

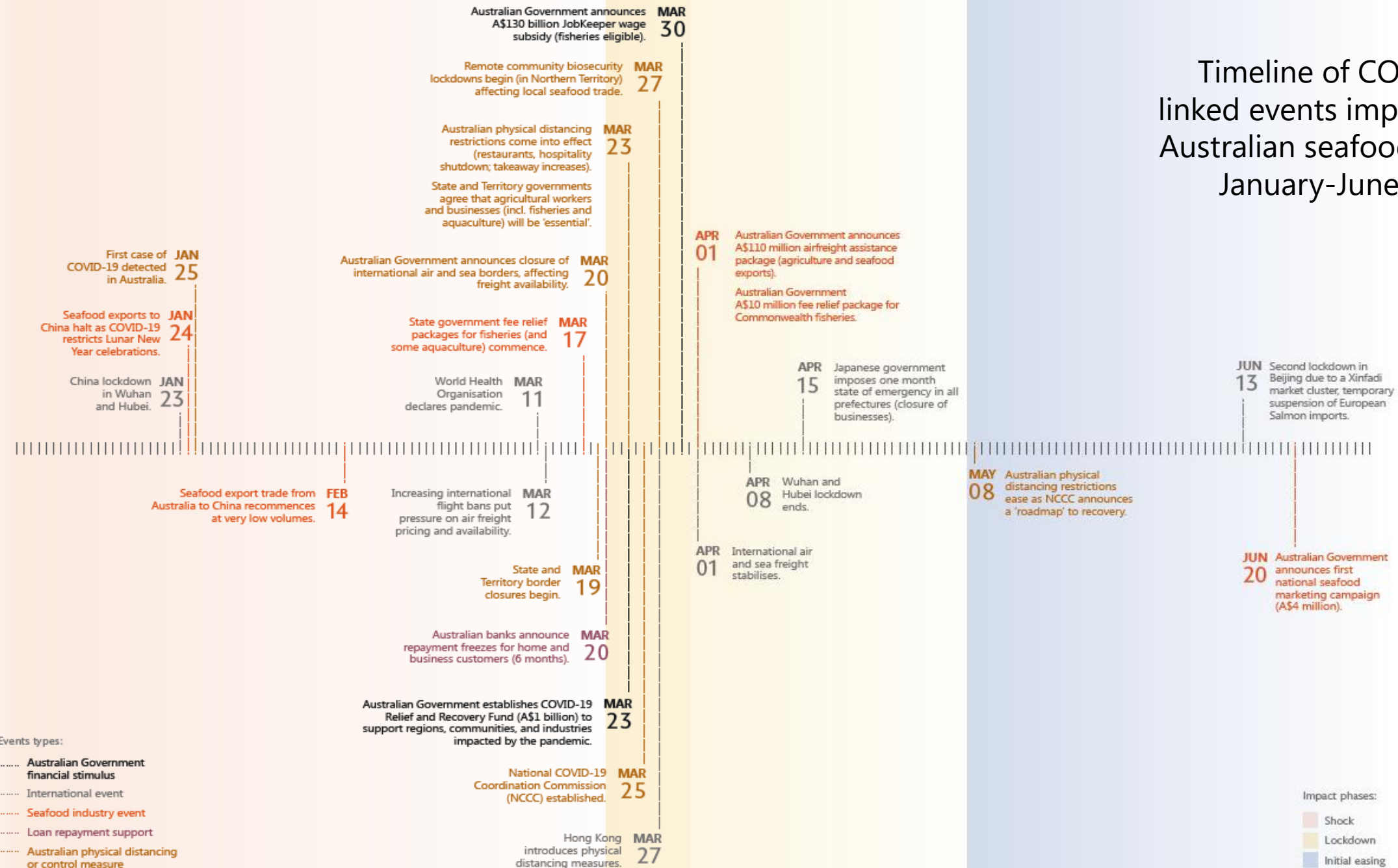


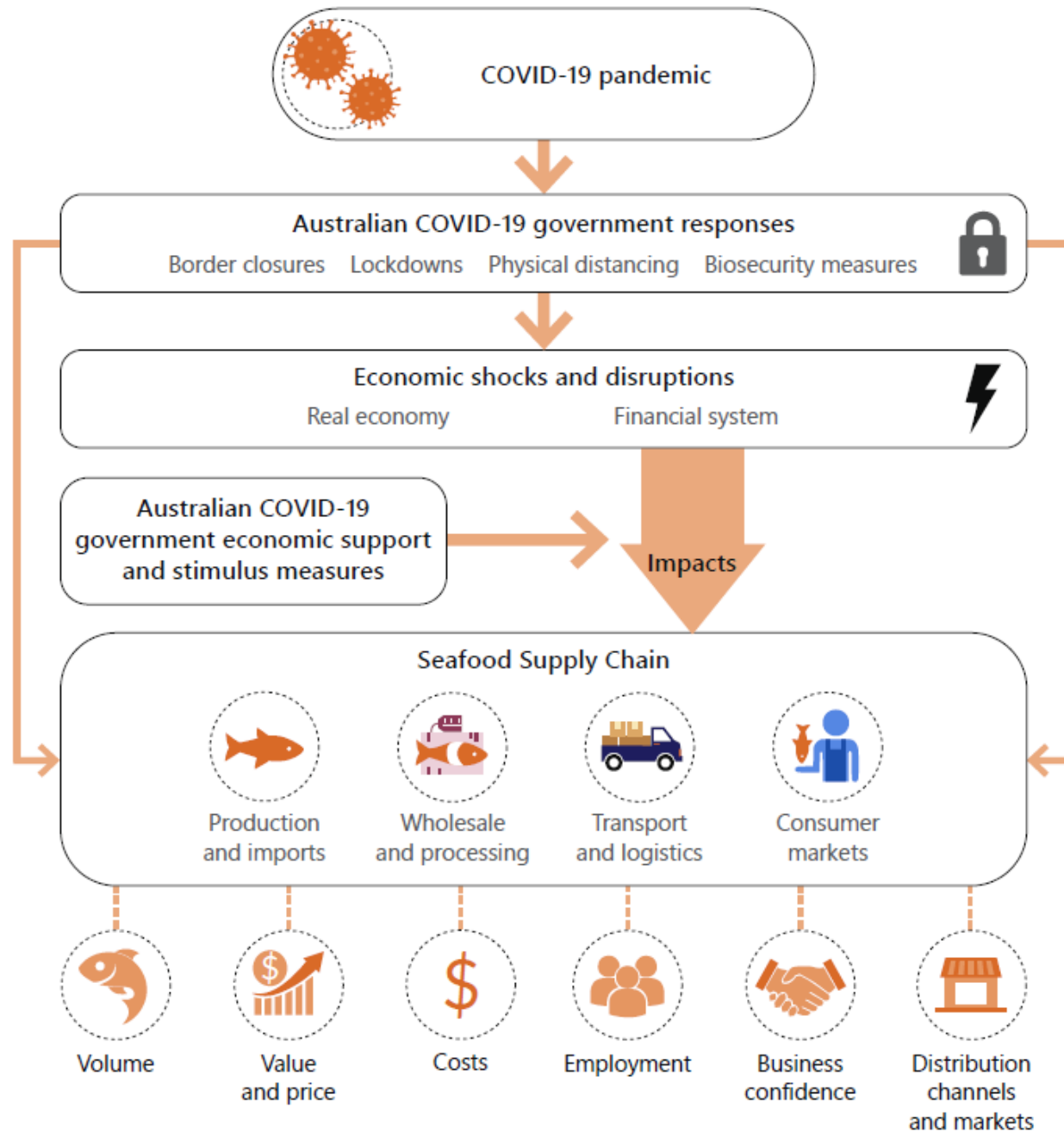
Insights from the COVID-19 shock: Impacts and agility in seafood supply chain and markets

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04 March 2021
ABARES Outlook



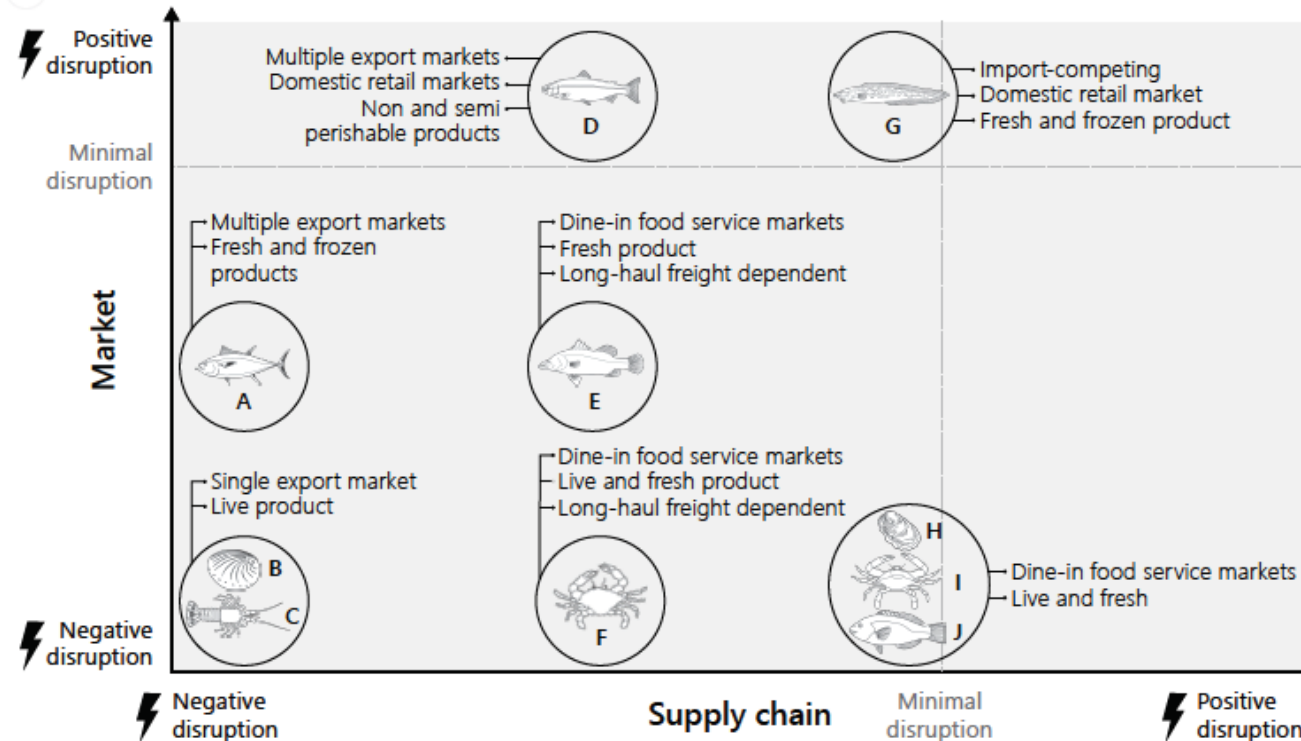
Timeline of COVID-19 linked events impacting the Australian seafood industry January-June 2020





Link to report: [here](#)

No single seafood story



Key

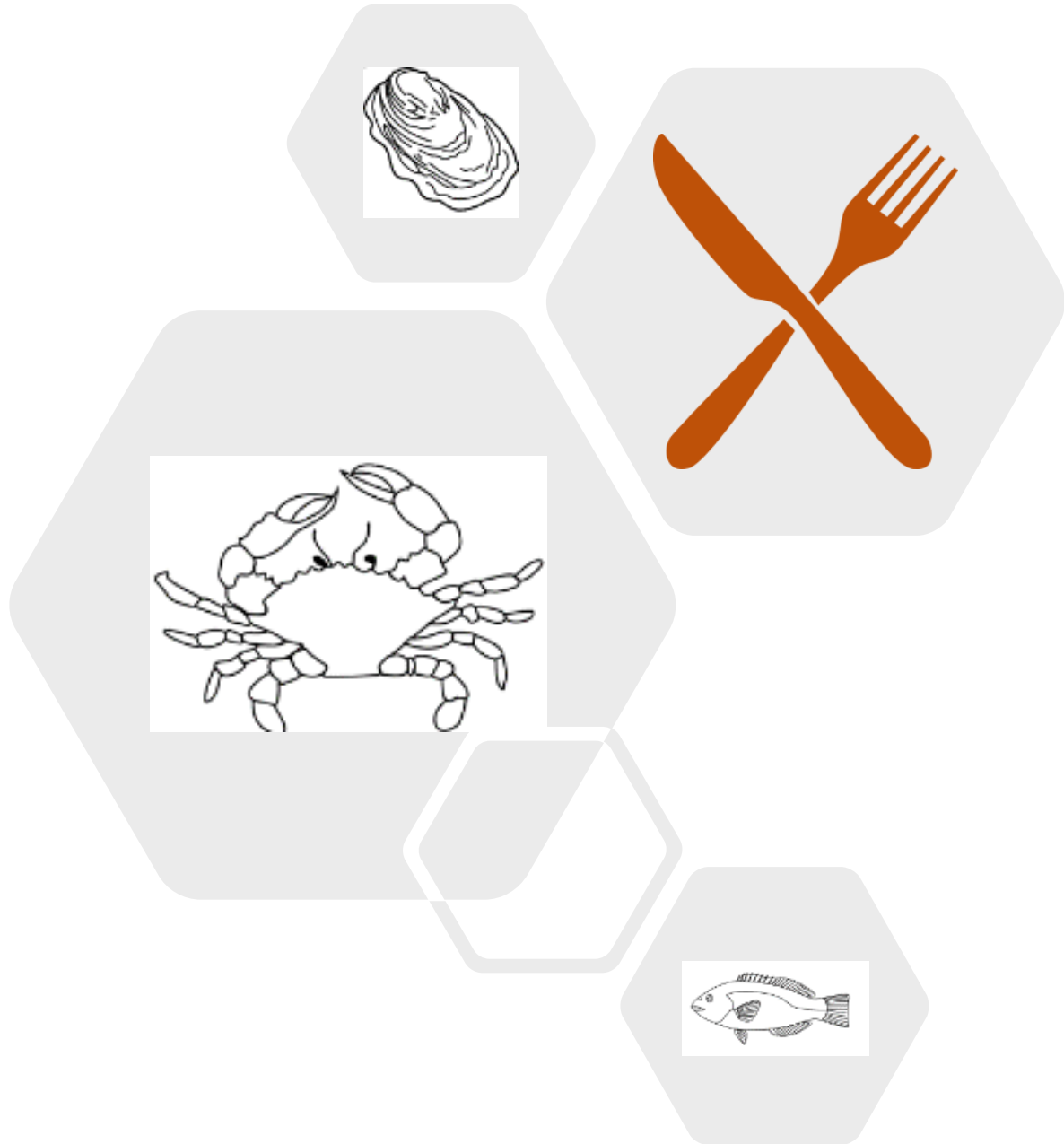
- | | | | |
|-----------------------|-------------|------------------------------------------------------------------|------------------|
| A. Tunas and Billfish | B. Abalones | C. Rock Lobsters | D. Farmed Salmon |
| E. Farmed Barramundi | F. Mud Crab | G. Finfish species caught in the Commonwealth Trawl Sector (CTS) | H. Oysters |
| I. Blue Swimmer Crab | J. Wrasses | | |

Exposure factor: Export market orientation

Across January-June 2020 the value of Lobster and Abalone exports declined by 45%, while live and fresh seafood exports overall declined in value by 32% (compared with the five-year average for the same period).

Lobster and Abalone accounted for nearly 30% of total GVP from Australia's seafood production pre-COVID-19.





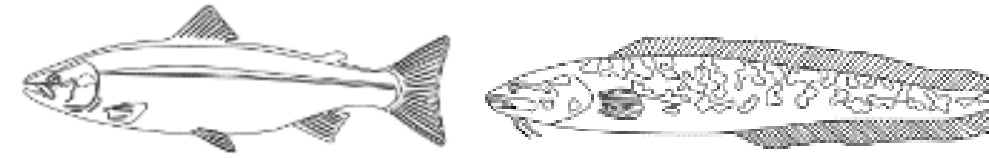
Exposure factor: Dine-in food service orientation

During the lockdown phase, demand for Australian live seafood (Wrasse, Crabs) declined significantly.

These species are primarily sold in Asian-food restaurants in Melbourne and Sydney's Chinatown.

Other seafood sectors negatively impacted included Oysters and Calamari.

Recovery impacted by substitution with Rock Lobster, now cheaper and more available domestically.



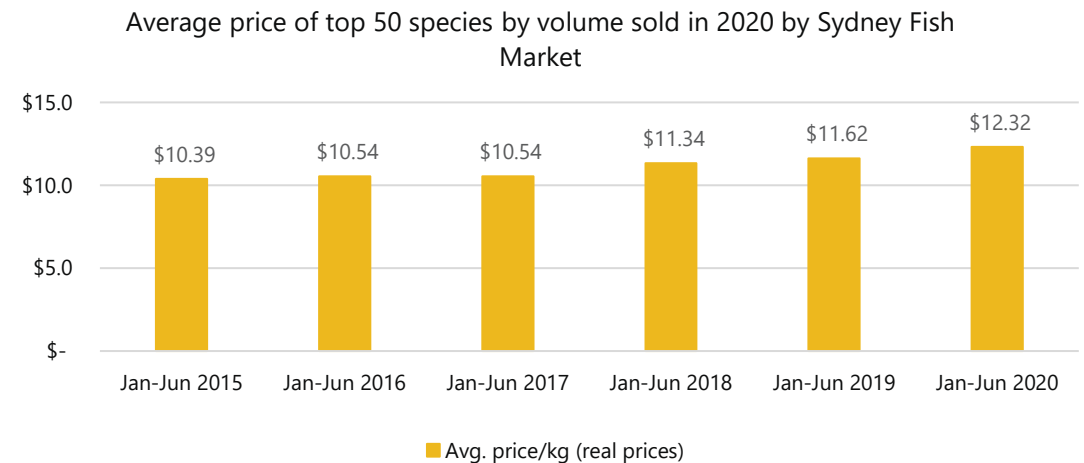
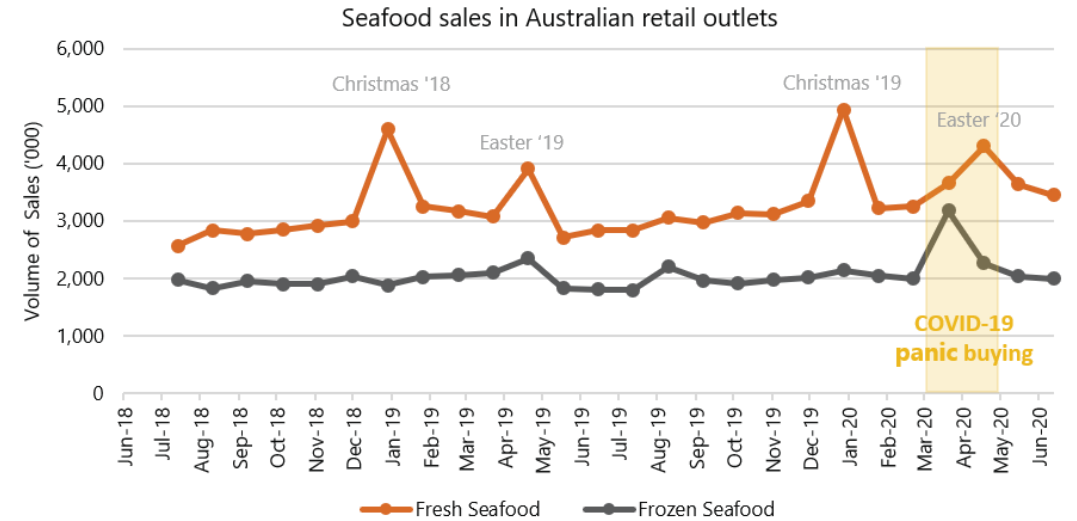
Protective factor: Retail orientation

Spike in volume of sales of frozen and fresh seafood during the COVID-19 lockdown.

Volume and prices of fresh seafood sales remained buoyant across May-June 2020.

Sectors already supplying retail markets (e.g. Finfish, Salmons, Prawns) were well positioned to take advantage.





Other sectors (e.g. farmed Barramundi) were able to partly transition to retail, away from dine-in food service.









Source: Nielsen Homescan™ data (top) and Sydney Fish Market (unpublished data)

Re-bound factor: Government support measures

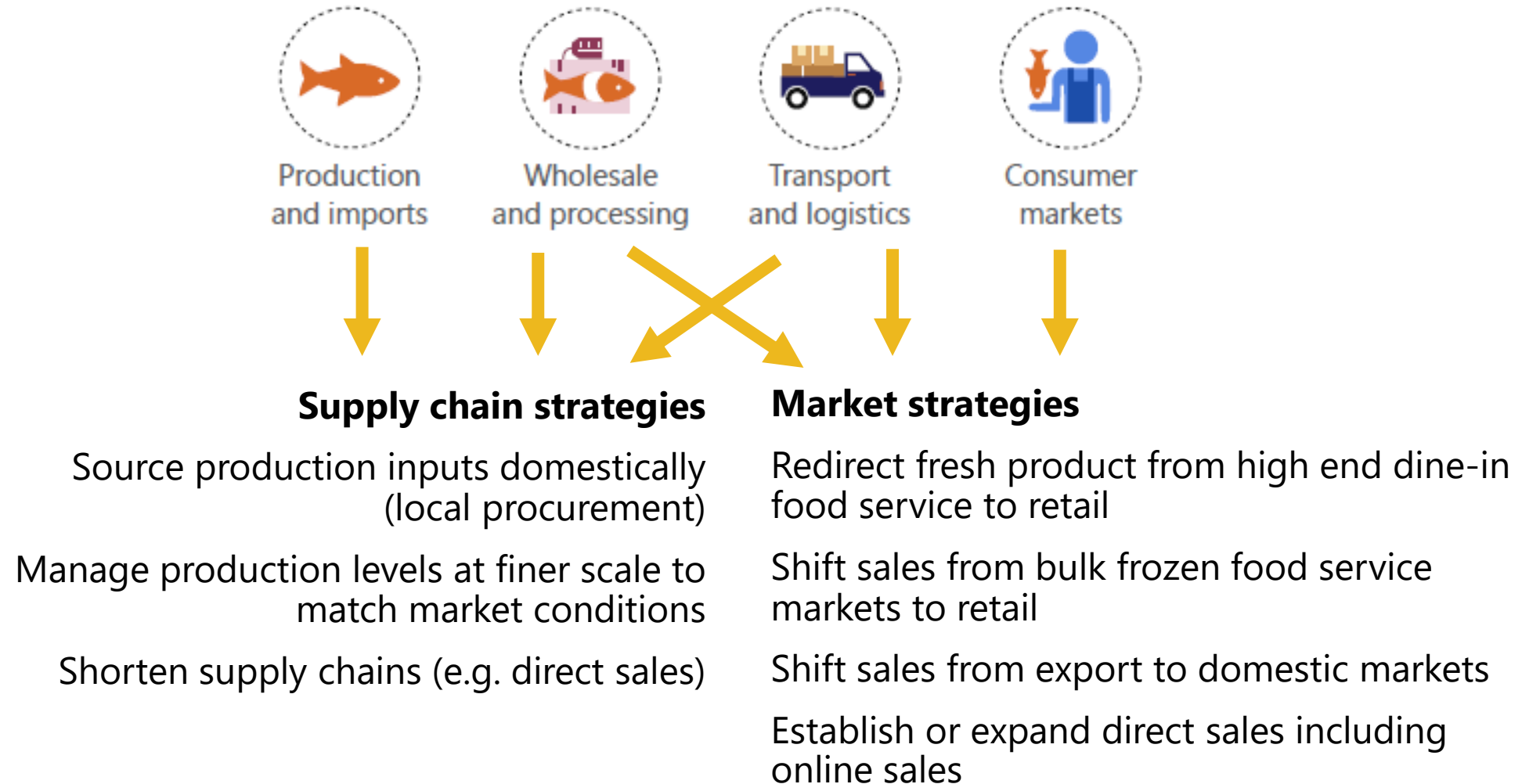
Marine resource management agency measures

Measure	 Direct cost-easing	 Indirect cost-easing	 Increased flexibility	 Indirect revenue-raising
Agency mechanism	Licence fees and levies	Quota management system	Input controls	Post harvest regulation
	Waiving of licence fees and levies paid by seafood producers, and applied differently by various agencies.	Implementation of a temporary rule change allowing the carryover of uncaught quota to help mitigate the market impacts of coronavirus.	Temporary changes to spatial, gear and seasonal controls on fishing effort to increase fishing efficiency, allow flexibility and greater access to available markets.	Allowing fishers to sell directly to the public from their vessels, where not already permitted.

Central government support measures

Measure	 Direct cost-easing	 Direct cost-easing	 Direct cost-easing	 Investment incentive	 Diversification cost support payment	 Wage cost support payment
Government mechanism	Business cost reduction	Export trade freight assistance	Business payments	Business investment incentives	Other trade support payments	Employment protection
	These included full or partial payroll tax refunds, reduction in payroll tax rates, or deferral of payments.	The International Freight Assistance Mechanism (IFAM) is a temporary subsidy of international air freight movements to re-establish global supply chains for Australian businesses.	Emergency cash flow boost payments to small or medium-sized businesses which employ staff meeting turnover criteria and/or in specifically, highly-disrupted sectors.	Payments and loan schemes to incentivise business investment and economic growth over the short term, by accelerating depreciation deductions.	Industry-specific programs to grant funds to businesses to respond quickly to changes in export market conditions, and enable diversification and resilience.	Through the JobKeeper Payment scheme businesses and not-for-profits were paid a fortnightly payment for part or all of their salary or wages for eligible employees.

Re-bound factor: Industry responses





Growth in an uncertain world

Opportunities

- New seafood retail segments and retail-facing products
- Packaging innovations to reduce time sensitivity
- Shorter supply chains

Supporting agility

- Business and sector continuity planning
- Improved early detection and diagnostics of pandemic shocks
- Biosecurity and pandemic response preparedness

