



Department of  
Primary Industries and  
Regional Development

*We're working for  
Western Australia.*

# Western Australian wild catch seafood industry snapshot

A summary of the Western Australian Wild Catch Seafood Industry –  
Overview for potential investors and other stakeholders



# There are different types of investors

All are needed and welcome in the Western Australian wild catch seafood industry

**Important notice:** The recent COVID-19 pandemic has affected the community and aspects of the global economy. Disruptions to supply chains, air freight and other business activities are acknowledged. Collaborative efforts by governments, industries and communities will chart the way forward knowing global demand for food and the supply of the many products from Western Australia's primary industries will continue. The information presented in this Industry Snapshot as at February 2020 serves as a reference point for continued industry innovation and growth.



'Regional Champions' constantly invest across the supply chain in production, research and development, processing, logistics, sales and marketing.



Innovative and emerging Western Australian seafood wild catch companies drive innovation, new product development, new species development, expansions and marketing.



Multi-region operators (global and Australian based headquarters) constantly invest in Western Australian seafood wild catch across the supply chain.



Industry bodies and research organisations all invest in the Western Australian sector, providing scientific support and innovative solutions across the whole value chain, from boat to plate.

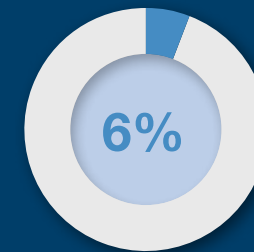


State and Federal Government – across multiple agencies and departments – invest heavily in the industry through scientific research, management, grants, education and support.

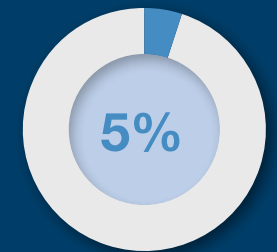


## Twenty year growth rate of seafood import volume

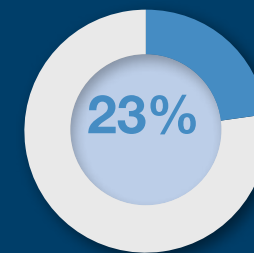
CAGR; tonnes; import volume



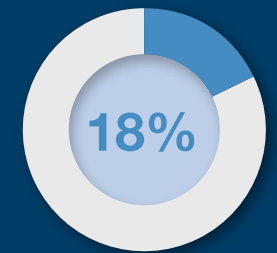
China



South Korea



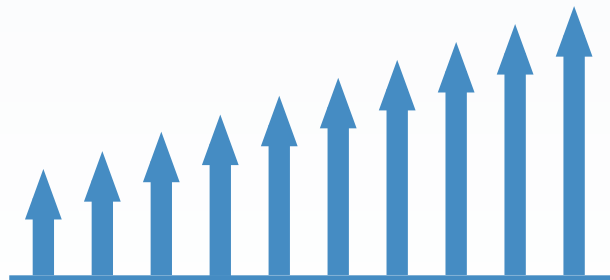
Vietnam



UAE

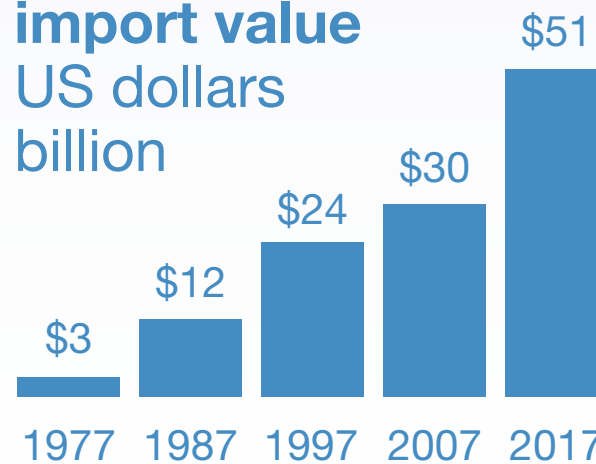
CAGR = Compound annual growth rate  
Source: UN FAO FishStat, Project analysis

## Growing demand from Asia and the Middle East



**US \$21** billion growth in demand over the last decade

## Total seafood import value US dollars billion



Markets include: China, Indonesia, the Middle East, all other Asia and North Africa

# Western Australia is well positioned to deliver



## Shipping times and time zones from Perth



Western Australia is the closest, most accessible Western region to Asia; it is in the same, or adjacent, time zone as Beijing, Manila, Hong Kong, Tokyo, Singapore, Kuala Lumpur and other regional centres.



## Flights from Perth

Western Australia has regular flights out of Perth to Asia and the Middle East and global destinations. In addition, the Busselton Margaret River Airport (225 km south west of Perth) has completed a runway upgrade, providing an international alternative for the South West.



As at April 2020, the COVID-19 pandemic has reduced air freight carried on passenger aircraft due to fewer flights. Until resumption of regular flights, chartered air-freighters will serve export supply chains.



“Other species can leverage off the lobster supply chain and relationships... Focus on the exports and the product flow.”

CEO, Seafood Exporter



# Excellent trade access

“Australia has excellent trade access with low to no tariffs with many regional partners.”

CEO, Diversified Agrifood Company

FTAs = Free trade agreements  
 As at 21 February 2020  
 Source: Department of Foreign Affairs and Trade

# Western Australia is well positioned to supply South East and East Asia with fresh, high quality sustainable products consistently

## **Fresh**

“Western Australia’s location close to Asia is a bonus. We can fly product fresh into Asia.”

Executive, Seafood Exporter

## **Good reputation**

“Western Australia has a really good reputation for clean and green fishing practices and we have such a pristine environment.”

CEO, Seafood Company

## **Sustainable fisheries**

“Our fisheries are well managed. Ten fisheries have Marine Stewardship Council Certification. This gives us additional market access.”

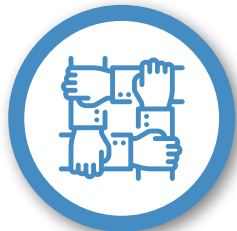
CEO, Seafood Company

# Western Australia can produce more



## Resources

- Extensive coastline and Commonwealth waters
- Small local population to feed (2.6 million people)
- Readily available inputs
- Well managed fisheries, water and environmental regulation



## Skills and systems

- High food safety and advanced traceability systems
- Educated population
- Modern fishing systems
- Pool of capacity
- Well organised industry



## Reputation

- Premium, traceable and sustainable
- Brand Western Australia
- Clean and green
- High levels of food safety
- Modern handling and processing facilities

# Comparative advantages

## Close to key markets

- Capable producers with a long history of production for export to Asia and beyond
- Western Australia is well positioned to supply fresh and processed seafood into Asia

## Experienced industry

- Effective network of fishers, processors, industry bodies, science and government agencies
- World leaders in seafood management, 10 fisheries with Marine Stewardship Council certification
- Sophisticated, experienced and well organised industry
- Modern technologies and know-how
- High technical and scientific knowledge

## Environment conducive

- Vast areas of fresh, pristine coastlines and waters
- Remote
- High levels of biosecurity due to isolation
- Vast range of temperature states and environments for a range of species

## Strong political support

- Strong sustainability and animal welfare credentials
- Trusted and traceable systems and processes
- Political and economic stability
- Political will and support from State Government
- Government investment in Marine Stewardship Council resources



# What do we have

**Western Australia has extensive wild catch seafood species**

“... about 80% by value of WA fisheries is Marine Stewardship Council (MSC) certified. This accomplishment is globally significant and dovetails neatly with the UN Sustainable Development Goals – specifically ... targets on conservation and sustainable use of the oceans seas and marine resources for sustainable development.”

**Chief Executive,  
Marine Stewardship Council**



Rock Lobster



Prawns



Crabs



Scallops



Abalone



Pearl Oysters



Mussels



Tropical Snapper



Rock Cod



Shark



Emperor



Spanish Mackerel



Snapper



Australian Sardine



Goldband Snapper



Octopus



Squid

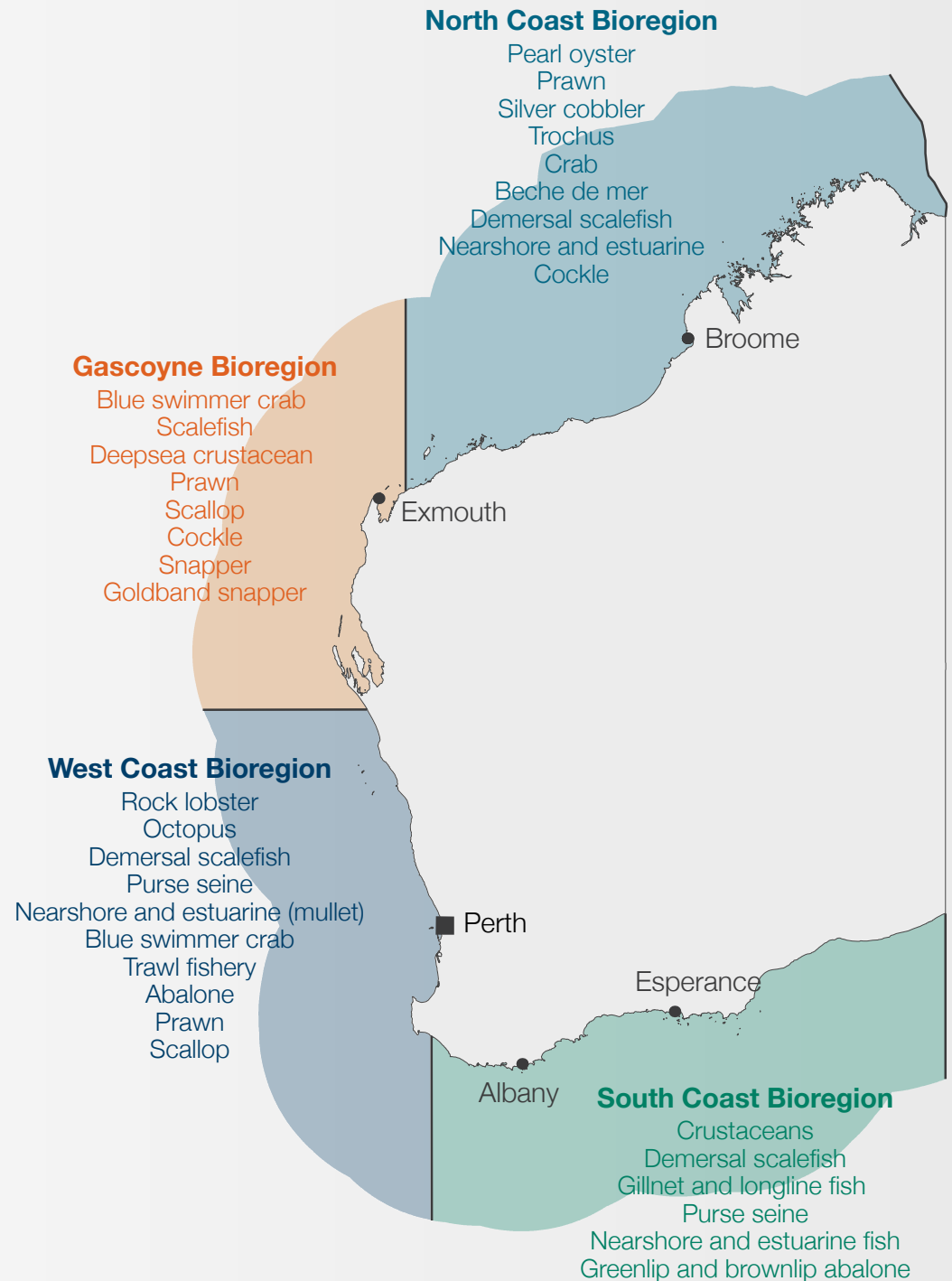


Sea Cucumber

# Western Australia's wild catch seafood industry is spread along the coast

“WA has a huge coastline with so much potential. The time to invest is now. The biggest opportunity is for scale production.”

General Manager, Seafood Company



# Western Australia's wild catch seafood production is increasing

**4.0%**  
5yr CAGR



Capture production  
2012-2017

**2.7%**  
10yr CAGR



Revenue per firm  
2007-2017

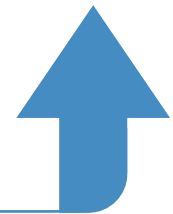
# Western Australia's wild catch seafood productivity is increasing

**6.9%**  
5yr CAGR



Tonnes per firm  
2012-2017

**0.8%**  
10yr CAGR

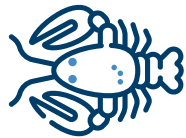


Revenue per tonne  
2007-2017

*CAGR = Compound annual growth rate  
Source: ABARES, ABS, Project analysis*

# Export focused wild catch seafood

## Key export



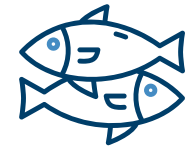
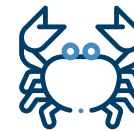
### Rock lobster

- Small local population; large surplus available for export
- Strong demand in China; 98% exported to China
- History and brand awareness in Asia
- Hard quota system 6,615 tonnes per year, 2020

### Prawns

- Ongoing consolidation
- Attracting investment
- Close to South East Asia for transportation

## Other opportunities



### Scallops

- Wide range of premium producers
- Future growth focused on export markets
- 400-500 tonnes per year catch

### Crabs

- New entrants driving innovation
- Driving production through new investments

### Finfish

- Growing demand from Asia
- Clear local capability to deliver on trusted supply
- Growth of provenance story

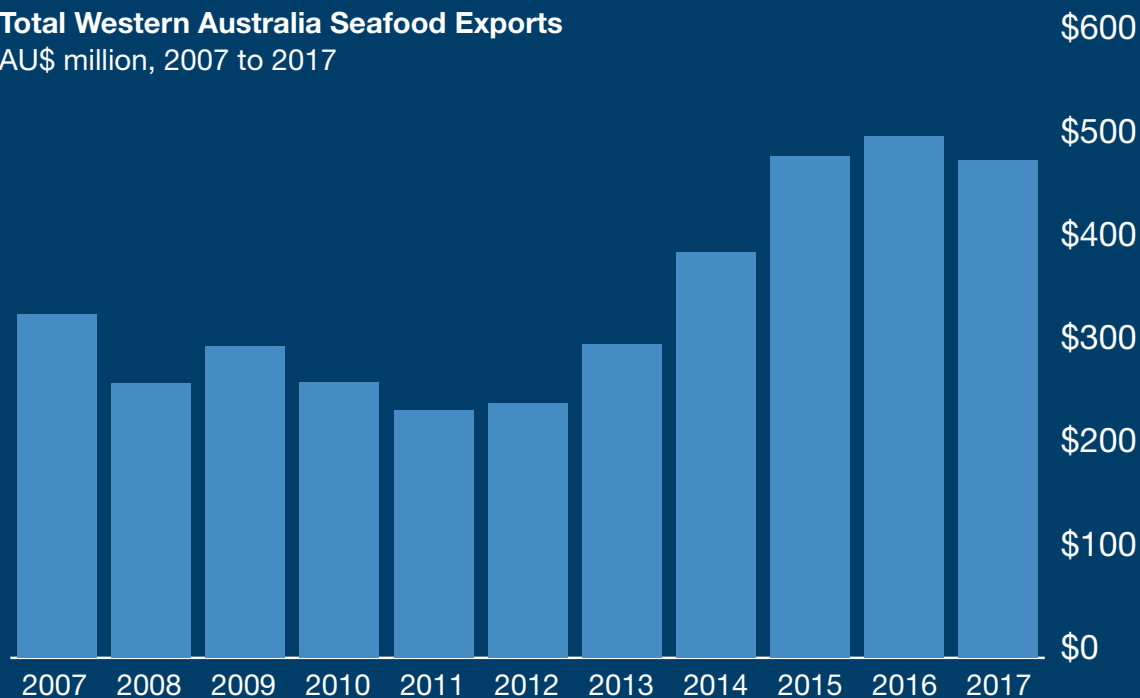
# Western Australian seafood exports are growing

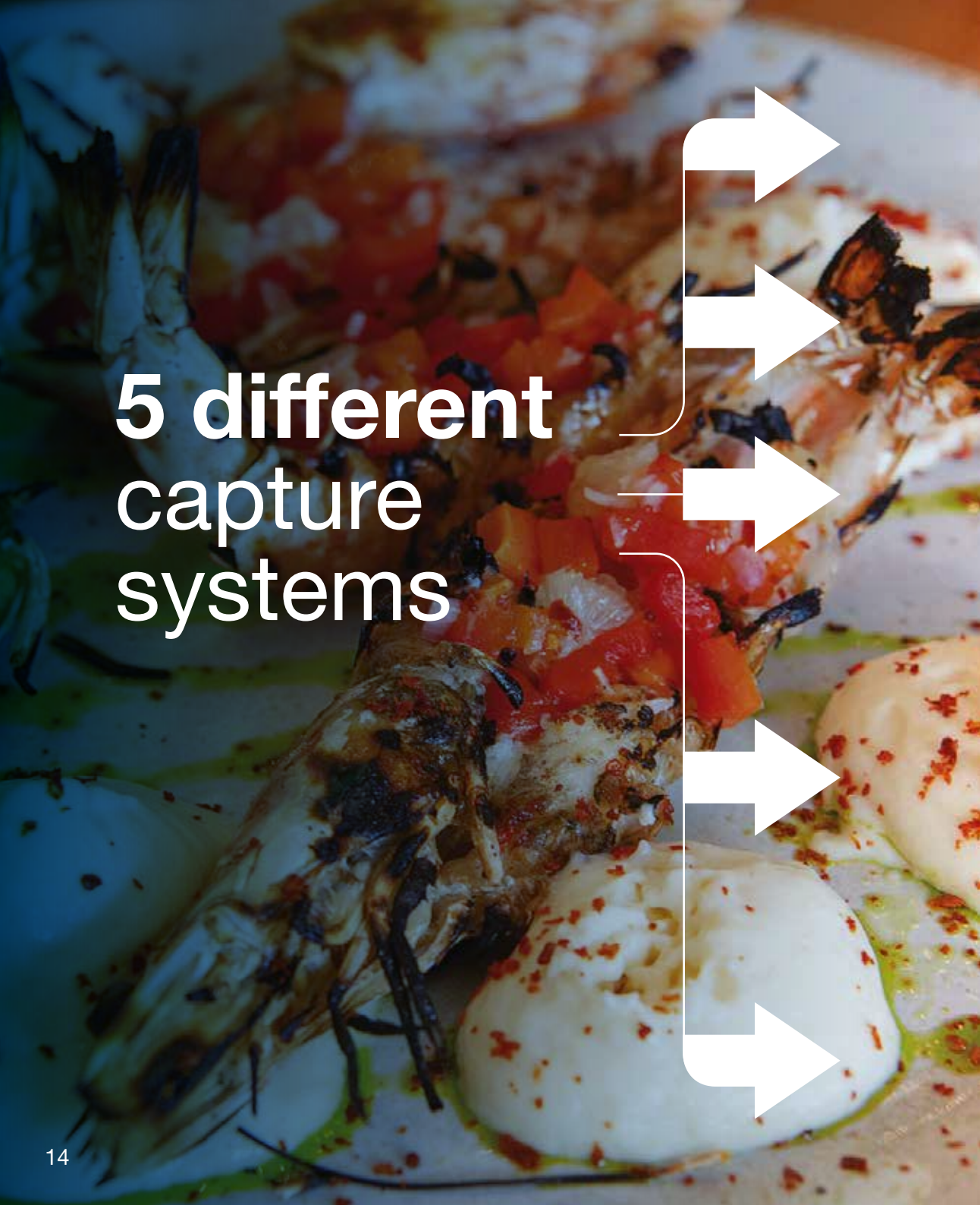
**14%**  
5yr CAGR



CAGR = Compound annual growth rate

**Total Western Australia Seafood Exports**  
AU\$ million, 2007 to 2017





# 5 different capture systems

## Rock lobster and crab potting

- Fishing boats engage in catching rock lobsters or crabs from their natural habitats of ocean or coastal waters, using baited pots.

## Prawn fishing

- Fishing boats trawl for prawns from ocean or coastal waters.

## Line fishing

- Fishing boats mainly engaged in line fishing in inshore, mid-depth or surface waters.
- Includes boats engaged in several fishing methods, including trolling and hand or powered-reel fishing.

## Trawling, seining and netting

- Boats mainly engaged in trawling, seining or netting in coastal waters using a variety of net fishing methods.
- Trawling methods in Western Australian coastal areas involve one boat. Fishing in Commonwealth managed fisheries may involve one or two boats towing a very large bag net, either on the sea bed or in mid-depth waters.
- Seining methods include purse, danish or beach seining.
- Netting methods include surface or demersal gill netting.

## Other

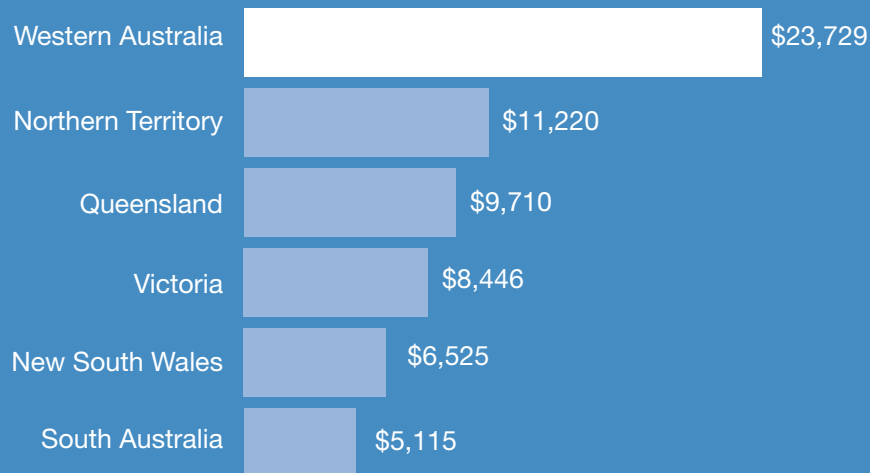
- Marine gathering, including diving.

# Western Australia catches higher value seafood than competitors

Western Australia seafood firms catch **higher value products** and have higher average turnover per firm than competitor regions

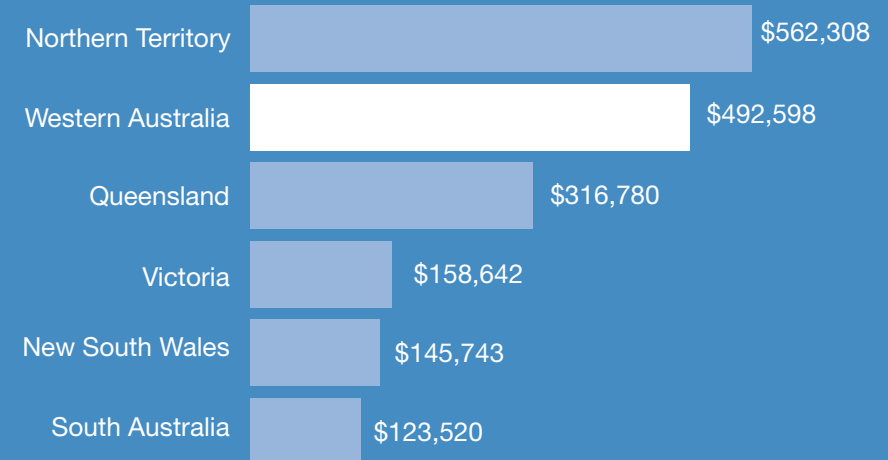
## High Value Products


AU\$ per tonne, 2017



## Larger Revenue Firms

Revenue per firm, 2017





# There will be **solid demand** for seafood in the future

“Consumers typically increase their spending on animal proteins such as seafood at the expense of other food categories as their income increases, and the generation of this extra demand has pushed prices upwards.”

UN Food & Agricultural Organisation, March 2018

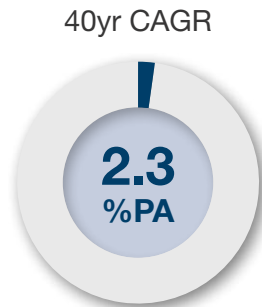
“Asia-Pacific is one of the biggest and fastest growing seafood markets in the world. The preference for seafood is expected to increase in the Asia-Pacific, owing to change in lifestyle of people and rise in disposable income. China is a high growth market and has the capacity to pay more for premium and high-quality seafood thus propelling growth of market.”

Allied Market Research, 2017

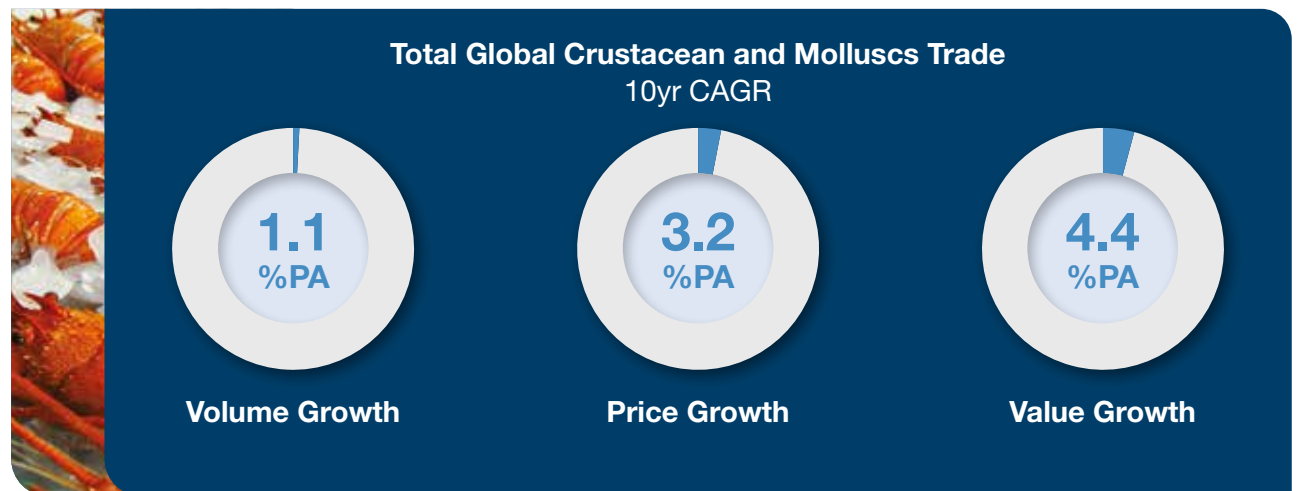
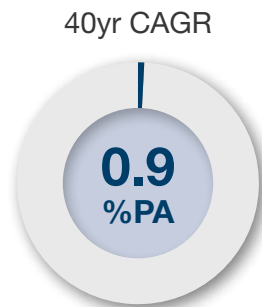


# High level macro drivers support **solid export demand** for seafood products

## Aggregate Global Seafood Production Growth



## Seafood Consumption Growth per Person





# Attracting global investment

“Western Australia is very attractive as long as the sector is at scale. The Marine Stewardship Council certification makes it especially attractive.”

CEO, Seafood Company



Leading South African  
seafood company



Diversified Investment Group,  
growing seafood investments



Leading Japanese seafood  
company

# Investment is occurring



**\$35  
million**

- Mareterram acquired NorWest Seafoods for \$20 million in 2015, and invested in the Shark Bay Prawn fishery (also scallops, crabs, squid and cuttlefish)
- Mareterram acquired Craig Mostyn Food service for \$7.75 million in 2015
- Mareterram acquired Focus Fisheries for \$1.3 million in 2016
- Acquired two mackerel licences for \$4.9 million in 2017



**\$60  
million**

- Sea Harvest acquired 56% of Mareterram in 2017
- Acquired the remaining shares of Mareterram in 2019



**\$20  
million**

- Construction of export facility for lobster in Welshpool (Perth) in 2017



- Significant investment in vessels in 2018 (mainly operating in Commonwealth waters)

# The Western Australian wild catch sector has a strong group of thriving companies

Prawns	Lobster	Mussels / Scallops	Finfish	Other

# Returns across the supply chain

Australian sectors are showing strong returns across the supply chain

Fishing

**8.6%**

Profit Margin, 2018

Fish and Seafood Wholesaling

**3.4%**

Profit Margin, 2018

Seafood Processing

**7.8%**

Profit Margin, 2018

**NOTE:** Australian industry average profit margins (EBIT/Revenue), 2018. EBIT = Earnings before interest and taxes  
Source: IBISWorld

# Four investment themes

**Four investment themes** exist to create growth in the Western Australian wild catch seafood industry

Investing in **improving quality** through systems and processes

Opportunities exist to improve the experience of consumers to deliver higher quality fish

1

Investing in **cool chain efficiencies**

Opportunities exist to improve returns with better cool chain production and supply chain logistics

2

Investing in **developing secondary species**

Opportunities exist to create value in secondary species through focus and marketing

3

Investing in **sustainable management**

Opportunities exist to continue to better manage fisheries to maximise volume and value

4

# Value propositions exist that promote opportunities for investment



## Further on-vessel processing

- Add-value to existing catch at sea
- Western Australia has a strong brand in many Asian countries, utilise reputation for higher value products



## Developing joint logistics program to key markets

- High logistics costs for fresh seafood into key markets
- Opportunity for co-shared facilities and programs



## Developing premium chilled abalone

- Western Australia is developing a robust abalone industry
- Opportunity to add value with chilled abalone exports
- Requires packaging technology and know-how

# The Department of Primary Industries and Regional Development is ready to assist you

For further information please contact:

**e** [investment@dpird.wa.gov.au](mailto:investment@dpird.wa.gov.au)

**p** +61 (0)8 9368 3590

**w** [agric.wa.gov.au/agribusiness-food-trade](http://agric.wa.gov.au/agribusiness-food-trade)

**The Department of Primary Industries and Regional Development commissioned Coriolis Australia Pty Ltd to provide the information in this publication in consultation with selected industry stakeholders.**

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