more time with friends and family.
- Spend more time at restaurants and entertainment venues.

The impact of COVID-19 on a typical week

Energy level starts to flatline
Less definition between work and home life.



Days and weeks don't have a clear beginning middle and end.

- Many key cues & rituals don't exist: people skipping the hot shower, not dressing in work clothes and so on.
- Not leaving the house makes it hard to get into 'work mode' and to 'leave the office' at the end of each day.
- Mindset and behaviour becomes a hybrid of home and work (and home schooling).
- Lack of anticipation as the routine is broken and the weekends don't feel different to week days.

Weekends have even less structure with no where to go and no real world socialisation.

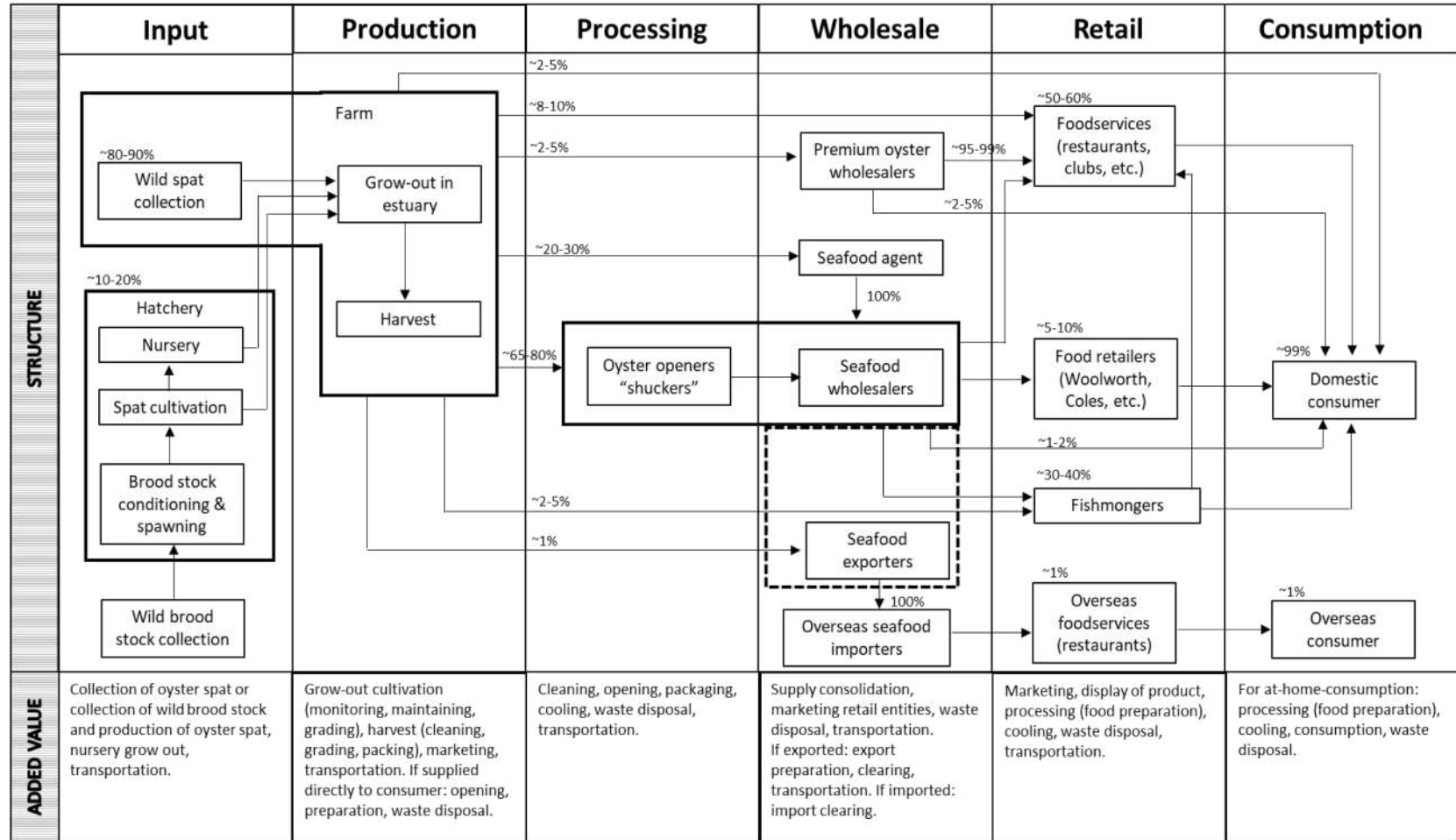
- Key rituals gone, no team sport, no restaurants, no entertainment venues.
- Can't spend more time with friends and family.

Social media says it all...



we are stuck in groundhog day.

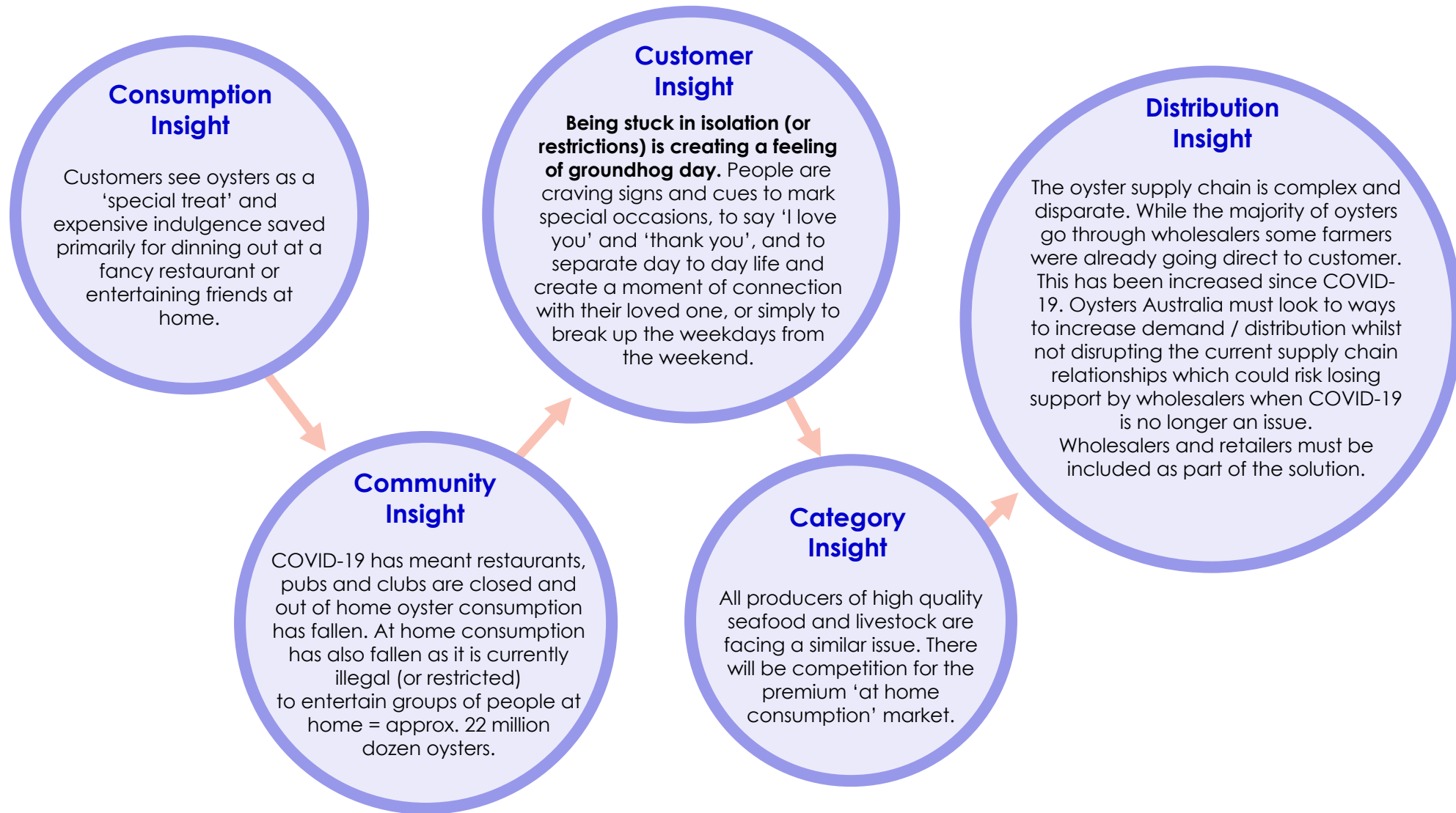
Sydney rock oyster supply chain



Preliminary findings from interviews of industry stakeholders (February 2020).

Source: Describing, analyzing and comparing oyster supply chains, February 2020.
 Dr Peggy Schrobback
 Senior Postdoctoral Research Fellow
 Central Queensland University

The truth of the matter



The strategic response.

A multipronged campaign that will **increase the desire for oysters** in a number of ways over the coming weeks and months, but importantly **will maintain the premium positioning of oysters in the consumers mind.**

Growing demand and sales at retailers



In a recent news article it was announced that Coles would be stocking 'restaurant quality Australian seafood' as a result of COVID-19.

This would appear to offer Oysters Australia a good opportunity to sell through Coles and Woolworths with similar 'restaurant quality' messaging.

97% of oysters are consumed fresh in the half shell¹. This is the best format to focus on.

In a bid to save their produce, restaurant-quality seafood will now be sent to Coles supermarkets along the east coast.



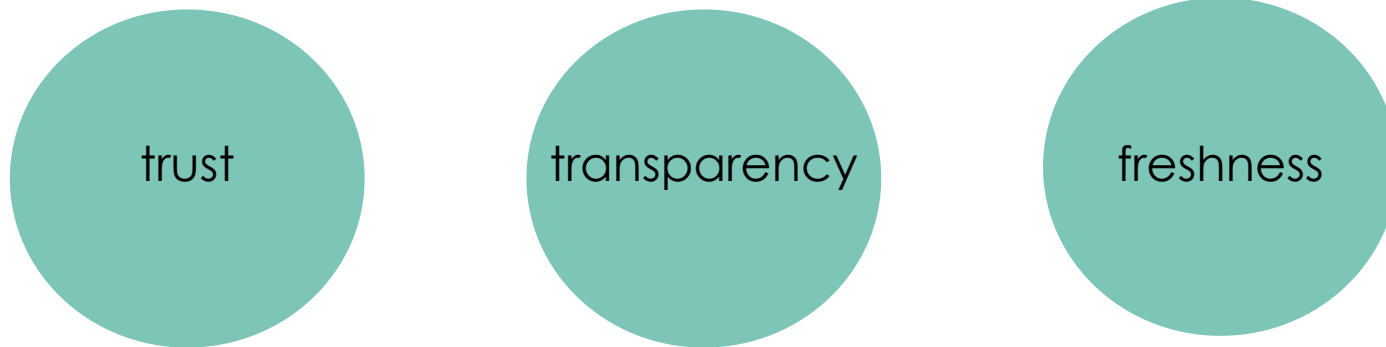
Meat and seafood once exclusively sold to chefs will soon be available to everyday Australians at the supermarket. Credit: AAP

Image Source:
<https://7news.com.au/lifestyle/health-wellbeing/coles-to-stock-restaurant-quality-australian-seafood-due-to-coronavirus-crisis-c-987809>

Source:
1. Australian Oysters overview, 2013.

Key messaging to 'tick the boxes'

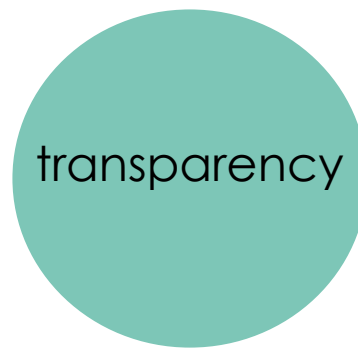
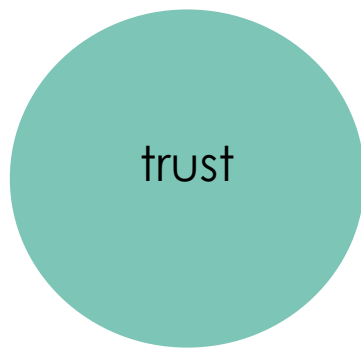
Previous research has shown that there are a number of 'hygiene' factors that must be included to alleviate barriers to purchase for chilled seafood from supermarkets. These fall into three main areas¹.



Source: 1. Your return on R&D \$ investment, focus on consumer research finds. Australian Seafood Cooperative Research Centre.

Key messaging to 'tick the boxes'

Previous research has shown that there are a number of 'hygiene' factors that must be included to alleviate barriers to purchase for chilled seafood from supermarkets. These fall into three main areas¹.



The proof line to address all of these could be as simple as:
Enjoy some Australian fresh restaurant quality oysters at home today.

Source: 1. Your return on R&D \$ investment, focus on consumer research finds. Australian Seafood Cooperative Research Centre.
2. Oysters Australia wholesalers report, April 2020. Document provided by client.

Key messaging at point of purchase



Influencing consumers at the point of purchase

Research with wholesalers talked to driving support at retail level.

Taking on board feedback from research with wholesalers¹ this campaign could include:

- Labels / badging / packaging depicting farm, location and flavour notes.
- Shucking demonstrations and oyster samples, so consumers can try them.
- Recipe leaflets to increase usage occasions.
- In store videos showing the farms/ growing regions to increase trust and providence cues as well as sustainability messaging.
- Information about the health aspect of oysters.
- Posters and POS stickers on the seafood display to highlight oysters.

**Strategic territories to drive
the desire for oysters.
7 areas of exploration.**

Territory 1. Entertainment

Oyster insight.

In the past oysters have been saved for entertaining guests.

Consumer insight.

Isolation is boring.

Territory 1.

Entertain yourself at home.

Territory 2. Romance

Oyster insight.

Oysters are an aphrodisiac.

Consumer insight.

We all need a little love
right now.

Territory 2.

Bring back date night.

Territory 3. Style

Oyster insight.

Oysters are thought of as fancy.

Consumer insight.

We have stopped getting dressed up.

Territory 3.

Isolate in style.

Territory 4. Health

Oyster insight.

The high levels of zinc in oysters can support your immune system*.

Consumer insight.

We are all looking for enjoyable ways to defend against COVID-19.

Territory 4.

Boost your immune system with a little luxury.

*Oysters contain all 9 essential amino acids; they're rich in protein, minerals and omega-3 fatty acids. All of these things will keep you strong -- and keep your immune system charged.

Territory 5. Escape

Oyster insight.

Oyster provenance is part of the allure to consumption.

Consumer insight.

We all want to escape our house.

Territory 5.

Escape with Australian oysters

Partner with Tourism Australia to bring regional content paired with Oysters.

Territory 6. Reward

Oyster insight.

Oysters are a luxury, something we rarely buy for ourselves.

Consumer insight.

We are looking for ways to say thank you or I love you to those who we can't see during COVID-19.

Territory 6.

Say it with fresh Australian oysters.

Territory 7. Memories

Oyster insight.

Oysters are reserved for a special occasion.

Consumer insight.

Isolation means we are stuck in groundhog day.

Territory 7.

Make today memorable.



Tactical support

Grow support for the industry through talk back radio, podcasts and social media

ABC

Simon Marnie is an oyster advocate and official oyster judge. He also has a 2 hour segment on ABC Radio each Sunday morning.

This idea would require approaching Simon as a spokesperson and asking him to dedicate one of his Sunday shows to exploring the current situation of the oyster industry.

He could do a live interview with a farmer, a chef and a passionate oyster connoisseur.



Simon Marnie

ABC Radio. Sunday 10am – 12pm.

Great food ideas, renovating tips and the best local stories from around Sydney and the state. If you're looking for inspiration in the kitchen and around the house or just taking it easy, Weekend Mornings has everything you need.

Manage supply and grow publicity through donations to high profile groups

Oysters are luxury product but they also have many health benefits so they make a very desirable donation.

Aged care facilities. Oysters Australia could donate a quota of oysters to Australian old age homes for the residents. Many older Australian's have a romanticized notion of oysters from their heyday.

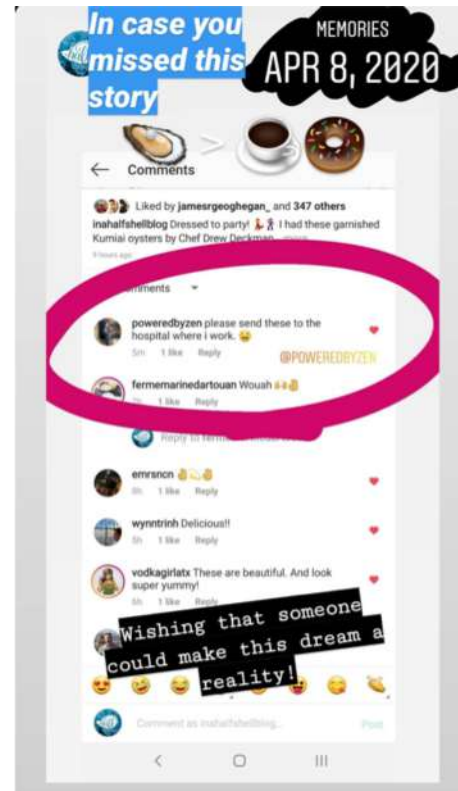
Emergency services. Police, Fire and Rescue NSW, and Ambulance are all on the frontline for us. We could help boost their immune system while they keep us all safe.



Partner with a distributor to send boxes of oysters to make someone feel special

This has already happened in the US where a hospital worker requested oysters be sent to the staff there and a local supplier @bajashellfishfarms delivered.

Could this be activated quickly as a mother's day campaign?



Other options: Support farmers to go direct to consumer



Have a centralized location to order local oysters.



Other options: Oyster van

Make the most of people being stuck at home (or just eating at home more regularly) and bring a freshly shucked oyster experience to them with an Oysters Australia shucking van.

Well designed, well staffed and great music. Partner with a wine co. or other complementary produce.

Letterbox drop and social media posts so local community know which days you will be in their area. Create a little street theatre around the visit.



Personality:

**We need to have
charisma. Now more than
ever we want to give
oyster lovers something to
look forward to and savor.**

Personality

Confident. We are secure in ourselves and what we bring to the world. We don't need other people's praise.

Mature. We are seasoned and experienced. We are respectful and mindful of our actions. We don't take too much and we don't expect too much.

Salty. We are unique, and we have a good sense of humour.

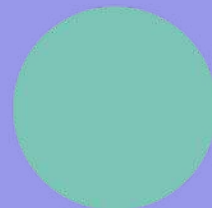
Charismatic. We are intelligent and charming, but never sleazy.

Think: George Clooney



**Discussion &
questions.**

Brand.Council



Dedicated team



TRUDI CASSIN
Managing
Partner

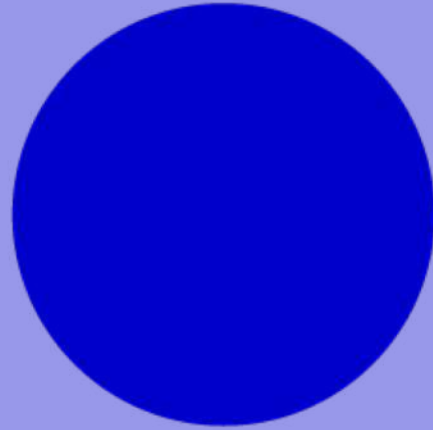
Trudi has been a partner at Brand Council since 2011, during which time she has led challenging and diverse strategy and implementation projects in Australia and globally for a series of high profile clients including First State Super, Goodman Group, WorkWear Group (KingGee and Hard Yakka), Sydney Water, BT and DuluxGroup.

Prior to Brand Council, Trudi was a senior member of M&C Saatchi team for 12 years, during which time she ran the initial pitch, strategy and global rollout of Tourism NZ's "100% Pure New Zealand", a brand that is regarded as one of the most successful destination projects ever. Other major client engagements throughout her 25 year career include Department of Defence (RAN & RAAF), CBA, Victorian Government strategy, Vodafone, Optus, Tourism Australia, Woolworths, Jacobs Creek (global strategy and launch) and Qantas.



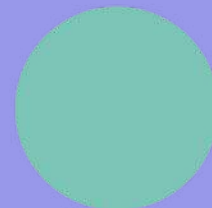
PETA QUIRK
Strategy
Partner

Peta is an experienced strategist and internationally cited researcher. She has worked with global and local brands on large scale strategic brand positioning projects, brand health trackers, consumer research, internal research and engagement programs, brand communications strategy, and advertising campaigns. She has experience across a range of brands and markets including Fire and Rescue NSW, Aruma (formerly HWNS and the Tipping Foundation), KingGee, Hard Yakka, Nando's, Bonds, NSW Farmers, NewsLocal, Unilever, CommBank and Destination NSW. Peta has a Bachelor of Advanced Science Commerce (Honours) majoring in Economics, Marketing and Biology from the University of Sydney.



Further Information:

Trudi Cassin
Managing Partner
0414 303 285
trudi@brandcouncil.net.au



ATTACHMENT 9

Blank Industry Survey Form



Oyster Industry trajectory over Spring & Summer

Spring & Summer holds extra importance for the industry this year as we look to recover from the impacts of Covid, and interrupted supply over the last few years. As the weather warms and oyster growth accelerates, it's a critical period which will hopefully be countered by increased consumer demand & sales. What's in store for the hospitality sector is anyone's guess, but some level of disruption is inevitable.

With this in mind, Oysters Australia and the state peak bodies, are keen to monitor the trajectory of the oyster industry over the Spring & Summer period. Such insights will provide the information needed should we need to approach governments for support, or enact some other supporting activity.

What is proposed is a snapshot survey, the 1st now at the start of Spring, a 2nd just following Christmas, and a 3rd between Valentines Day & Easter. This survey will be in 2 parts, and should take 10 minutes to complete:

1. Ongoing impact of Covid-19
2. Data collection for National Oyster Report

All data collected is anonymous.

The ability of supporting bodies and agencies to respond to issues is reliant on having access to accurate information, so please spend just a couple of minutes filling in the form and share this link with others in the sector. If you have any questions, please get in touch with Andy Myers on Management@oystersaustralia.org or 0488656366.

Part 1 - Ongoing impact of Covid-19 Survey

Which state are you reporting for?

Option 3

Which growing region / estuary?

In hac habitasse platea dictumst. Morbi vestibulum, velit id pretium iaculis, diam erat fermentum justo, nec condimentum neque sapien placerat ante. Nulla justo.

Overall, how are sales at the moment compared to typical trade at this time of year?

Option 3

What % downturn in trade would you estimate ?

10

What % upturn in trade would you estimate ?

10

How are wholesale sales at the moment compared to typical trade at this time of year?

Option 3

What % downturn in wholesale trade would you estimate ? 10

What % upturn in wholesale trade would you estimate ? 10

How are retail sales at the moment compared to typical trade at this time of year? Option 3

What % downturn in retail trade would you estimate ? 10

What % upturn in retail trade would you estimate ? 10

If you have seen recovery in some of your markets, can you offer an explanation why/how this has occurred? (eg. Retail sales have picked up because I now offer mail-orders & have launched a website, Slight recovery in wholesale markets as restaurants have reopened in NSW – taking top quality product)

Integer a nibh.

Were you exporting oysters prior to the Covid-19 pandemic? Option 3

Are you considering export as a recovery strategy to the slow-down we are experiencing in the domestic market? Option 3

Do you have any other comments you'd like to make about sales or market conditions?

Integer a nibh.

Do you have adequate lease space to accommodate stock on your farm? Option 3

If no, how much additional space do you need to see you through summer? 10

Do you have enough growing infrastructure to accommodate stock over summer? Option 3

If no, how much additional gear do you need? In hac habitasse platea dictumst. Morbi vestibulum, velit id pretium iaculis, diam erat fermentum justo, nec condimentum neque sapien placerat ante. Nulla justo.

Have you disposed of any stock to waste streams in recent months due to ballooning stock volumes? Option 3

If yes, can you please estimate how many? 10

Compared to the start of Spring 2019, are you holding additional stock on farm this year? Option 3

If yes, can you estimate the volume of this additional stock? In hac habitasse platea dictumst. Morbi vestibulum, velit id pretium iaculis, diam erat fermentum justo, nec condimentum neque sapien placerat ante. Nulla justo.

If no, can you estimate the reduced volume of stock you're holding compared to Spring 2019? In hac habitasse platea dictumst. Morbi vestibulum, velit id pretium iaculis, diam erat fermentum justo, nec condimentum neque sapien placerat ante. Nulla justo.

Do you have any other comments you'd like to make about gear and lease requirements?
Integer a nibh.

Have your labour requirements on farm increased since Covid-19 first started impacting oyster markets (around March 2020)? Option 3

If yes, can you please estimate this increase in labour requirement? 10

Have you accessed Job-keeper payments, or other forms of government support? Option 3

If yes, what support have you accessed? In hac habitasse platea dictumst. Morbi vestibulum, velit id pretium iaculis, diam erat fermentum justo, nec condimentum neque sapien placerat ante. Nulla justo.

Have your staffing levels changed in the last 6 months? Option 3

If yes, please describe how they have changed (eg. I have employed one additional part-time employee, 2 days a week (0.4FTE), I've had to let 2 full-time employees go so we're down 2FTE positions) In hac habitasse platea dictumst. Morbi vestibulum, velit id pretium iaculis, diam erat fermentum justo, nec condimentum neque sapien placerat ante. Nulla justo.

Do you have access to adequate staff to manage stock on your farm? Option 3

Do you or your staff have any specific training needs to help with the current situation and to aid recovery? Option 3

If yes, please describe
Integer a nibh.

Are you experiencing any issues with freight?

Option 3

If yes, please explain

Integer a nibh.

Do you have any other comments you'd like to make about labour & freight?

Integer a nibh.

Are you planning on deferring the purchase of spat (hatchery or wild-caught)?

Option 3

If yes, is your decision to defer the purchase of spat due to: (select all that apply)

Option 3

Do you have any other comments you'd like to make about spat or future production?

Integer a nibh.

Is there any other specific support or assistance you think would really benefit the oyster industry at this moment?

Integer a nibh.

Part 2 - Data collection for National Oyster Report

Which species are you reporting for?

Option 3

Please indicate your relative production compared to 2 months ago on a scale of 0 to 10 (ie. the volume of 'market ready' stock). 5 = Production is steady. If using a phone, you may need to drag the scale bar to the right to access the higher numbers.

Morbi odio odio, elementum eu, interdum eu, tincidunt in, leo. Maecenas pulvinar lobortis est. / 10

Please provide some brief comments on the influence of recent environmental conditions on oyster condition, growth, mortality

Integer a nibh.

ATTACHMENT 10

Brand Council Webinar Invite

WEBINAR INVITE:

Marketing territories & activities during Covid-19



Traditionally, 70% of Australian oysters are sold through the domestic hospitality market. With Covid-19 restrictions impacting many venues, coupled with the recovery of Tasmania & South Australia following POMS, Oysters Australia have engaged strategy experts, Brand Council to provide some advice on market development.

This webinar, presented by Trudi Cassin — Managing Partner of Brand Council, presents a number of potential Covid-19 activities / territories that oyster farmers may consider during these uncertain times. There will also be an opportunity for farmers to ask questions at the end of the presentation.

When	Tuesday 1st September, 3pm-4:30pm AEST
How	Click on this link: https://us02web.zoom.us/j/82872852403?pwd=c05TczJpVnVVaEgwUDhkWjErdTZTd09 If prompted, use passcode: oysters

Please contact Andy Myers with any queries on 0488656366 or email Management@oystersaustralia.org

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