Improving market transparency in perishable agricultural goods industries

Seafood industry second workshop 7 September 2021: Workshop communique

Background

In late 2020, the Australian Competition and Consumer Commission (ACCC) conducted an inquiry into bargaining power imbalances in supply chains for perishable agricultural goods (PAG) in Australia. The inquiry recommended that the government explore measures to increase price transparency in PAG industries to increase competition in those industries.

In response to this recommendation, the Australian Government, through the Department of Agriculture, Water and the Environment (DAWE) has committed $5.4 million to improve price and market transparency in PAG industries by:

- delivering co-design workshops with PAG industries to understand their market transparency issues, opportunities and requirements
- delivering a grants program to develop and implement tailored mechanisms to improve price and market transparency.

The workshops provide an opportunity for participants to discuss price and market transparency issues in their sector, brainstorm ideas to improve transparency and co-design the details of solutions going forward.

Workshop 2 outcomes

Nineteen industry and government representatives attended the second seafood price and market transparency workshop. The objective of the second workshop was to generate concepts for potential projects for the grants program, and to identify further areas of work that can be undertaken outside of this program.

Prior to breaking out into small groups, two organisations provided an overview of some projects underway of interest to the industry:

- Seafood Industry Association – Harmonised Australian Retailer Produce Scheme (HARPS) and *Our Pledge*
- Sydney Fish Market – Digital trading platform.

Participants ([Appendix A](#)) worked in small groups that prioritised the following opportunities, which they ranked:

1) Digital tools – Industry e-commerce; traceability; digitisation of supply chains, including blockchain.

2) General process – Improved collection, storage and dissemination of timely market information; more informed price and market data.

3) Consumer awareness – Increased consumer education; increased consumer awareness of positive characteristics.

4) Industry specific – Increasing the scope and application of the SIA pledge; HARPS could be considered for the seafood industry (*did not progress following prioritisation*).

The top three opportunities were selected and prioritised. Participants noted their difficulty in selecting a preferred project, as all three were viewed favourably.

1) Digital tools – traceability and provenance (45%).

2) General process – data collection, analysis and dissemination (27%).

3) Consumer awareness – public relations campaign (27%).

Following small group discussions on the priorities, the whole group then came together to consider each idea, identify gaps and discuss which project should be progressed, for either application to grants funding during the first half of 2022 or for industry-led development.

Table 1 provides an overview of the potential projects that were workshopped by participants.

Participants shared details of projects for digital tools to improve traceability and provenance that were being used or developed, including:

- [Australian Dairy Farmers Traceability Guidelines](#)
- [Laava Global Mark of Trust](#)
- [Australian AgriFood Data Exchange project prospectus](#).

Next steps

The industry is now encouraged to continue working with key stakeholders in the industry to further develop the potential projects.

Table 1 Potential projects

Concept	Key purpose and benefit	Stakeholders	Considerations and next steps
Digital tools Create a secure and independent digital tool to improve transparency about traceability and provenance.	Improve traceability so consumers would better trust seafood products in relation to their: • Provenance • Food safety • Certifications. The tool would include three components: • Data – reference data set • Digital transformation – flow of information of reference data • Value add – verification tool. The tool would connect to e-commerce solutions and would have the potential to improve the customer experience. The tool would also have the potential to reduce back of house assessments.	Work with stakeholders who are already developing similar tools, including: • Fisheries Research Development Corporation • Global Dialogue for Seafood Traceability • Laava • Oysters Australia (miShell, Smart Oysters, Oyster Cloud) • CSIRO. While a commercial off-the-shelf solution may not be available, working with stakeholders to leverage existing tools may reduce time and cost.	*Supply chain* – a project would need to consider the supply chain reach. For example, it would prove easier for packaged goods with labels, more challenging for other goods. The tool should allow for real time assessment so it can be used quickly at each point in the supply chain. *Data security and governance* – a project should build trust that data is used appropriately with appropriate security. Apply protocols and controls to provide reassurance and allow verification without being seen as a policing tool. Provide an independent rating system. *Future proof* – a project should look to avoid vendor and technology lock-in; keep data accessible; and consider whether the data can be open. *Value proposition and return on investment* – a project should be wary that user costs wouldn't lead to higher prices for products. Specifically, the tool should be competitive. *Seafood industry* – product development should take into account the fragmented nature of the seafood industry.
General process A single source of data collected from a range of sources and published on a web portal.	Data collection, analysis and dissemination. The portal needs to be mobile accessible (app as well as web) and contain a library of information. The portal would be developed as a proof of concept first with a pilot rolled out to one sector of the seafood industry before incrementally rolling out to all segments. The portal could potentially be subscription-based. Real-time, quarterly and monthly dissemination of data.	Work with stakeholders who already collect a range of data that can be collated. Some data will need to be aggregated to maintain competition privacy. Annual data – ABARES Quarterly data – Oysters Australia survey Realtime data – State Government quota and production data, SFM trading data, aggregated farmgate, retail scan data, aggregate wholesalers' data.	*Data standards/integrity* – a project should consider the type of data, so it can be well defined to ensure that inputs are standardised across the industry (for example, definition of price). *Willingness to share information* – a project would aggregate data from some sources to ensure privacy of data, and to ensure no breach to competition law will encourage companies/individuals to provide that data. *Complexity of industry* – a project would take into account the complexity of the industry, specifically its significant variations between sectors, including wild catch versus farmed, seasonality of product, contractual arrangements between farmers and wholesalers/retailers.

Concept	Key purpose and benefit	Stakeholders	Considerations and next steps
		An independent or semi-independent body to host/manage the portal, for example: • Seafood Industry Australia Fisheries Research Development Corporation (FRDC) • Australian government (DAWE) The FRDC is best positioned to facilitate data interchange to allow pre-competitive data sharing (act as the app store not developer).	*Concurrent work underway* – a project should look to build on/leverage other benchmarking systems being developed for comparison and decision making.
Consumer awareness Public relations campaign to raise the seafood industry's profile.	Ideally, consumer awareness about the seafood industry would be raised through a public relations campaign. This would be a coordinated effort across the industry to communicate good news stories about the seafood industry. Other options to raise consumer awareness could include: • Partnership with retailers/supermarkets that have aligned values, to communicate to consumers. • Direct consumer marketing campaign. (This was excluded due to the cost). The campaign would focus on telling the story: • *What* – stewardship of marine environment; provenance, country of origin; assure quality • *How* – edutainment; messaging opportunities. Importantly, this campaign would serve a dual purpose of informing consumers and attracting talent/capital.	A range of businesses across the supply chain (including wholesalers) who are interested in supporting a coordinated public relations effort will need to have some traditional and social media training. The Seafood Industry Association would likely coordinate the public relations effort, but the whole industry would have a role. The Seafood Industry Association may also coordinate a partnership with retailers and supermarkets for a values alignment effort.	*Funding* – a project would need to consider a sustainable funding model to support an industry-wide campaign and to access talent. *Return on investment* – a project should demonstrate to industry a return on investment to justify the resourcing required (finance and/or labour hours) to develop and implement a campaign. *Wholesaler* – the role of wholesalers should be considered. *Tactics* – there are a range of platforms a project could consider using as a hook to a campaign, including the SIA Industry Pledge. Other specific tactical considerations may include research, timing, and messaging.

Appendix A: Participant list

- Humpty Doo Barramundi

- Petuna

- Sydney Fish Markets

- Austral Fisheries

- Western Rock Lobster Council

- Oysters Australia

- SA Oyster Growers

- NSW Professional Fishermen's Association

- Seafood Industry Australia

- Fisheries Research Development Corporation

- Australian Competition and Consumer Commission

- DAWE Fisheries Branch

- DAWE Agricultural Policy Division