

FINAL REPORT  
CRC Project No 2013-/752

## Setting Directions for the Australian Barramundi Farmers Association (ABFA)

Development of a Strategic and RD&E Plan for Industry.



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November 2014





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ISBN: 978-0-9942147-1-3

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## GLOSSARY

| ACRONYM | DESCRIPTION                                |
|---------|--|
| ABFA    | Australian Barramundi Farmers Association  |
| AGM     | Annual General Meeting                     |
| APFA    | Australian Prawn Farmers Association       |
| BFCP    | Barramundi Farmers Certification Program   |
| BIS     | Broad Industry Survey                      |
| CoOL    | Country of Origin Labelling                |
| CRC     | Cooperative Research Centre                |
| EO      | Executive Officer                          |
| ESP     | Experienced Service Provider               |
| FRDC    | Fisheries Research Development Corporation |
| GM      | General Meeting                            |
| IBC     | Industry Betterment Contribution           |
| IPA     | Industry Partnership Agreement             |
| RD&E    | Research, Development & Extension          |
| SCRC    | Seafood CRC Company Ltd                    |

## 1. NON TECHNICAL SUMMARY

**Project:** 2013/752: Setting Directions For The Australian Barramundi Farmers Association

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**PROJECT OBJECTIVES:**

1. Development of a whole of industry Strategic Research, Development and Extension (RD&E) Plan
2. A process for managing, updating and resourcing the Strategic RD&E Plan.

**ABSTRACT**

The Australian Barramundi farming industry has seen constant growth in production and price over the last 10 years, but the industry is facing threats from a number of sources. The Australian Barramundi Farmers Association (ABFA), which represents the vast majority of producers and over 85% of farm production, has taken a leading role in seeking to address these threats. To maintain viability, and increase growth and profitability, an industry developed, endorsed and resourced, program based, Strategic and RD&E Plan was required to provide the ABFA with clear direction on where to focus resources and investment.

An inclusive face to face interview process was undertaken, liaising with all ABFA members to gather key industry issues across the diverse industry membership (regional and production system). This process allowed all members to equally contribute to the plan's development.

These industry issues were workshopped through a series of Industry meetings, and distilled into priority industry needs. These were developed into seven industry Goals and associated Strategies, and the resourcing required to address those goals across the industry's regional and production methodology diversity was identified. The seven ABFA Strategic Goals are;

- 1 Market differentiation for Australian Grown Aquacultured Barramundi
- 2 Consistent high quality Australian product to meet consumer preferences
- 3 Effective Management of Biosecurity Risk
- 4 Better awareness of farm productivity issues and options
- 5 Sustainable Australian Barramundi Production Systems
- 6 Effective regulatory frameworks to support Australian barramundi farms

## 7 A well resourced National Body that delivers industry outcomes.

The ABFA has already adopted the Australian Barramundi Farmers Association Strategic and Research, Development and Extension Plan - 2015–2020, which provides clear and formalised guidance on ABFA's activities. The focussed and strategic program based approach means the ABFA is much better positioned to optimise its financial and human resources through a structured RD&E program, complimented by a coordinated extension program.

The project's objectives of developing a whole of industry Strategic RD&E Plan and a process for managing, updating and resourcing the Plan have been met. Industry heads into the future with a greater level of confidence that it has a plan to take the industry to 2020 and beyond.

### **OUTCOMES ACHIEVED**

The development of the Australian Barramundi Farmers Association Strategic and Research, Development and Extension Plan, 2015–2020 has provided the ABFA with a critical program based direction for the investment of its RD&E funds to meet industry needs.

ABFA members have benefitted directly from this project as there is now clear program based direction for the industry, linked to key industry goals. Members believe that if the goals and associated strategies are successful there will be economic benefit from improved markets, prices and community support for the product and industry.

The Plan and associated process for review and priority setting has given the ABFA, the wider farmed barramundi industry, RD&E providers, and funders, clear RD&E investment guidelines for the next 5 years and beyond.

A less tangible outcome has been the improved industry cohesiveness that came about through the process of on farm, face to face, visits, the identification of similar cross industry priorities, and the commitment from members to support a clear plan and commit resources to achieving the necessary outcomes.

Progress against the plan will be assessed annually at the AGM, and RD&E priority actions and associated expenditure will be assessed annually at the ½ yearly workshop.

Adoption of the plan has already commenced, with a number of the strategies already underway.

In light of the Plan, the FRDC has agreed to develop an IPA with the ABFA.

### **OUTPUTS PRODUCED**

Australian Barramundi Farmers Association Strategic and Research, Development and Extension Plan. 2015–2020.

## **2. ACKNOWLEDGEMENTS**

The participation of ABFA members, Ewan Colquhoun of Ridge Partners and Meredith Lawley from the University of the Sunshine Coast (USC) was critical to this project. We thank them for providing their valuable time, input and effort in working with the project team.

The assistance provided by the staff of the CRC was greatly appreciated.

This project was funded by the Australian Government through Seafood CRC Project No. 2013/752.

### 3. INTRODUCTION

The Australian Barramundi farming industry has seen constant growth in production and price over the last 10 years, with industry production estimates for 2014/2015 expected to be in the vicinity of 6,000t, valued at almost \$70M. Importantly, membership and production-wise, over 85% of this has come from ABFA members.

The industry is diverse, from both a production and geographic perspective, and has at times struggled to work cooperatively, often due to those diversities and its relative youth as an industry.

Over the last three years there has been a greater maturity and strengthening of the links across production systems and regions, with common goals to increase production, price per kilogram, and market penetration, and to address key RD&E issues. This has been possible as the organisation has employed a part-time Executive Officer (EO) during this period, and funding has come through the CRC, which has allowed significant expenditure on RD&E, along with the governance and support that comes from the CRC.

The industry is now at the stage where it has agreed to the collection of a voluntary Industry Betterment Contribution (IBC) from members, based on 0.25% of production value. This should generate around \$135,000 per year, which can be directed to RD&E, marketing or other industry priorities, depending on industry needs and leveraging capacity. The Feed Company's (Ridleys and Skretting) annual gift of \$75,000, membership fees of around \$20,000, plus other income means that, if correctly leveraged, the ABFA will have a small, but valuable, capacity to address many of the issues that are identified as industry priorities.

For this to work effectively however, there was a need to work through an inclusive process to identify industry priorities, and resource those priorities across the industry diversity. In addition, when the CRC ceases to operate in 2015, the ABFA will be seeking to enter into an Industry Partnership Agreement (IPA) with the Fisheries Research Development Corporation (FRDC). A condition of this is that the ABFA must have a well structured and agreed Strategic RD&E Plan in place.

The ABFA did develop a strategic plan in 2007 but this Plan did not become intrinsically embedded within the industry culture, and as such, the opportunities that this process identified weren't been fully addressed or met. The benefits that could have flowed from the development of the CRC hadn't also fully materialised. Since 2012 the ABFA has operated under an operational plan that seeks to address ongoing and identified key issues at a project level, not at a strategic level.

Notwithstanding this, much of the heavy lifting has taken place over the last six years, with the ABFA engaging a part time EO, holding ½ yearly workshops to share and discuss RD&E needs and interact with key researchers, holding barramundi specific sessions at the annual conference, having industry agreement to collect an IBC, reaching agreement on the need for a whole of industry marketing approach, adoption of a 3<sup>rd</sup> party sustainability and quality system, and having a more formalised alliance with the APFA, to name just a few of the recent achievements. This leaves the ABFA in a good position, but lacking the formal direction a strategic RD&E Plan will provide.

The ABFA is involved in a large number of projects; many are complex and have a range of sub programs. The ABFA operates under a project based approach and this has not

provided the synergies and whole of industry impetus that is needed. It is felt that a move to a more focussed and strategic program based approach, developed around structured key focus areas, such as production, quality, marketing and biosecurity, will provide greater return on investment, and increase association and industry focus.

As a result of this Plan the ABFA will be much better positioned to optimise its financial and human resources through a structured RD&E program, complimented by a coordinated extension program.

### **3.1. CONSULTATION**

Consultation was undertaken with ABFA membership at the ½ yearly workshop in March 2013, and the ABFA AGM (July 2013), where it was endorsed unanimously that the development of a strategic direction for ABFA RD&E was a key industry need. Part of the residual ABFA funding held by the CRC, of around \$40,000, was to be committed to achieving this, with a condition that it be an inclusive process. The CRC was advised of this as a priority item, and they requested an application be developed for consideration.

FRDC advised that a formalised strategic RD&E Plan is a prerequisite to implementing an IPA, and this approach is the intention of the ABFA now that the CRC is winding up. In addition, FRDC indicated that the ABFA required such a plan to better coordinate investment.

Other participants in the broader industry were also invited to have input, provide their views, and be involved in the process, e.g.; feed companies, some key RD&E providers and funders.

### **3.2. NEED**

This project is critical for the future of the ABFA. As the industry moves to a self funded RD&E model based on industry contributions, the development of an agreed and strategic approach to investing industry funds must be undertaken to achieve the greatest return on investment to industry. This cannot be achieved unless there is an inclusive and wide ranging canvassing of ABFA RD&E needs across the diverse operations within the industry.

The ABFA did not have resources within its reserves to carry out this project and as such it relied solely on its residual CRC funds to undertake this project.

## **4. OBJECTIVES**

- 1 Development of a whole of industry Strategic RD&E Plan
- 2 A process for managing, updating and resourcing the Strategic RD&E Plan

## **5. METHOD**

The approach to this project involved a number of phases as described below.

### **5.1. Engagement of Experienced Service Provider (ESP)**

An Experienced Service Provider (ESP) with skills in Strategic RD&E Planning was engaged to assist the ABFA in developing its Plan, and to provide support and direction, and independent and at-arms length involvement, as necessary.

## **5.2. Broad Industry Survey (BIS)**

With the assistance of the ESP, the Executive and the CRC, an industry survey/questionnaire was developed to harvest the diverse industry needs, to ensure all ideas were captured in a broad scan of the industry (see Appendix 1 for Questionnaire).

Key questions related to 'what are the key factors you see that would improve your operation, profitability, efficiency and capacity to operate in the industry?' This approach was successfully used in FRDC Project 2007/304 (Empowering Stakeholders to Initiate and Advance RD&E Projects in the Seafood Industry) to identify individual business needs as part of developing whole of industry priorities.

Where possible a face to face approach was used, with the PI speaking individually to each ABFA member (on site where possible). This approach ensured that there was a deeper investigation into needs, and it also built a greater rapport and industry ownership.

The benefit of this methodology also ensured that the views of all members were heard, not just those who speak loudest or most at formal meetings. This 'ideas scan' data was aggregated and key themes identified.

## **5.3. Industry Workshop - ½ yearly workshop**

Following the BIS a formal workshop was held (4<sup>th</sup> March 2014) to coincide with the ABFA annual ½ yearly workshop in Townsville (5<sup>th</sup> March 2014). This allowed members an additional day to discuss and endorse any workshop outcomes.

At this meeting the ESP acted as an independent facilitator to distil the broad industry ideas into key objectives, priority issues, deliverables, and performance indicators, that could be incorporated into a Strategic RD&E Plan.

Consideration was made as to how to resource the priority issues and how to deliver on the Plan, possibly through the development of an annual operating Plan. The final design was dependent on industry needs and how best to address them.

Each step along this process was designed to maximise member buy-in to the process and outcomes.

## **5.4. Plan Adoption Meeting - ABFA AGM/GM**

Between the Industry workshop and the ABFA AGM/GM (August 2014), a draft Strategic RD&E Plan was developed and distributed to ABFA members (and other key stakeholders) for comment and feedback. As well as whole of group contacts, the PI contacted each member individually (by phone and/or email) to discuss the Plan.

Any necessary revisions were incorporated into a revised plan, which was presented at the ABFA AGM/GM in August 2014 for ratification.

## **6. RESULTS AND DISCUSSION**

Ewan Colquhoun of Ridge Partners was engaged as the ESP to work with the PI and ABFA to develop, as part of the face to face industry member meetings, an appropriate process to gather information through the BIS phase.

Initially there was a slight delay (2 weeks) to the face to face meetings due to weather events in north Queensland, but once this passed, the project progressed smoothly. All

ABFA members were interviewed. Members embraced the chosen face to face approach and readily provided the relevant information requested in the BIS. Farms/enterprises visited were;

- Barramundi Gardens - Qld
- Daintree Barramundi - Qld
- GFB (2 farms and head offices) - Qld.
- Humpty Doo Barramundi - NT
- King Reef Seafood - Qld
- Mainstream - Vic
- Marine Produce Australia - WA
- Pejo Enterprises- Qld
- Robarra - SA
- Baker Creek Farms and GBR - Qld (both operations were unable to meet face to face but provided information through a phone hook up).

Aggregated data from the PI's meetings with members was analysed by the ESP, who then independently facilitated a whole of industry workshop on 4<sup>th</sup> March 2014 in Townsville. Eighty percent (80%) of ABFA members attended, with apologies from the two who could not attend.

The workshop process stepped through a comprehensive and inclusive process to map out priority areas (see Appendix 2). The format involved;

- Introductions
- Global issues and trends: now – next 5-10 years
- Survey responses and available data
- Likely scenario – products and services
- Markets and distribution issues and trends
- On-farm issues and trends
- Strategic Competitive Advantage for Australian industry to 2020
- Vision, Mission, Top 5 goals for 2020
- Investment strategy and funding sources
- RD&E priorities
- Markets
- Other issues
- Collaboration - FRDC, SCRC, State agencies, others
- Updating and resourcing the Plan
- Next Steps and close.

The draft workshop outcomes were further analysed and discussed within Industry on day 2, and the following were agreed to

- A confirmed ABFA Vision, Mission and Values
- Seven (7) key goals and associated strategies and actions (see Table below, which is expanded in Appendix 3).

| Goal  | Strategies   |
|---|--|
| 1 Market differentiation for Australian Grown Aquacultured Barramundi     | <ul style="list-style-type: none"> <li>– Naming rights</li> <li>– Branding</li> <li>– Australian grown v imported</li> <li>– Quality</li> </ul>  |
| 2 Consistent high quality Australian product to meet consumer preferences | <ul style="list-style-type: none"> <li>– All ABFA growers sign up to QA scheme</li> <li>– Taint and colour addressed</li> <li>– Add Quality to Green Tick</li> </ul>   |
| 3 Effective Management of Biosecurity Risk                                | <ul style="list-style-type: none"> <li>– Intelligence risks</li> <li>– Biosecurity process</li> <li>– Expert advice</li> <li>– International fish health information sharing</li> <li>– MUP use</li> </ul>   |
| 4 Better awareness of farm productivity issues and options                | <ul style="list-style-type: none"> <li>– All industry members contribute to providing industry data, power to optimise RD&amp;E spend</li> <li>– Seek use of Australian Prawn Farmers Association (APFA) spreadsheet</li> </ul>  |
| 5 Sustainable Australian Barramundi Production Systems                    | <ul style="list-style-type: none"> <li>– TBL approach</li> <li>– Green tick rollout used to market and lobby</li> <li>– Operational policy on discharge</li> </ul>   |
| 6 Effective regulatory frameworks to support Australian barramundi farms  | <ul style="list-style-type: none"> <li>– Seek improved regulatory framework.</li> <li>– Green tick certification</li> <li>– Better science</li> </ul>  |
| 7 A well resourced National Body that delivers industry outcomes          | <ul style="list-style-type: none"> <li>– Meets industry needs for growth</li> <li>– Develop value proposition</li> <li>– Develop business and communication plans</li> <li>– Clear budget and expenditure priorities developed</li> <li>– Improve lobbying capacity</li> </ul> |

The deliverables from the March meeting were developed into a costed Draft Strategic Plan. This draft was provided to members for further input, or comments, prior to the 2014 AGM.

At the 2014 AGM the Plan and associated budgets were unanimously supported by members and adopted as the industry Strategic RD&E Plan. In addition it was agreed to;

- Review progress against the plan annually at the AGM
- Revise RD&E priority actions and associated expenditure annually at the ½ yearly workshop
- Review and revise the Plan prior to the 2020 AGM
- Resource the Plans deliverables through the existing ABFA funding sources and a FRDC IPA.

The finalised plan was professionally desktop published (see Appendix 4) and is available electronically (no hard copies will be produced). It is posted on the ABFA website, and distributed to all ABFA members and other relevant stakeholders (e.g. researchers, funders, agencies, supply chain partners).

## 7. BENEFITS AND ADOPTION

The ABFA members have benefitted directly from this project as there is now clear,

program based direction for the industry, linked to key industry goals. The previous project approach meant that there weren't clear linkages across expenditure, outputs, outcomes and follow-up activities. Members believe that if the goals and associated strategies are successful there will be economic benefit from improved markets, prices and community support for the product and industry.

The Plan and associated process for review and priority setting has given the ABFA, the wider farmed barramundi industry, RD&E providers, and funders, clear RD&E investment guidelines for the next 5 years and beyond.

A less tangible benefit has been the improved industry cohesiveness that came about through the process of on farm, face to face, visits, the identification of similar cross industry priorities, and the commitment from members to support a clear plan and commit resources to achieving the necessary outcomes.

In light of the Plan the FRDC has agreed to develop an IPA with the ABFA.

Adoption of the plan has already commenced, with a number of the strategies already underway, e.g.

- Development of a submission to the Fish Names Committee in respect to the Fish Names Standard
- Engagement and submissions to two senate hearings on food generally and seafood labelling - Seeking national adoption of CoOL<sup>1</sup>
- Commencement of an ABFA Branding program, highlighting the fish as an Australian product (see <http://www.australianbarramundi.com.au/>)
- ABFA uptake of the Barramundi Farmers Certification Program (BFCP), with 6 farms independently accredited and 3 more going through the process
- Commencement (and almost completion) of a Quality Scheme for the ABFA, linked to the BFCP (CRC Project 2014/708 - Stamping quality across the Australian farmed barramundi Industry)
- Input to the recent biosecurity IRA, and
- When the FRDC/ABFA IPA is completed, engagement of a researcher to identify biosecurity risks to Australian barramundi.

## **8. FURTHER DEVELOPMENT**

The ABFA have incorporated activities to disseminate the project outcomes through its websites, member contacts, and distribution of links to the plan to key researchers and funders (see list at Appendix 5)

## **9. PLANNED OUTCOMES**

The development of the Strategic Plan has provided critical program based direction for the investment of ABFA RD&E funds to meet industry needs.

The Industry believe that they will achieve greater value for their RD&E investment through the well organised and managed RD&E program, and that will lead to industry betterment through a rationalised, structured and costed RD&E program. This clear direction also allows researchers to better understand key RD&E areas for the industry.

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<sup>1</sup> *Country of Origin Labelling*

Overall this will lead to improved performance in a range of areas, such as; marketing, quality, social licence, ecological performance and personal development capacity.

A structured and resourced approach provides greater certainty to funders, such as the FRDC, who will enter into an IPA with the ABFA this year.

## **10. CONCLUSION**

The Australian Barramundi farming industry has seen constant growth in production and price over the last 10 years, but the industry is facing threats from a number of sources. To maintain viability, and increase growth and profitability, an industry developed, endorsed and resourced, program based, Strategic and Research, Development & Extension Plan provides the ABFA with clear direction on where to focus resources and investment.

The inclusive process undertaken under this project has ensured that the diverse industry membership has been able to equally contribute to the plans development, ratification and adoption.

The seven industry Goals and associated Strategies were developed through an inclusive process, by identifying industry priorities and the level of resourcing required to address those issues across the industry's regional and production methodology diversity.

The plan has already been adopted by Industry and is providing clear and formalised guidance on ABFA's activities. The focussed and strategic program based approach, means the ABFA is much better positioned to optimise its financial and human resources through a structured RD&E program, complimented by a coordinated extension program.

The project's objectives of developing a whole of industry Strategic RD&E Plan, and a process for managing, updating and resourcing the Plan, have been met. Industry heads into the future with a greater level of confidence that it has a plan to take the industry to 2020 and beyond.

## **11. BIBLIOGRAPHY AND REFERENCES**

Australian Farmed Barramundi Strategic Plan 2007 - 2012

Barramundi Industry Development Plan Discussion paper 2006

How Price Affects the Demand for Food in Australia: Australian Domestic Demand Elasticities for Rural RIRDC Pub. No. 11/134

NT Fisheries ARG Strategic Plan 2013 - 2020

Southern Rock Lobster Strategic Plan 2011 - 2016

Western Rock Lobster Research, Development & Extension Plan 2014 - 2023

## 12. APPENDICES

## **APPENDIX 1: ABFA Questionnaire**

# THE FUTURE OF BARRA FARMING - product quality, profitability, efficiency, environmental performance, consumer and community support

Enterprise:

Site Location:

Prod'n Type:

Licensed ha/tonnes:

Est. Prod'n: 2014

2015

2016

2017

2020

| ISSUES<br>in the Australian Barramundi Farming Industry               |   | YOUR TOP<br>5 ISSUES | DRIVERS<br>of these issues over the next 5-10 years | WHAT DO YOU WANT ABFA TO ACHIEVE<br>for each of your top 5 Issues? |
|---|---|----------------------|---|--|
| <b>A. MARKETS</b>   |   |                      |   |  |
| <b>1. What is the market for farmed barramundi in next 5-10 years</b> | Export or domestic  |                      |   |  |
|   | Understanding our consumer                                  |                      |   |  |
|   | What product forms  |                      |   |  |
|   |   |                      |   |  |
| <b>2. What do future consumers want</b>                               | Quality   |                      |   |  |
|   | Pricing   |                      |   |  |
|   | Distribution system   |                      |   |  |
|   | Food service / in-home                                      |                      |   |  |
|   | Origin labelling<br>FISH NAMES                              |                      |   |  |
| <b>3. Who will be our competitors</b>                                 | Domestic  |                      |   |  |
|   | Import  |                      |   |  |
|   | Other proteins  |                      |   |  |
|   |   |                      |   |  |
| <b>4. Should ABFA do marketing</b>                                    | What role   |                      |   |  |
|   | How to fund   |                      |   |  |
|   | Who does it   |                      |   |  |
|   | Do we need an industry Brand                                |                      |   |  |
|   |   |                      |   |  |
| <b>5. Volume/Tonnage</b>  | Existing and future capacity - active, dormant, latent, new |                      |   |  |
|   | Production system efficiency - reduced costs                |                      |   |  |
|   | Improved returns  |                      |   |  |
|   | Industry coordination                                       |                      |   |  |
|   |   |                      |   |  |
| <b>6. Feed &amp; nutrition</b>  | Source of meal/oil  |                      |   |  |
|   | Formulation   |                      |   |  |
|   | Productivity / FCR  |                      |   |  |

|   |                                       |  |  |  |
|---|---------------------------------------|--|--|--|
|   | Cost                                  |  |  |  |
|   |                                       |  |  |  |
| 7. Sustainability                                       | Resource access                       |  |  |  |
|   | Site management                       |  |  |  |
|   | Water quality                         |  |  |  |
|   | Waste water management                |  |  |  |
|   | Certification                         |  |  |  |
|   | 3 <sup>rd</sup> Party influences      |  |  |  |
|   |                                       |  |  |  |
| 8. Genetics   | Hatchery                              |  |  |  |
|   | Improvement                           |  |  |  |
|   | Coordination                          |  |  |  |
|   | broodstock                            |  |  |  |
|   |                                       |  |  |  |
| 9. Fish Health  | Biosecurity internal/external         |  |  |  |
|   | Translocation                         |  |  |  |
|   | Disease                               |  |  |  |
|   | MUP                                   |  |  |  |
|   |                                       |  |  |  |
| 10. Human capacity                                      | Labour                                |  |  |  |
|   | Access to skills / training           |  |  |  |
|   | Succession                            |  |  |  |
|   |                                       |  |  |  |
| 11. Operations  | Productivity                          |  |  |  |
|   | Seasonality                           |  |  |  |
|   | Harvesting                            |  |  |  |
|   | Industry data                         |  |  |  |
|   | Energy/power                          |  |  |  |
|   | Water access                          |  |  |  |
|   |                                       |  |  |  |
|   |                                       |  |  |  |
| 12. Gov't and other authority regulation red/green tape | On farm/site                          |  |  |  |
|   | Post-harvest                          |  |  |  |
|   | Labour                                |  |  |  |
|   | 3 <sup>rd</sup> party and NGO impacts |  |  |  |
|   | Discharge                             |  |  |  |
|   |                                       |  |  |  |
| 13. Post-harvest and value adding                       | Logistics and transport               |  |  |  |
|   |                                       |  |  |  |
|   | Cool chain                            |  |  |  |
|   | Packaging                             |  |  |  |

|                               |                          |  |  |  |
|-------------------------------|--------------------------|--|--|--|
|                               | Processing               |  |  |  |
|                               | New products             |  |  |  |
|                               | Manufacture              |  |  |  |
|                               |                          |  |  |  |
| 14. Farm viability            | Access to farm capital   |  |  |  |
|                               | Security                 |  |  |  |
|                               | Investors                |  |  |  |
|                               |                          |  |  |  |
| 15. Role & Objectives         | Representation           |  |  |  |
|                               | Advocacy                 |  |  |  |
|                               | Communication            |  |  |  |
|                               | Trade desk               |  |  |  |
|                               | Lobbying                 |  |  |  |
| 16. Structure                 | Current structure        |  |  |  |
|                               | ABFA stand alone org     |  |  |  |
|                               | Merger with other groups |  |  |  |
|                               | Admin/staffing           |  |  |  |
|                               |                          |  |  |  |
| 17. Governance and Leadership | Current operations       |  |  |  |
|                               | Reporting                |  |  |  |
|                               | Communication            |  |  |  |
|                               |                          |  |  |  |
| 18. Funding & investment      | Sources                  |  |  |  |
|                               | Uses                     |  |  |  |
|                               | Leveraging               |  |  |  |
|                               | Increase membership      |  |  |  |

**APPENDIX 2: ABFA ½ Yearly Planning Meeting Papers**

# ABFA STRATEGIC PLAN 2014-20

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Industry Meeting

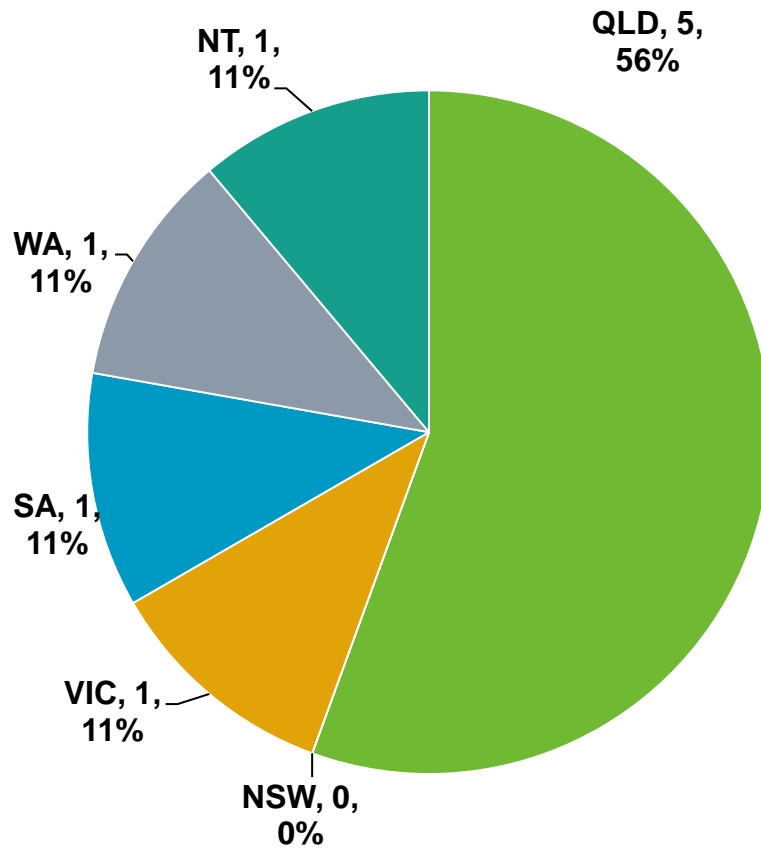
Townsville 4 March 2014

# Draft Agenda

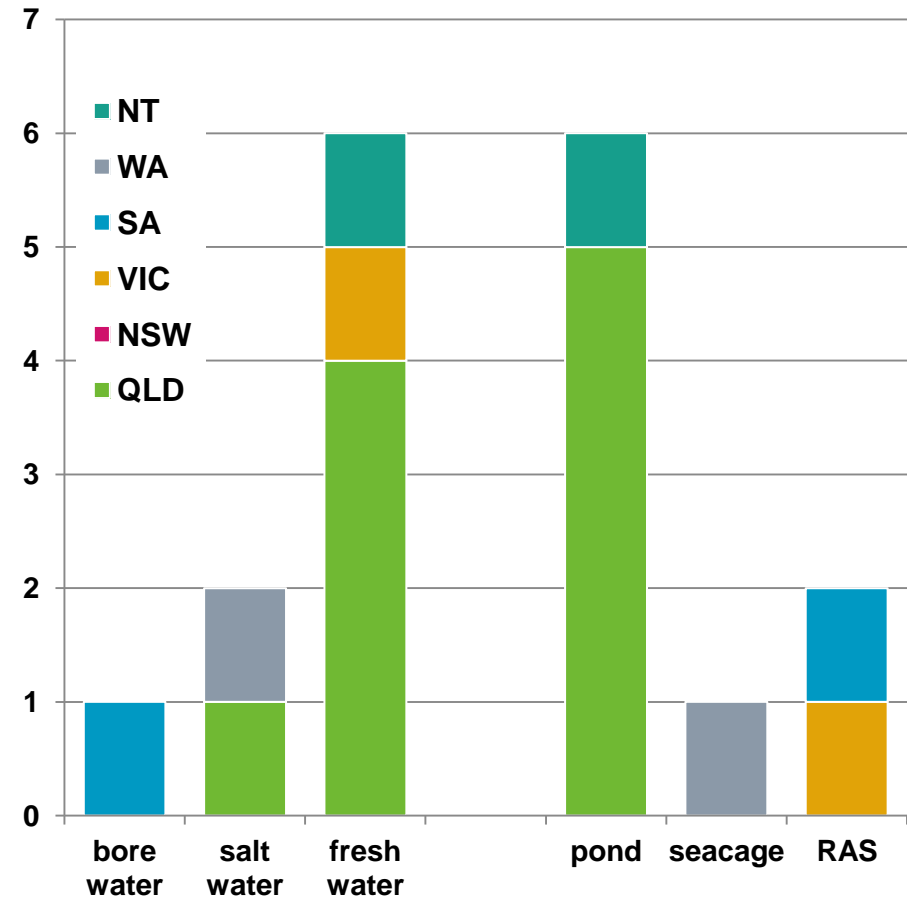
- Introductions
- Global issues and trends: now – next 5-10 years
  - Survey responses and available data
  - What is likely scenario – products and services
- Markets and distribution issues and trends
- On-farm issues and trends
- Strategic Competitive Advantage for Australian industry to 2020
- Scenario, Vision, Mission, Top 5 goals for 2020
- Investment strategy and funding sources
  - RD&E
  - Markets
  - Other
- Collaboration / FRDC / SCRC / State agencies / other
- Updating and resourcing the Plan
- Next Steps and close

# Who Chris spoke with....

## 9 Farm Sites



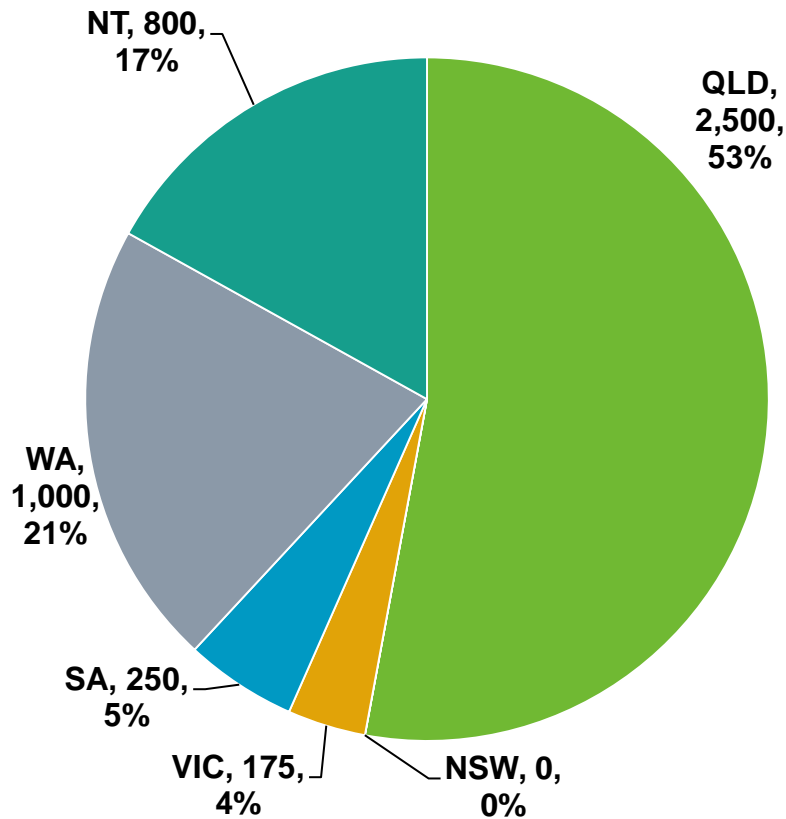
## by Production System



Survey respondents represent

# Their 2014 tonnage....

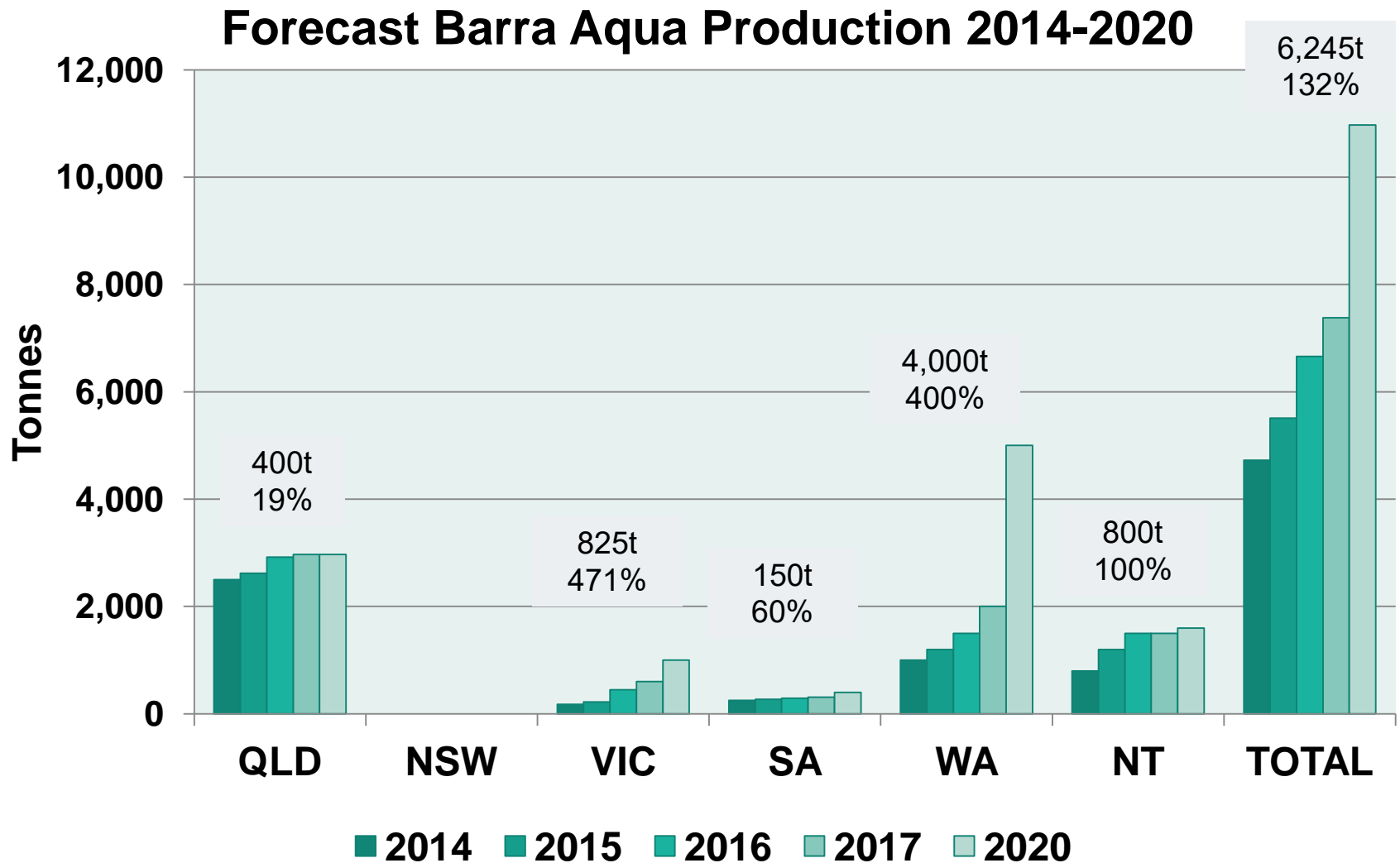
## 2014 Production Forecast (t)



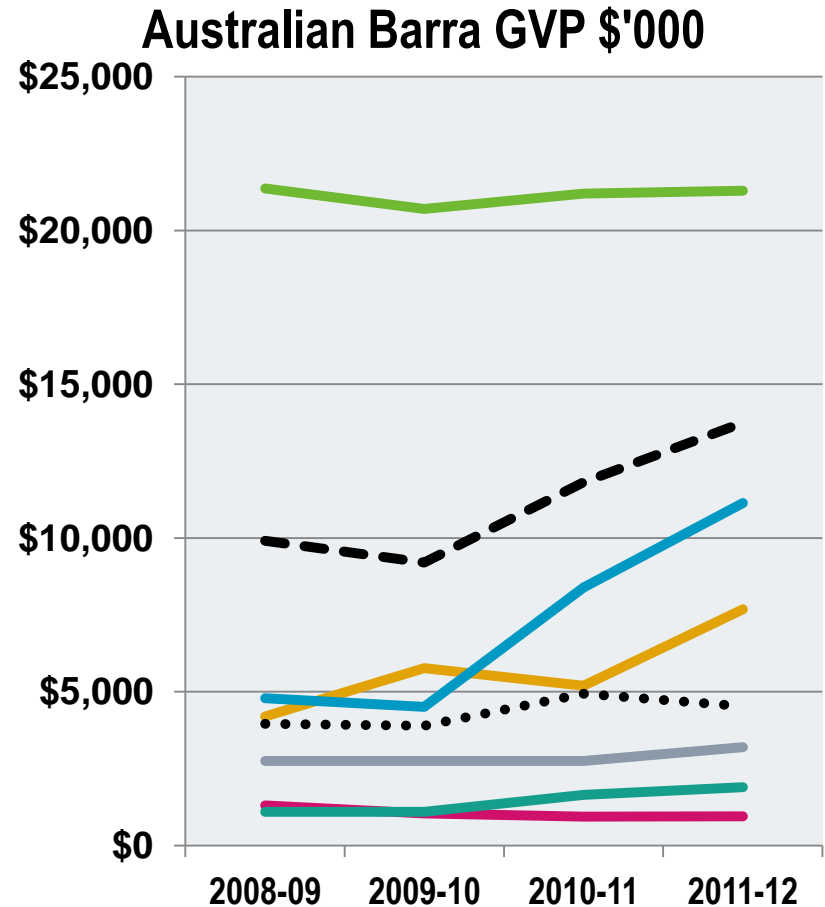
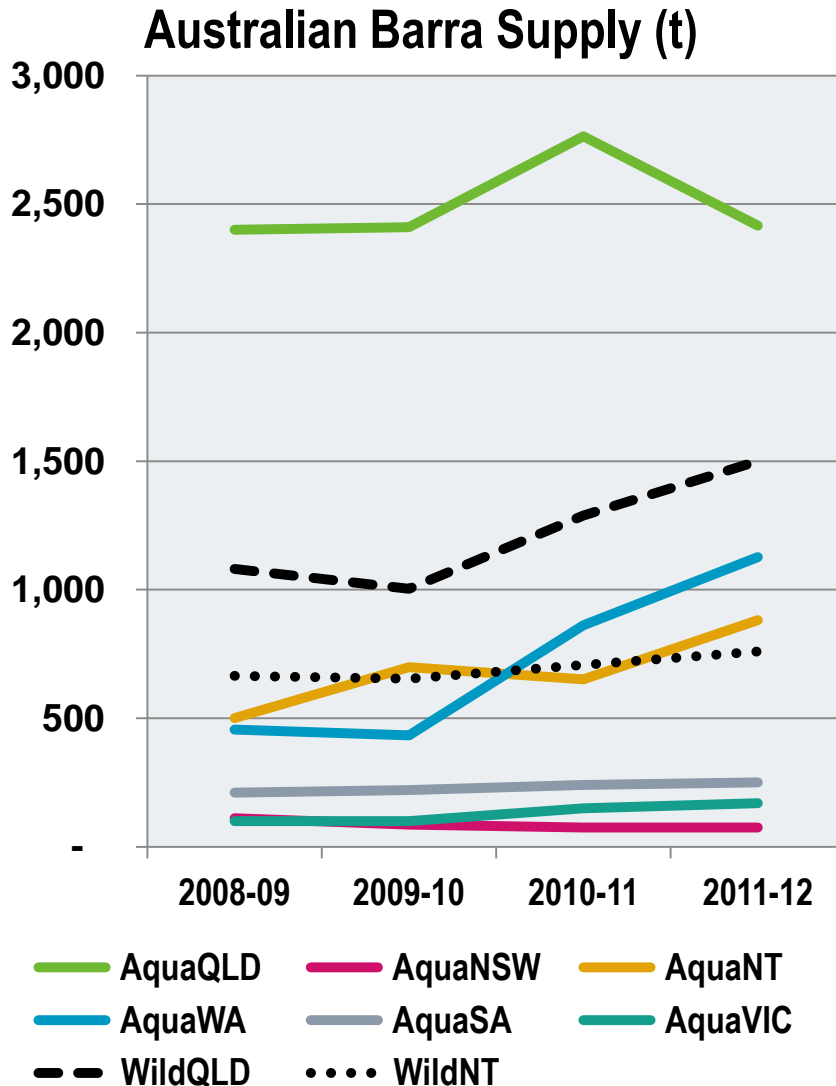
The 9 survey respondents will produce ~ 4,725 tonnes, which is 96% of the Total Australian Barra Aquaculture Harvest for 2011-12.

They are very representative of your industry.

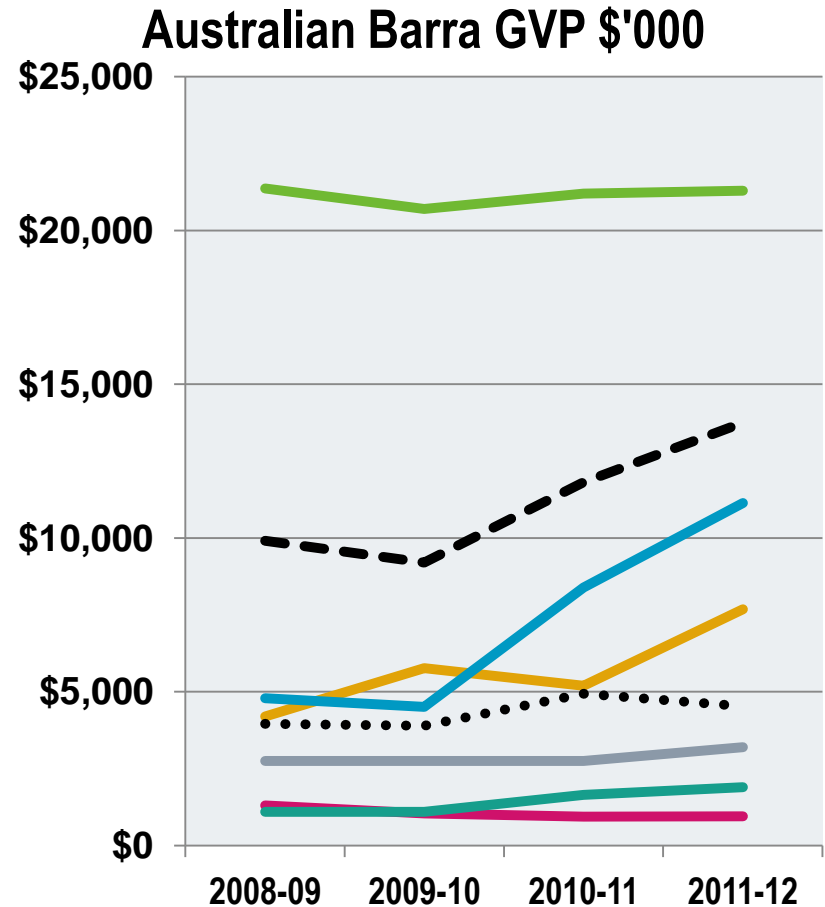
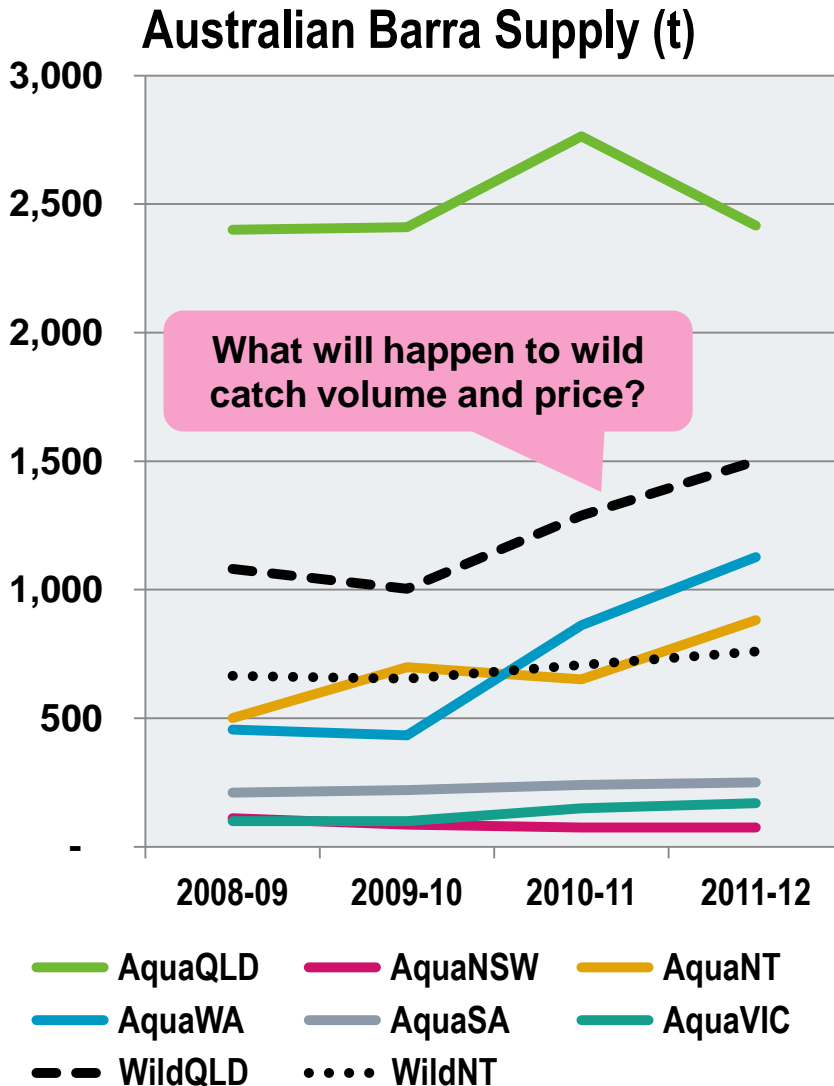
# Aqua growth will come from WA, VIC & NT...



# Aqua growth in WA, NT & VIC is already happening...

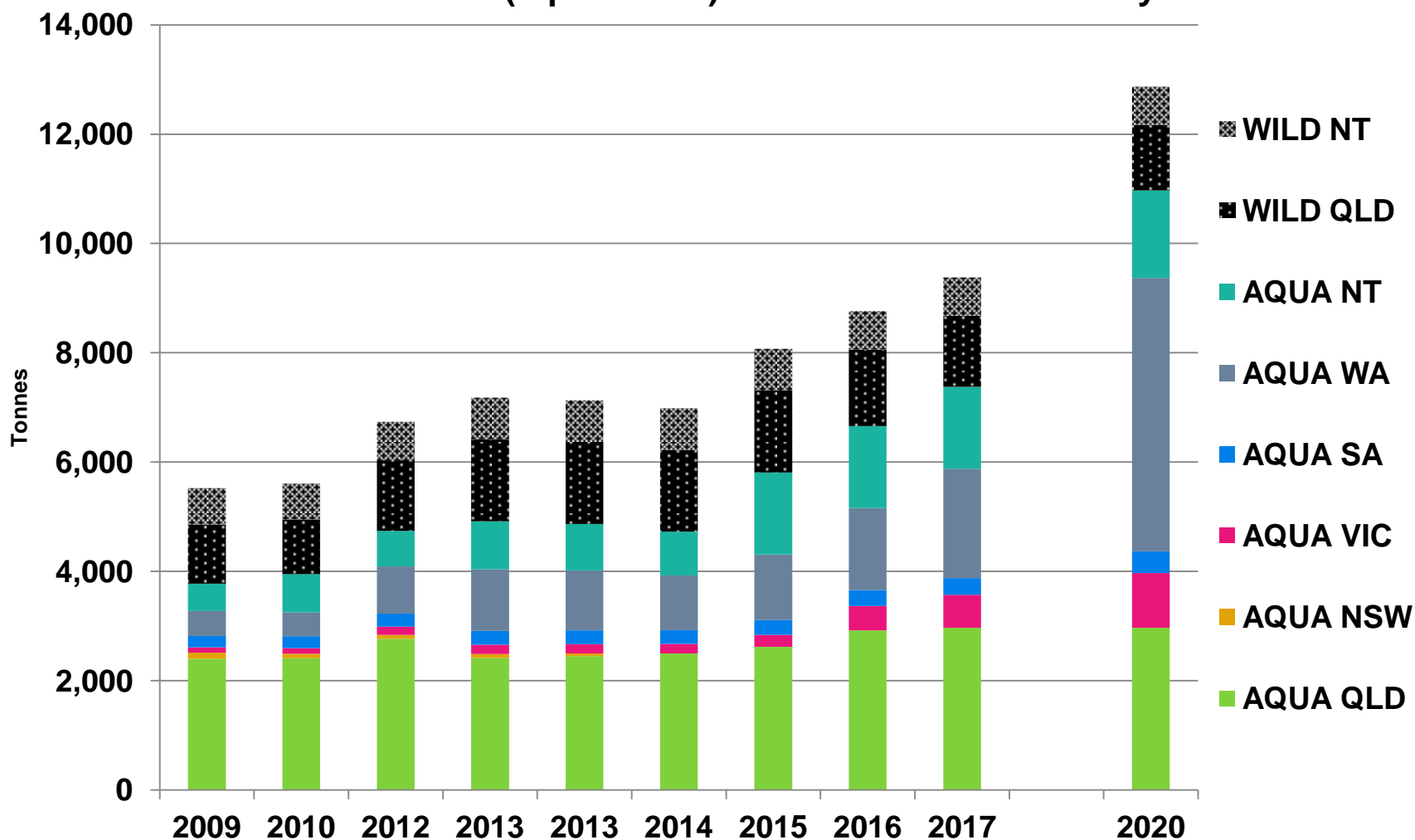


# Aqua growth in WA, NT & VIC is already happening...



# Total local supply will be in ~13,000t in 2020

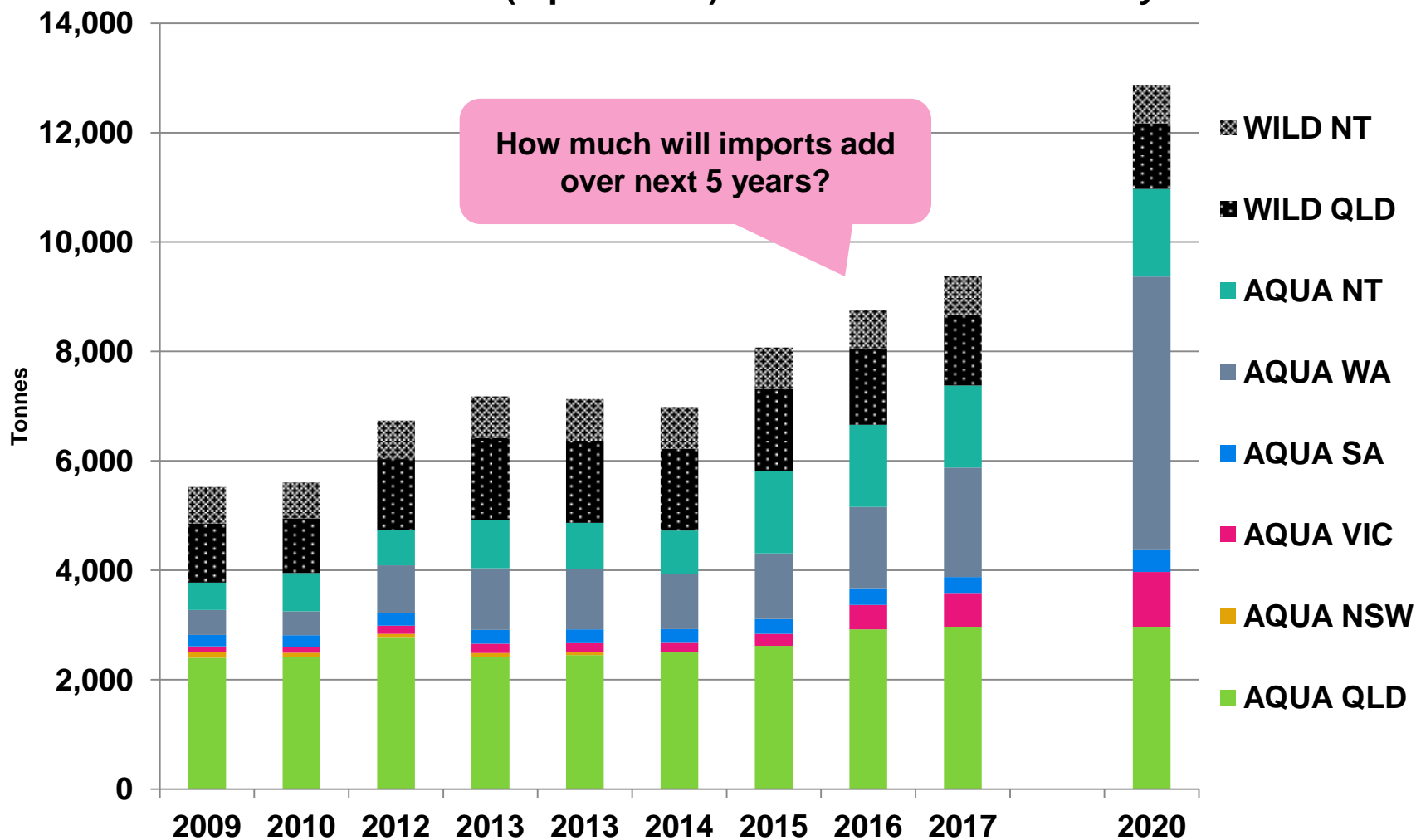
Local Production (aqua + wild) will double in the next 6 years



Assuming local wild fishery supply starts to fall a little over next 5 years

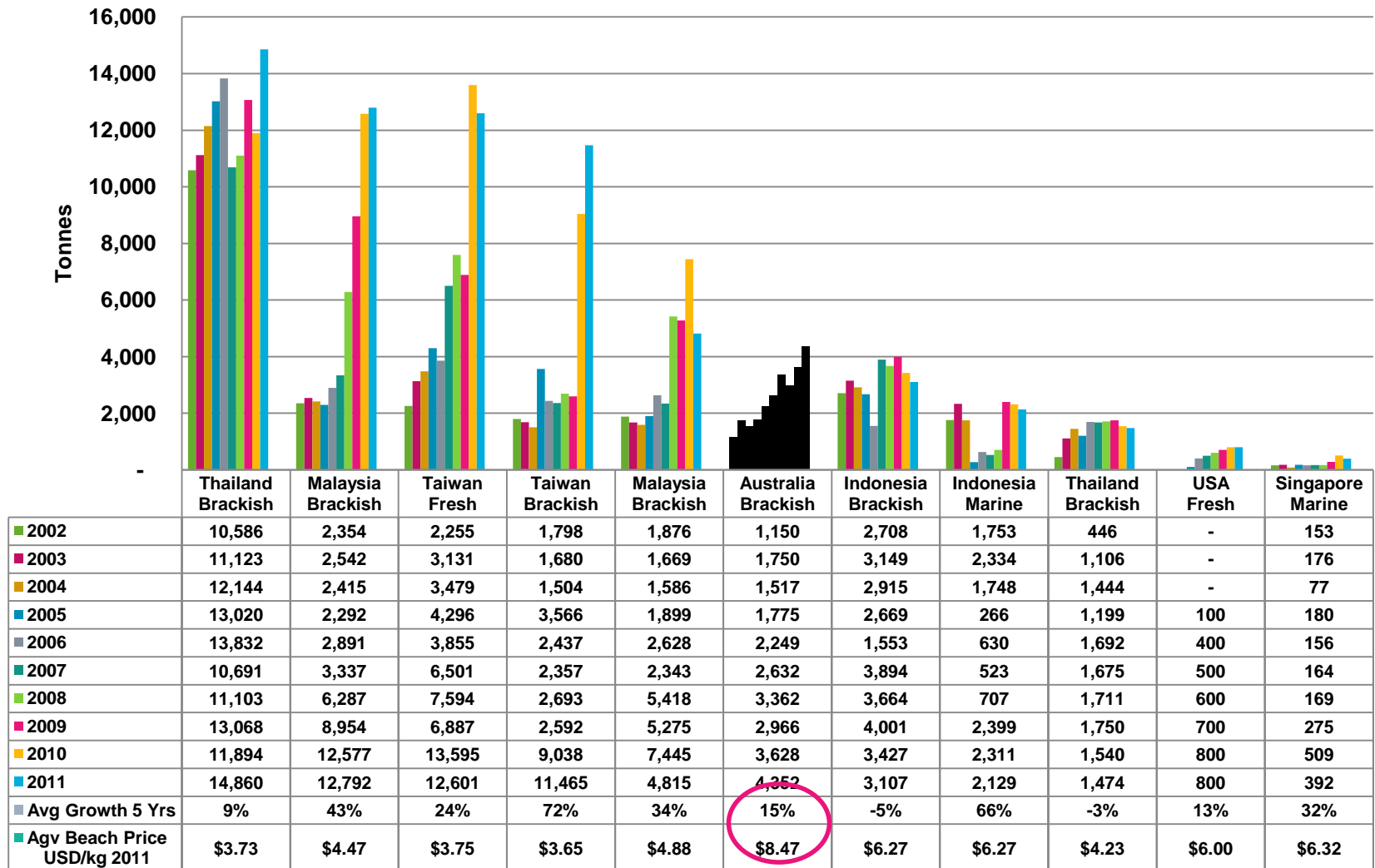
# Total local supply will be in ~13,000t in 2020

Local Production (aqua + wild) will double in the next 6 years



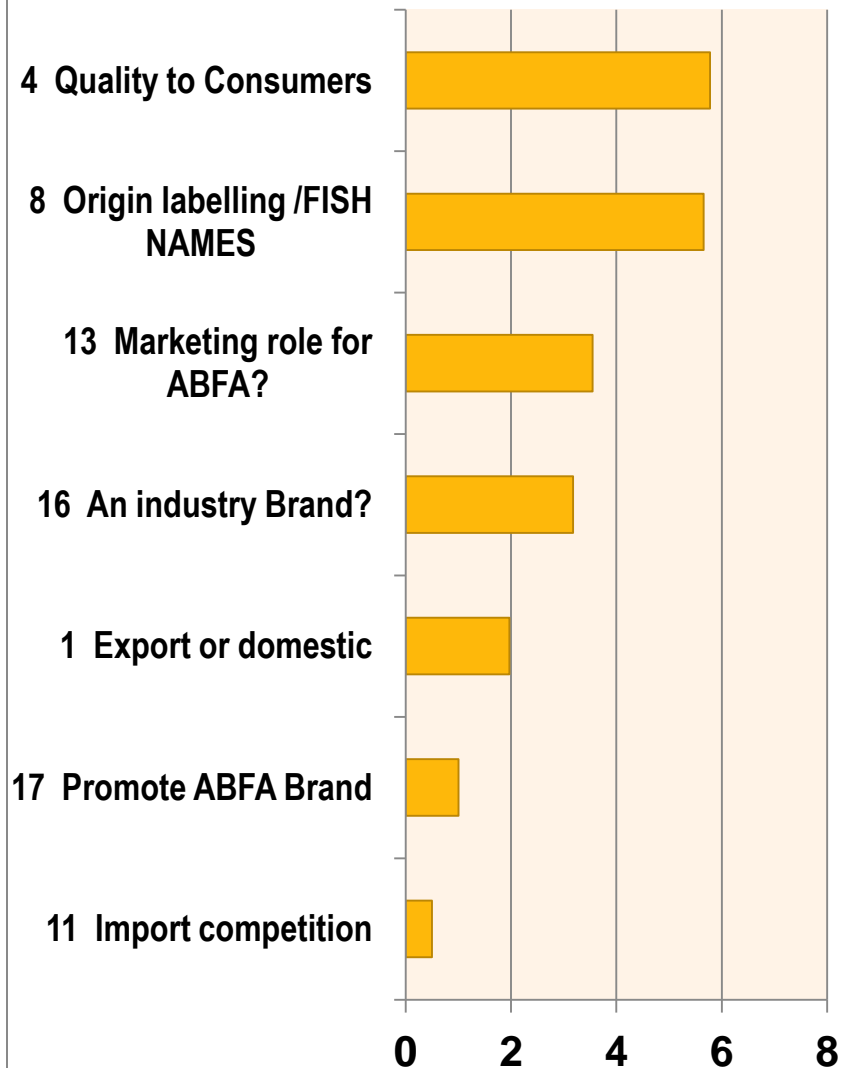
Assuming local wild fishery supply starts to fall a little over next 5 years

# Where will imports come from...



Source: FAO 2013

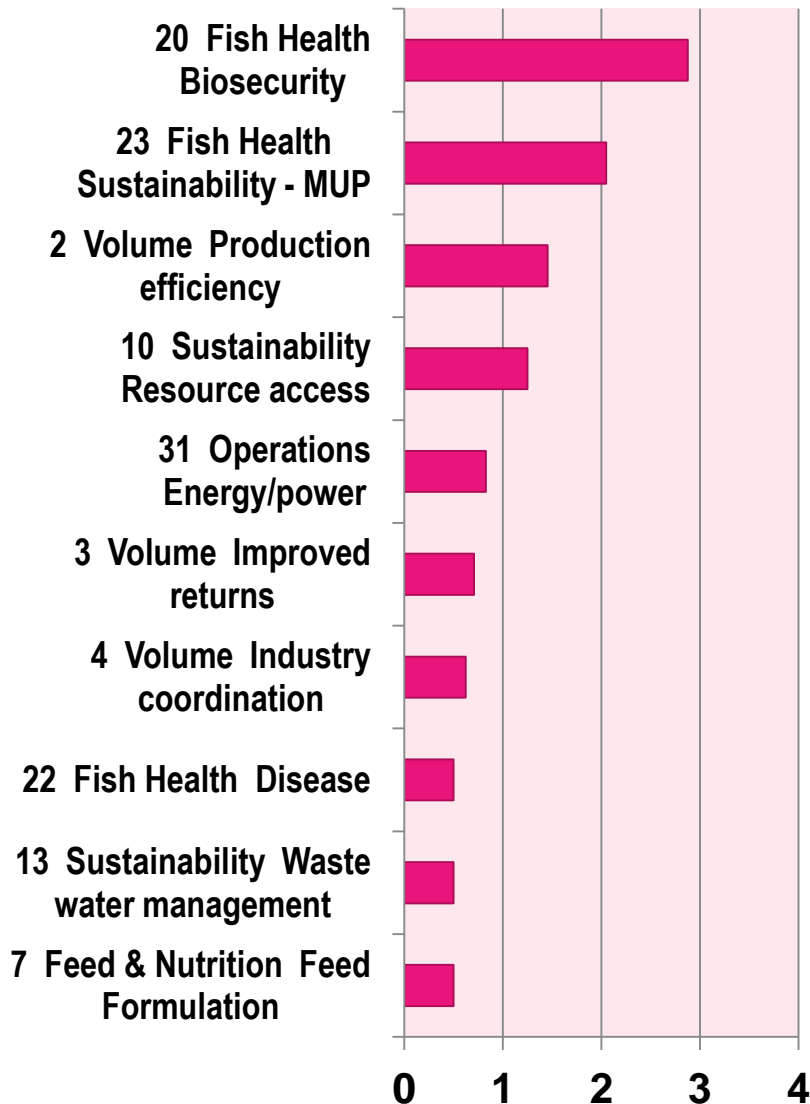
## TOP MARKETING ISSUES



Industry Survey 2013 – high rankings

- Differentiate Aust. Barra V imports
- Imports are biggest threat – need to clarify CoOL
- Confirm “Barramundi” via national Fish Name (use trace metals?)
- All farmers must address taint & grey colour as point of difference
- Whole-of-industry quality scheme
- Be careful of “quality lite”
- Differentiate Aussie barra, but be careful not to scare consumers away re import issues
- Use external firm to build Brand Name & Marketing Plan
- Engage with domestic consumers
- ABFA to coordinate, manage, promote labelling, origin, & brand
- Leverage via green tick certification/etc
- Build links to distribution chain - POS material

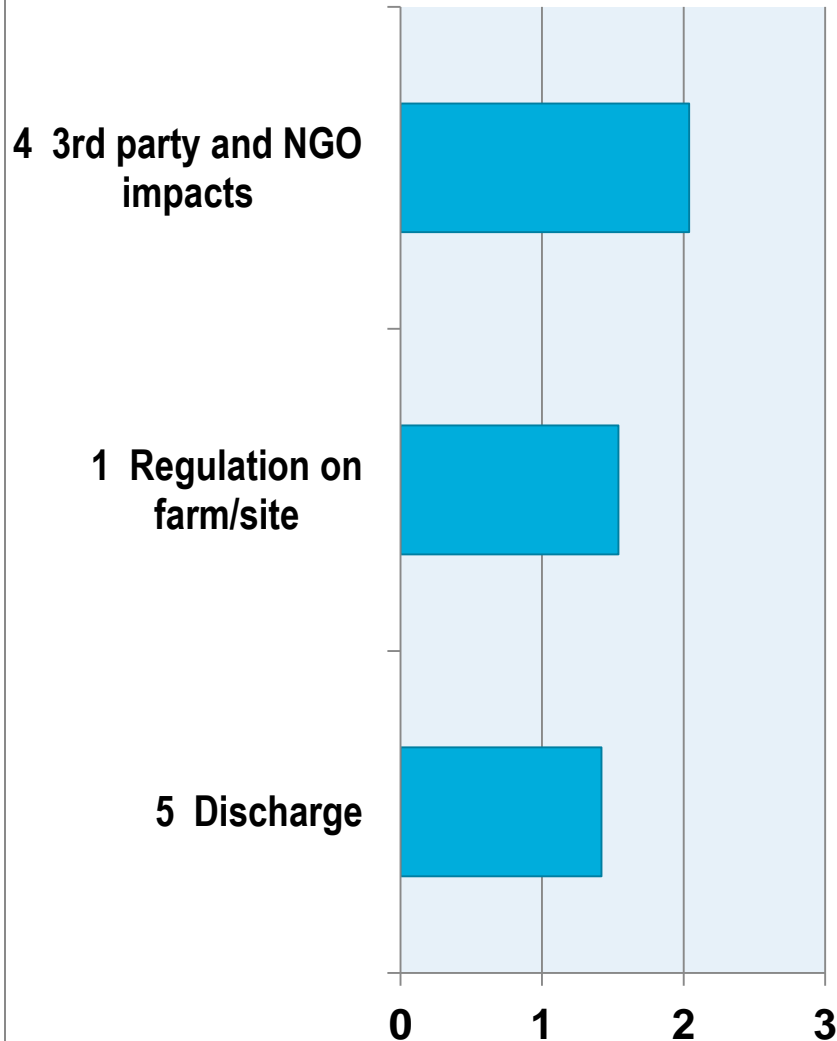
## TOP PRODUCTION ISSUES



Industry Survey 2013

- Whole barra imports are major disease threat arising from those suppliers – build information
- Understand the disease threats, & import paths
- Understand and influence testing protocols
- Develop argument for better biosecurity
- ABFA to collate, facilitate, lobby, disseminate
- MUP is critical – many farms currently illegal. ABFA must work with NAC to resolve, now!
- Understand where farms are inefficient – target common issues – feed, power, labour
- *Walk the talk* – need to ensure Aust. farms have high sustainability rating. Critical to domestic market appeal

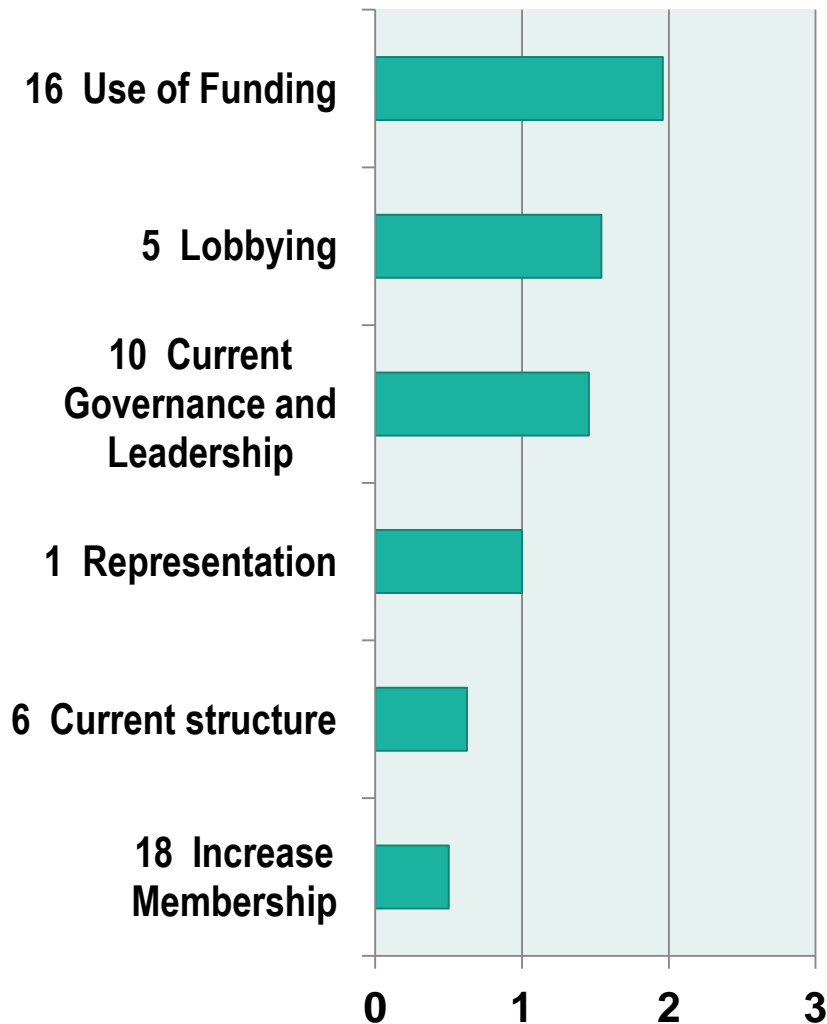
## TOP OFF FARM ISSUES



Industry Survey 2013

- Need active national strategy to defend against Govt/NGO red/green tap
- Get certification in place across all farms
- Continue EU testing
- ABFA to develop a strategy to manage operational discharge policy
- ABFA to establish impact of regulation on productivity
- ABFA to lobby governments to reduce regulatory burdens

## TOP ABFA ISSUES



Industry Survey 2013

- Key outcome is a national ABFA Business Plan to achieve key objectives
- Plan should run a project on Fish Names/ Quality/ Branding/ market promotion/ consumer education
- Engage and communicate with all farmers to build greater trust across industry
- Focus spending on the plan - seek additional funds from industry as required
- Establish a capacity to lobby on key issues – full time staff and leadership
- Make ABFA an organisation that farmers want to join – lift the game - then ask for funding
- No need to merge with other organisation – but develop stronger alliances

## **APPENDIX 3      ABFA ½ Yearly Planning Meeting Outcomes**

# ABFA STRATEGIC PLAN 2014-20 IDENTIFIED PRIORITIES

---

Industry Meeting

Townsville 4 March 2014



# Vision and Mission

## Vision

- *Australian Barramundi - the Australian fish of choice*

## Mission

- *To differentiate Australian Barramundi as the fish of choice*
- *Support industry profitability*

## Values

- Provide consistent high quality Australian product across a range of forms to meet expectations in terms of value, quality and accessibility
- Produce fish through sustainable operations that are recognised as such and supported by the community
- Provide social, health and economic return to industry and the community
- A growing industry with a positive profile with government, communities and consumers
- Seeks to operate under a lean regulatory framework that underpins quality control, best practice production, sustainability and environmental performance
- Disseminates information to nurture our Australian aquaculture Industry's positive profile with consumers, communities and government.

# ABFA Strategic Goals - Priority Issues

| Goal/Objective   | Strategy – Key Issues   |
|--|---|
| <b>1 Market differentiation for Australian Grown Aquacultured Barramundi</b>     | <ul style="list-style-type: none"> <li>Naming rights, branding, Aust grown, quality</li> </ul>  |
| <b>2 Consistent high quality Australian product to meet consumer preferences</b> | <ul style="list-style-type: none"> <li>All ABFA growers, QA scheme, taint and colour addressed, add Quality to Green Tick</li> </ul>                    |
| <b>3 Effective Management of Biosecurity Risk</b>                                | <ul style="list-style-type: none"> <li>Intelligence risks, biosecurity process, expert advice, international fish health information sharing</li> </ul> |
| <b>4 Better awareness of farm productivity issues and options</b>                | <ul style="list-style-type: none"> <li>All industry members, power to optimise RD&amp;E spend, APFA spreadsheet</li> </ul>                              |
| <b>5 Sustainable Australian Barramundi Production Systems</b>                    | <ul style="list-style-type: none"> <li>Green tick rollout, use to market and lobby</li> </ul>   |
| <b>6 Effective regulatory frameworks to support Australian barramundi farms</b>  | <ul style="list-style-type: none"> <li>Discharge.– better science, Document state regs, plans, Lobbying, MUP</li> </ul>                                 |
| <b>7 A well resourced National Body that delivers industry outcomes</b>          | <ul style="list-style-type: none"> <li>Meets industry needs , value proposition, growth</li> </ul>  |

# ABFA Strategic Goals

| Goal 1  | Strategies   | Who/\$/When/How   |
|---|--|---|
| Market differentiation for Australian Grown Aquacultured Barramundi | <ul style="list-style-type: none"> <li>Naming rights (Fish Names). This must apply to and be implemented exclusively by all Australian (i.e. whole-of-industry) barramundi farmers and fishers. Confirm “Barramundi” name via national Fish Name Standards</li> <li>Product will be fresh Aussie <u>grown</u> barra – an offer to domestic market that no other supplier can match – (use trace metals to identify production region?)</li> <li>Branding – need to develop a promotion program that can be rolled out now and enhanced over a 5-7 year time frame based on available budget</li> <li>Differentiate Aussie grown barra v imports. Australian source of ABFA barra is the core strategic competitive advantage identified. Leverage via Green Tick Certification by 3rd parties – only fish with the tick can be assured of Australian production.</li> <li>Legislative differentiation – use strong positive legislative platform in Australia (health, labour, etc) as a selling point for branded Aussie grown barra to domestic consumers</li> <li>Understand the consumers needs regarding quality, then target those issues</li> </ul> | <ul style="list-style-type: none"> <li>Imports biggest threat to market share –clarify Fish Names with FRDC (convene immediately after Fish Names meeting to discuss action)</li> <li>Get better data on barra imports – monthly – volumes and type of product. Lobby ABS to collect / disseminate this information</li> <li>ABFA requested an external marketing firm to develop and build a Brand Name &amp; <b>Marketing Plan</b> - based on budget, starting at \$50,000/year (presented at meeting - see attachment).</li> <li>ABFA to drive Plan through Marketing Sub-Committee (members? – MPA/Westmore, KR, HDB, GFB, Robarra or Mainstream)</li> <li>ABFA to coordinate, manage, promote labelling, origin, &amp; brand but program based on building links through existing distribution chain – Point of Sale (POS) material</li> <li>Ensure the strategy and Marketing Plan is adopted by downstream partners and investors– accredited wholesalers, retailers</li> <li>Engage domestic consumers - increase public perception of barra, including imports</li> <li>Be careful not to scare consumers away re import issues – not a negative campaign</li> <li>All farmers must address any quality issues</li> <li>ABFA members to adopt Green Tick as point of differentiation at market – ‘if it has the tick you can be assured it is Australian grown’. Sustainably Produced and Quality</li> </ul> |

# ABFA Strategic Goals

| Goal 2   | Strategy  | Who/\$/When/How   |
|--|---|---|
| Consistent high quality product to meet consumer preferences | <ul style="list-style-type: none"> <li>Need a professional National ABFA QA Scheme to underpin the Market Strategy (based on research and a clear documentation of understanding of what quality means to the Australian seafood consumer)</li> </ul> | <ul style="list-style-type: none"> <li>An <b>ABFA proprietary QA scheme</b> to be developed through new CRC Project - need to ensure meets requirements of supermarket chains and major fish mongers</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>Avoid a “Quality lite” approach - demonstrate to consumers that the barra industry is serious about quality from resource to plate</li> </ul>  | <ul style="list-style-type: none"> <li>ABFA to manage, and monitor through a 3<sup>rd</sup> party audited scheme (<i>why a separate scheme - all other product can obtain 3<sup>rd</sup> party certification through other programs - BAP, GAP, ISO etc but only Australian grown barra can have the Tick</i>)</li> </ul> |
|  | <ul style="list-style-type: none"> <li>Taint is the key quality attribute to be addressed (need more science?)</li> </ul>   | <ul style="list-style-type: none"> <li>Work with whole-of-chain and existing chain partners and retailers</li> </ul>  |
|  | <ul style="list-style-type: none"> <li>Barra flesh colour is possibly a second point of quality (need more science?)</li> </ul>   | <ul style="list-style-type: none"> <li>Education pamphlet/mail out - trust your supply</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>Cool chain management of Fresh Aussie grown barra will be critical to ensure the quality investment by farmers is not squandered down the chain by retailers</li> </ul>  | <ul style="list-style-type: none"> <li>Provide access to ABFA branding benefits as a incentive for all farmers and fishers to participate in the scheme</li> </ul>  |
|  |   | <ul style="list-style-type: none"> <li>Continue EU residue testing program</li> <li>Build in existing food safety, GMP etc.</li> </ul>  |

# ABFA Strategic Goals

| Goal 3                                   | Strategy  | Who/\$/When/How   |
|--|---|---|
| Effective management of biosecurity risk | <ul style="list-style-type: none"> <li>Biosecurity is a major and growing threat to Australian seafood and barra production systems, especially due to increased seafood and fishery imports . Whole and fresh fish are major risk; (e.g. disposal/use of waste product).</li> </ul>  | <ul style="list-style-type: none"> <li>Engage a professional to undertake intelligence and technical component of the strategy.</li> <li>Understand the biosecurity process and then develop argument as required for improved border biosecurity – AQIS and AQUAPLAN</li> <li>ABFA to collate, facilitate, lobby, disseminate information to members</li> <li>Walk the talk – need to ensure Aust. farms have high sustainability rating. - critical to domestic market appeal</li> <li>ABFA to work with state and national regulators, FRDC, NAC and other aquaculture/seafood sectors where mutually beneficial to address MUP</li> </ul> |
|  | <ul style="list-style-type: none"> <li>Identify and retain intelligence and a technical/trade /fish health expert to undertake a desk based review of external (overseas production regions and the import border) biosecurity/testing protocols/trade pathways/and risks. Build data sets to guide ABFA approach.</li> </ul>   |   |
|  | <ul style="list-style-type: none"> <li>Once risks documented and agreed with farms and regulators, ABFA will seek to have;                             <ul style="list-style-type: none"> <li>any significant biosecurity risks associated with importation of barramundi remedied</li> <li>a credible and effective monitoring program for key risks be established and maintained.</li> </ul> </li> </ul> |   |
|  | <ul style="list-style-type: none"> <li>Collate/analyse/disseminate biosecurity data and information to industry via website and electronic newsletter</li> </ul>  |   |
|  | <ul style="list-style-type: none"> <li>Ensure AQUAPLAN is adequate to deal with emergency response to a disease outbreak in industry</li> </ul>   |   |
|  | <ul style="list-style-type: none"> <li>MUP is critical – work with NAC and other industry sectors to resolve ASAP</li> </ul>  |   |

# ABFA Strategic Goals

| Goal 4   | Strategy   | Who/\$/When/How  |
|--|--|--|
| Better awareness of Farm Productivity Issues and Options | <ul style="list-style-type: none"> <li>Access, collate and review existing production research from barra and other comparative aquaculture sectors regarding farm productivity and performance – across all production types (including international)</li> </ul> | <ul style="list-style-type: none"> <li>Develop reference source for aquaculture production (student?)</li> <li>Develop farm and industry performance benchmarks (spreadsheet) – use independent source to collect and collate. Share whole of industry data and use farm data to assess individual performance</li> <li>Seek access to APFA model as a draft working model to adapt to barra farming - use outcomes to guide RD&amp;E and capital spend to optimise return on investment</li> <li>Understand where farms are inefficient – target common issues</li> </ul> |
|  | <ul style="list-style-type: none"> <li>Identify key productivity issues and where best gains can be made across farms (i.e. hatchery, fingerlings, growth, power, labour, feed, logistics, etc)</li> </ul>   |  |
|  |  |  |
|  |  |  |
|  |  |  |

# ABFA Strategic Goals

| Goal 5                               | Strategy   | Who/\$/When/How  |
|--------------------------------------|--|--|
| Sustainable Barra Production Systems | <ul style="list-style-type: none"> <li>All members aspire to a Triple Bottom Line (TBL) sector sustainability goal (i.e. economic, social, environmental – paraphrased ‘profit, people, planet’)</li> </ul>                                    | <ul style="list-style-type: none"> <li>ABFA work through a whole of industry approach (ensure all members and production systems can be involved)</li> <li>Document state/territory/national operational regulatory programs in place impacting on barramundi aquaculture (student?) – identify impacts of regulations on productivity</li> <li>Get Green Tick certification in place for all ABFA members – develop media release and incorporate into Branding/Promotion program (need to ensure Aust farms have high sustainability rating - critical to domestic market appeal)</li> <li>ABFA to work with state based members to address local regulatory issues as part of a national approach to defend against Govt/NGO red/green tape – lobby governments to reduce or remove unnecessary regulatory burdens</li> </ul> |
|                                      | <ul style="list-style-type: none"> <li>Identify key issues for environmental sustainability (water discharge quality already identified)</li> </ul>  |  |
|                                      | <ul style="list-style-type: none"> <li>Develop a strategy to manage operational discharge policy</li> </ul>  |  |
|                                      | <ul style="list-style-type: none"> <li>Farm viability is a critical issue. This will be increasingly important as import volumes increase under new FTA and Australian farms must operate to maximise performance and minimise cost</li> </ul> |  |
|                                      | <ul style="list-style-type: none"> <li>Disseminate and promote ABFA members environmental sustainability as part of the promotion the Green Tick program</li> </ul>  |  |

# ABFA Strategic Goals

| Goal 6   | Strategy   | Who/\$/When/How   |
|--|--|---|
| Effective regulatory frameworks to support barra farms | <ul style="list-style-type: none"> <li>• Seek regulatory frameworks across Australia that allow barramundi aquaculture to operate sustainably and efficiently</li> </ul> | <ul style="list-style-type: none"> <li>• Document state/territory/national operational regulatory programs in place impacting on barramundi aquaculture, identify impacts of regulatory burden on productivity v environmental benefits (TBL cost benefit)</li> <li>• Develop clear science based regulatory policy framework</li> <li>• Build Green Tick into process</li> <li>• Lobby governments to reduce or remove unnecessary regulatory burdens – develop a strategy</li> <li>• Work with FRDC, NAC and other aquaculture/seafood sectors where mutually beneficial</li> </ul> |
|  | <ul style="list-style-type: none"> <li>• Develop a national strategy to defend against unnecessary Govt/NGO red/green tape</li> </ul>                                    |   |
|  | <ul style="list-style-type: none"> <li>• ABFA (in partnership with likeminded organisations) lobby governments to reduce regulatory burdens</li> </ul>                   |   |
|  | <ul style="list-style-type: none"> <li>• Get certification in place across all farms - Continue EU testing</li> </ul>  |   |
|  |  |   |
|  |  |   |

# ABFA Strategic Goals

| Goal 7   | Strategy  | Who/\$/When/How  |
|--|---|--|
| A well resourced national industry body that delivers outcomes | <ul style="list-style-type: none"> <li>Develop national <b>ABFA Business Plan</b> to achieve key objectives (plan should run a coordinated project on Fish Names/ Quality/ Branding/ Market Promotion/ Consumer Education)</li> </ul>   | <ul style="list-style-type: none"> <li>ABFA and the Board develop and always present a clear value proposition to members for the next strategic horizon to 2020</li> </ul>  |
|  | <ul style="list-style-type: none"> <li>Develop a 'value proposition' that is clear, attractive and well understood – provides value only to paid up members of ABFA (seek growth)</li> </ul>  | <ul style="list-style-type: none"> <li>ABFA must focus on a few key issues and do them well so members are clearly better off – be aware of available resources and budget</li> </ul>  |
|  | <ul style="list-style-type: none"> <li>Engage and communicate with all farmers, feed companies and stakeholders to build greater trust across industry – establish a <b>Communication Plan</b> across all farms</li> </ul>  | <ul style="list-style-type: none"> <li>Make ABFA an organisation that farmers want to join</li> </ul>  |
|  | <ul style="list-style-type: none"> <li>Compile an accurate and detailed budget and focus spending on the Plan. Seek additional funds from industry as necessary (e.g. ongoing Marketing levy and/or one off contribution). Each strategy to be supported by a clear funding stream from industry/FRDC/others</li> </ul> | <ul style="list-style-type: none"> <li>Engage with all barra farmers in order to increase ABFA membership to maximum participation and reduce IBC leakage</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>Establish capacity to lobby on key issues – appropriate staffing and leadership. Liaise with other sectors/organisations to enhance outcomes. Maintain a watching brief on strategic opportunities to establish alliances with other bodies</li> </ul>                           | <ul style="list-style-type: none"> <li>Board /Leadership Team to manage and appoint CEO as per Constitution and establish governance platform</li> <li>Appoint/establish industry task groups to manage key strategic areas and advise the Executive (e.g. Marketing)</li> <li>Formalise IPA with FRDC as basis for post CRC RD&amp;E program</li> <li>No need to merge with other organisation at this stage – but develop a stronger and sound alliance</li> </ul> |

**APPENDIX 4      ABFA Strategic and Research, Development & Extension Plan 2015–  
2020**

AUSTRALIAN

Barramundi

FARMERS ASSOCIATION

Strategic and Research,  
Development & Extension Plan

2015–2020



## GLOSSARY

| Acronym         | Details   |
|-----------------|---|
| AAH             | Aquatic Animal Health Subprogram                                      |
| ABARES          | Australian Bureau of Agricultural and Resource Economics and Sciences |
| ABFA            | Australian Barramundi Farmers Association                             |
| AGM             | Annual General Meeting  |
| APFA            | Australian Prawn Farmers Association                                  |
| AQIS            | Australian Quarantine Inspection service                              |
| BFCP            | Barramundi Farming Certification Program                              |
| BFCP Green Tick | Barramundi Farming Certification Program Green Tick Certification     |
| CoOL            | Country of Origin labelling   |
| CSIRO           | Commonwealth Scientific and Industrial Research Organisation          |
| Dept Ag         | Commonwealth department of Agriculture                                |
| FNC             | Fish Names Committee  |
| FNS             | Fish Name Standards   |
| FRDC            | Fisheries Research and Development Corporation                        |
| GBRMPA          | Great Barrier Reef Marine Park Authority                              |
| GI              | Geographical Indication   |
| IPA             | Industry Partnership Agreement  |
| JCU             | James Cook University   |
| MUP             | Minor Use permit  |
| NAC             | National Aquaculture Council  |
| NOFIMA          | Norwegian Institute of Food, Fisheries and Aquaculture Research       |
| NSIA            | National Seafood Industry Association                                 |
| NT              | Northern Territory  |
| POS             | Point of Sale   |
| QAIF            | Queensland Aquaculture Industry Federation                            |
| QDAFF           | Qld Department of Agriculture Forest and Fishery                      |
| Qld             | Queensland  |
| RD&E            | Research, Development and Extension                                   |
| SCRC            | Seafood Cooperative Research Centre                                   |
| TBL             | Triple Bottom Line  |
| USQ             | University of Southern Queensland                                     |
| WA              | Western Australia   |

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## ACKNOWLEDGEMENTS

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The Australian Barramundi Farmers Association would like to acknowledge the input and support from the following:

- Seafood Cooperative Research Centre (SCRC) for funding
- Fisheries Research and Development Corporation (FRDC) for funding
- Australian Barramundi Farmers Association (ABFA) Members for input
- Ridge Partners for contribution to the development of the Plan
- C-AID Consultants for developing, managing and preparing the Plan on behalf of Industry.

## 1. ABFA STRATEGIC OVERVIEW

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Through an inclusive 18 months process the Australian Barramundi Farmers Association (ABFA) has developed a clear understanding of its purpose and aims from a member's perspective. This process involved identifying the organisations Vision, Mission and Values and then determining the Key Strategic issues that required the ABFA's attention.

This process involved three industry workshops, individual face to face meetings with all members and culminated in an independently facilitated industry workshop held in Townsville in March 2014, with a series of follow up action across and between members.

This resulted in the following strategic view for the ABFA over the next 5 years.

### VISION AND MISSION

*Australian Barramundi will be the Australian fish of choice for seafood consumers.*

The ABFA will achieve this by:

- Differentiating Australian Barramundi as the fish of choice for consumers, and
- Supporting industry profitability.

### VALUES

- Provide consistent high quality Australian product across a range of forms to meet expectations in terms of value, quality and accessibility
- Produce fish through sustainable operations that are recognised as such and supported by the community
- Provide social, health and economic return to industry and the community
- A growing industry with a positive profile with government, communities and consumers
- Seek to operate under a lean regulatory framework that underpins quality control, best practice production, sustainability and environmental performance
- Disseminate information to nurture our Australian aquaculture Industry's positive profile with consumers, communities and government.

### PURPOSE, PRINCIPLES AND CHALLENGES

*The purpose of the ABFA is to provide whole of Industry leadership and guidance through information, consultation and representation.*

The organisation's guiding principles are:

- Sound and transparent governance
- Integrity in terms of decision making and commitment to those decisions

- Transparency in dealing with industry and government
- Independence through self-funding
- Utilisation of association resources for Industry benefit.

The ABFA faces four challenges it must address to achieve its vision:

- Lack of market certainty, especially pressures from imported *Lates calcarifer*
- Complex and overly restrictive regulatory environment to operate in
- Uncertainty of funding
- Building and maintaining Industry unity.

## STRATEGIC GOALS

Seven strategic goals have been agreed by the ABFA Members for delivery by July 2020:

1. Market differentiation for Australian produced aquaculture barramundi
2. Consistent high quality product to meet consumer preferences
3. Effective regulatory frameworks to support barramundi farms
4. Effective management of biosecurity risk
5. Better awareness of farm productivity issues and options
6. Sustainable barramundi production systems
7. A well-resourced national body that delivers industry outcomes.

## RD&E PRIORITIES AND INVESTMENT

The ABFA's strategic intent in terms of Research Development and Extension (RD&E) is to focus discretionary research funding onto four critical investment areas:

1. Differentiation
  - naming
  - branding
  - certification
2. Consistent high quality
  - quality scheme
3. Effective regulatory framework
4. Management of biosecurity risk.

The need for RD&E across these areas will drive industry's investment strategy. As a guide, the industry will need to contribute and invest at least \$100,000 in RD&E per annum.

## 2. INDUSTRY OVERVIEW

---

### BACKGROUND

*Lates calcarifer* are found in the wild throughout tropical and subtropical coastal waters of the Indo-Pacific including northern Australia. In Australia it is an iconic species and called barramundi, whilst overseas it is generally referred to as Asian Sea Bass, Giant Perch or a large range of regional names.

*Lates c.* is caught in the wild and is also a prominent fish for the aquaculture trade. Within Australia the wild catch has remained steady/decreased mainly due to reallocation of the stock between the various competing sectors (Indigenous, commercial, recreational, charter as well as an ecological allowance). The aquaculture sector has however been growing since the 1980s when the Australian farmed barramundi industry started.

Barramundi is farmed in all mainland states of Australia and the Northern Territory (NT). The industry currently produces approximately 6,000 tonnes of product valued at around \$60 million at farm gate.

Australian barramundi is farmed in diverse production systems. The majority of production comes from outdoor fresh or salt water pond operations and sea cages, in north Queensland (Qld), Western Australia (WA) and the Northern Territory. The remainder comes from recirculation, or flow through systems, using thermal spring water or fresh water mainly operating in southern Australia. The size of production units varies greatly from boutique operations, usually based on recirculation systems, to large-scale pond or cage systems.

Barramundi is grown to various sizes to meet market demand and needs, but there are two basic size classes – plate sized (under 1.0kg) or whole large fish (2.5kg plus).

### CONSUMPTION

Barramundi is an integral part of the Australian dining scene and is viewed as premium fish in most food service areas, and as a meal for home.

Total consumption of *Lates c* in Australia is estimated to be in the vicinity of 20,000t per year, made up of around 1,500t Australian wild caught barramundi, 6,000t Australian farmed barramundi with the balance from a range of overseas wild caught and farmed *Lates c*. The current inability for consumers to readily identify the origin of production of the fish in their meals means that consumers are not fully informed when purchasing a 'barramundi' meal. Recent research shows that over 90% of consumers associate the term barramundi with Australian produced fish.

Barramundi has the potential to increase its market share considerably if there can be market differentiation for consumers between Australian produced barramundi and imported *Lates c*.

The industry has identified that it faces many challenges and undertook an extensive and inclusive process to gain insight into the strategic need and RD&E priorities for the industry over the next five years and beyond. RD&E, marketing/branding, improved regulatory frameworks, biosecurity, improved system and productivity and an effective and adequately resourced peak body were key outcomes from the process.

## REGULATORY FRAMEWORK

The Australian farmed barramundi Industry works in a complex regulatory environment. Each operation is subject to varying levels of regulation from each jurisdiction that they operate in which focus on; aquaculture licensing requirements to allow fish farming operations to take place, along with regulation relating to waste water, food safety, food labelling, work health and safety. In addition, in Queensland the Commonwealth also has a regulatory role through the Great Barrier Reef Marine Park Authority (GBRMPA) which can impose additional regulatory controls above and beyond State laws.

This complex and at times burdensome regulatory framework is a major challenge and disincentive to industry growth.

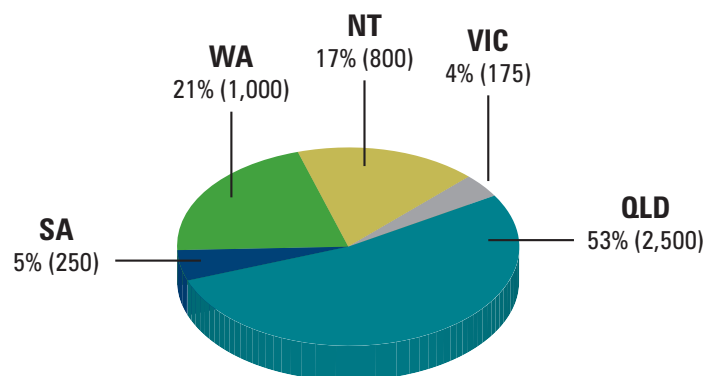
To assist in addressing potential environmental issues the ABFA has developed a 3<sup>rd</sup> party accreditation program, the Barramundi Farming Certification Program (BFCP).

## VOLUME AND VALUE

The annual Australian farmed production of barramundi is estimated to be in the vicinity of 6,000t (whole fish weight) valued at around \$60 million at farm gate (ABARES data). ABFA members are responsible for over 90% of that value.

Production in pond and sea cage in northern Australia is responsible for some 90% of the production volume with the balance from recirculating and flow through systems in the southern parts of the country, WA, SA, NSW and Vic.

The vast majority of northern fish is large fish (2.5kg+) which are sold whole to wholesaler, retailers and food service providers who then fillet and portion the fish. Southern production is focussed on plate sized fish, a large proportion which is sold live.

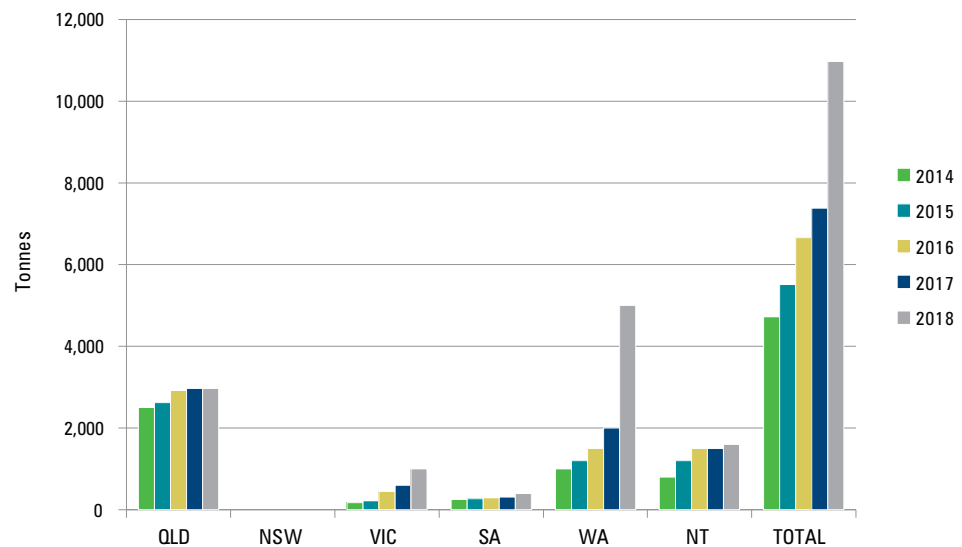


Current market demand for *Lates c.* is large with over 20,000t consumed annually in Australia, but with only 40% being Australian grown or caught, with the balance imported.

Product differentiation is a key for the Australian industry so as to build on the iconic barramundi name and quality that has been developed in Australia. In most markets overseas *Lates c* is generally traded as Asian sea bass, Giant perch or through a number of distinctive regional names.

Production volumes and gross value of Australian grown barramundi has slowly increased over the last 5 years. Australian producers have the capacity to increase production if the regulatory environment is appropriate and the market and consumer can readily identify the source of their fish – so they can more easily identify Australian produced product.

Member's survey production growth is forecast to double by 2020 to more than 10,000t per annum (see Figure below).



In addition, expanding production is forecast in a number of large existing overseas suppliers (e.g. Vietnam, Indonesia, and Saudi Arabia). In an openly traded seafood market such as Australia, this means there will be increasing competition from imported product and greater downward pressure on pond-side prices for Australian farmers.

A well informed and targeted marketing approach will be required by Industry to differentiate its offer to Australian consumers, as a first step to maintaining its viability and profitability.

## MARKETS

Barramundi competes on global markets across a number of white fleshed fish product lines. Farmed Australian barramundi is generally sold whole chilled on ice (with some live product) and this has allowed some level of differentiation in the market, as much of the wild caught Australian fish and imported product comes frozen as fillets or plate sized product. Recently this has changed with much larger volumes of chilled whole or portioned *Lates c.* coming into the country.

Farmed barramundi is in high demand for its consistent year-round availability, its size, quality, ability to meet market specifications, food safety record and in recognition of its Australian origin.

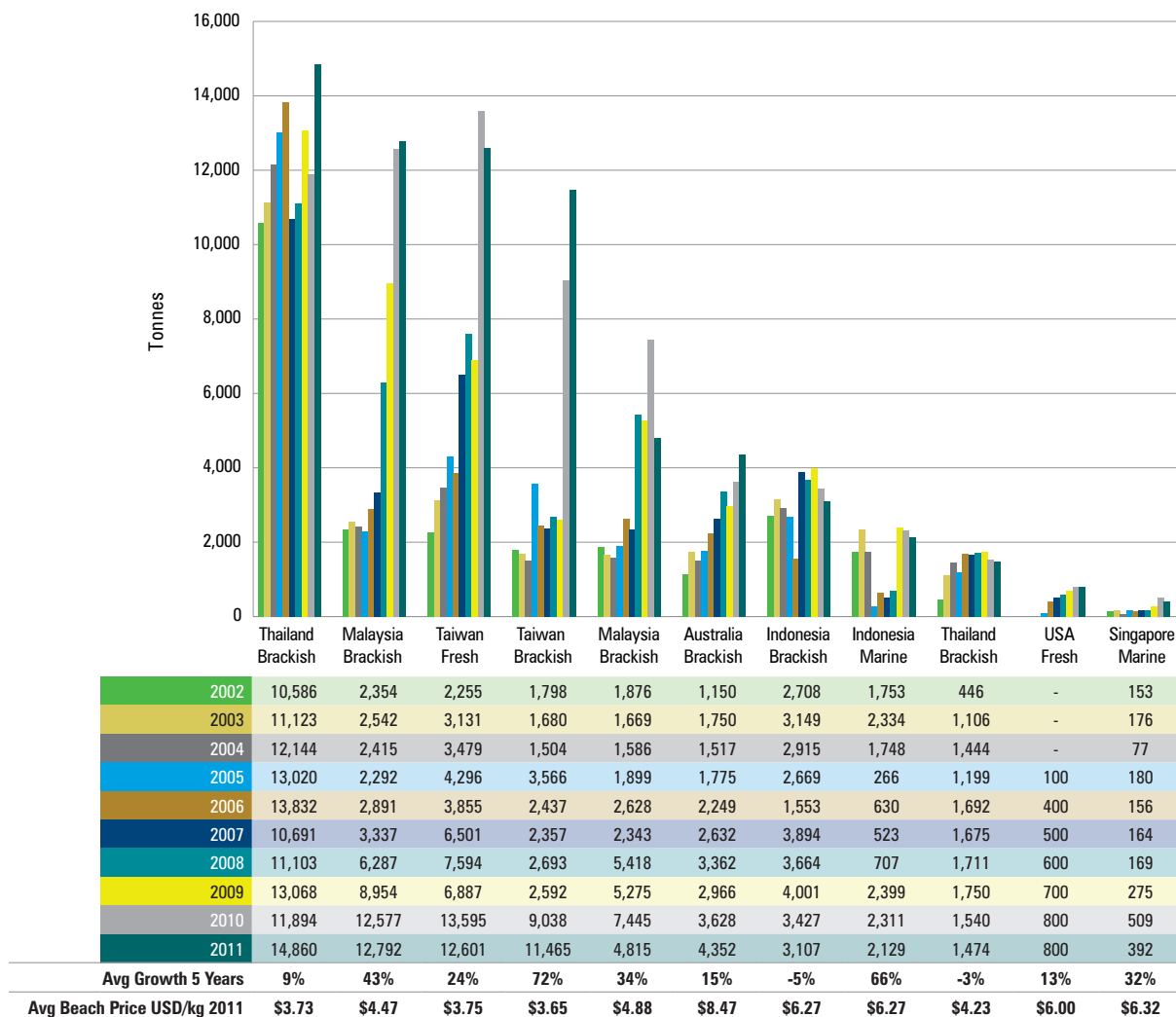
Australian consumers equate barramundi with Australian grown and as such are prepared to pay a premium over fish identified from other sources. Farmed barramundi is mainly for domestic consumption but there is a small boutique export market in place – however it is difficult to compete on price alone, with imported *Lates c.* that is produced by overseas operators.

The current focus of the ABFA members is to secure and build their share of the Australian market through product differentiation from imported *Lates c.* Australia will remain a net seafood importer, with the imported share of domestic consumption forecast to increase over the next five years.

## FISHERY SNAPSHOT SUMMARY

The Australian farmed barramundi industry operates in a dynamic environment. Significant threats exist to the Industry's viability due to increasing imports and the associated pressures this places on production efficiency, price and market share.

These pressures mean the Industry, together with the ABFA and supply chain partners, must now work together to best allocate resources to address the industry challenges. The ABFA must determine how best to utilise its limited resources through a mix of marketing/branding, RD&E, advocacy and industry intelligence to achieve its aims. Opportunities to leverage resources and outcomes through collaborative co-investment will be an efficient approach. As demonstrated in the following figure drawn from FAO Data, Australia is a relatively small and high cost producer of the species variously referred to as Asian Sea Bass/Sea Perch/Barramundi.



## GOVERNANCE

The industry's governing body for the Australian farmed barramundi industry is the ABFA which is a non-profit incorporated organisation addressing issues affecting farmers and representing their interests.

The Constitution identifies a number of objectives relevant to the effective pursuit and management of RD&E in the Industry, including:

- To promote and support all aspects of the Australian barramundi farming industry
- To provide a unified representative barramundi farming industry voice to governments and others,
- To promote and undertake RD&E in the Australian barramundi farming industry,
- To promote the development of barramundi farming as an environmentally sustainable industry,
- To foster and promote goodwill among Association members in the furtherance of its objects.

The ABFA is a member of a number of organisations and works with or liaises with a number of industry groups, including the National Aquaculture Council (NAC), National Seafood Industry Assn (NSIA), Australian Prawn Farmers Assn (APFA), and Queensland Aquaculture Industry Federation (QAIF).

### 3. RD&E PROGRAM

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#### BACKGROUND

The ABFA did not have an RD&E program until the creation of the SCRC in 2007.

The creation of the SCRC and with the financial support of two feed companies, Ridleys AgriFood and Skretting, provided the impetus and a focus for investment and development of a series of RD&E priorities based around:

- Marketing/Positioning
- Genetic improvement
- Quality, including:
  - Addressing taint
  - Color
  - Harvest methods
  - Quality scheme
- Feed improvement (with Ridleys AgriFood and Skretting)
- Developing a strategic framework for life after the SCRC.

#### COLLABORATIVE INVESTMENT

The ABFA works with key agencies, SCRC, the FRDC, and a number of specialist institutional and private researchers (e.g. CSIRO, USQ, QDAFF, NOFIMA, JCU, Curtin University, WA University, etc.) In addition, some research is undertaken on barramundi and the associated industry independent of the advice and input of the ABFA.

RD&E investment and approval has been through a collaborative process between ABFA members and research providers with priorities developed and agreed at Annual General Meetings (AGM) and half yearly conferences. This has now been formalised through the development of this Strategic and RD&E Plan which provides clear direction on priority areas, roles, responsibilities, timelines and expected outputs and outcomes.

The proposed model for industry investment will now see funding directly to RD&E (leveraged funds), ABFA operational costs and the balance to areas of industry priority (e.g. marketing, advocacy, intelligence, people development etc).

The ABFA and FRDC propose to establish an Industry Partnership Agreement (IPA) which allows investment in industry specific projects over a specified period against agreed industry strategic needs.

## FUNDING THE RD&E INVESTMENT

The ABFA has no secure independent funding model with all contribution provided voluntarily.

The current model sees four funding streams:

- Membership fees – based on a sliding scale aligned with production volume, currently ranging from \$500 to \$3,000 per member
- Feed companies gift (Ridleys AgriFood and Skretting) provide an annual gift to the ABFA for use in RD&E
- Industry Benefit Contribution (IBC) – a non-compulsory contribution made by the majority of members to fund important projects or needs of the ABFA (based on contribution per tonne of feed used)
- Other sources – these include sponsorship, returns from the annual combined Prawn and Barramundi Farmers Conference, project funding and fees for service.

## KEY INVESTMENT AREAS

The ABFA, Members and partners have identified seven key RD&E investment areas for the five year period through to June 2020. These are outlined on the following pages.

## SUMMARY OF KEY INVESTMENT AREAS

| Investment Area  | Summary of Key Investment Outcomes  | Fund Sources                                   | Near Term<br>Year 1 | Mid Term<br>Years 2-3 | Long Term<br>Years 4-6 |
|--|---|--|---------------------|-----------------------|------------------------|
| 1. Market Differentiation for Australian Produced Barramundi               | <ul style="list-style-type: none"> <li>Naming rights for 'Barramundi' for Australian produced <i>Lates calcarifer</i></li> <li>Branding and promotion program for Barramundi</li> <li>Differentiate Australian caught or grown (produced) Barramundi v imported <i>Lates calcarifer</i></li> </ul>                            | ABFA Funds<br>ABFA IBC                         | \$80,000            | \$175,000             | \$375,000              |
| 2. Consistent High Quality Australian Product to Meet Consumer Preferences | <ul style="list-style-type: none"> <li>National ABFA Quality (QA) Scheme</li> <li>Cool chain management and product integrity adopted along whole supply chain</li> </ul>   | ABFA RD&E<br>ABFA Funds                        | \$30,000            | \$80,000              | \$120,000              |
| 3. Effective Management of Biosecurity Risk                                | <ul style="list-style-type: none"> <li>Understanding of biosecurity risks and processes to minimise those risks.</li> <li>Industry Informed of status of biosecurity</li> <li>AQUAPLAN is adequate to deal with emergency response to a disease outbreak in industry</li> <li>Address off label treatments and MUP</li> </ul> | ABFA RD&E<br>ABFA Funds                        | \$20,000            | \$20,000              | \$30,000               |
| 4. Awareness of Farm Productivity Issues and Options                       | <ul style="list-style-type: none"> <li>Better awareness of Farm Productivity Issues and Options</li> </ul>  | ABFA Funds<br>Members<br>Universities          | \$30,000            | \$40,000              | \$60,000               |
| 5. Sustainable Barramundi Production Systems                               | <ul style="list-style-type: none"> <li>Understand the level of regulation seeking to address sustainability</li> <li>Strategy to address unnecessary burdens</li> <li>National strategy to manage water discharge</li> <li>Promote ABFA members environmental sustainability</li> </ul>                                       | ABFA Funds<br>Members                          | \$10,000            | \$20,000              | \$30,000               |
| 6. Effective Regulatory Frameworks to Support Australian Barramundi Farms  | <ul style="list-style-type: none"> <li>Understand regulation level in place impacting on barramundi aquaculture</li> <li>Strategy to address unnecessary burdens</li> <li>Promote ABFA members environmental sustainability</li> </ul>  | Members<br>ABFA RD&E<br>ABFA IBC<br>ABFA Funds | \$20,000            | \$20,000              | \$45,000               |
| 7. A Resourced National Industry Body That Delivers Outcomes               | <ul style="list-style-type: none"> <li>ABFA Business Plan</li> <li>Industry Communication Plan</li> <li>Sound Governance</li> <li>RD&amp;E Strategy</li> <li>Capacity Building</li> </ul>   | ABFA Funds<br>ABFA RD&E<br>ABFA IBC            | \$131,000           | \$280,000             | \$420,000              |
| <b>TOTAL INVESTMENT in RD&amp;E and Marketing</b>                          |   |  | <b>\$321,000</b>    | <b>\$635,000</b>      | <b>\$1,080</b>         |

## INVESTMENT AREA 1 – MARKET DIFFERENTIATION FOR AUSTRALIAN PRODUCED BARRAMUNDI

Imports are the biggest threat to market share due to free riding on the iconic Australian Barramundi name. There is a lack of differentiation of Australian Barramundi in the market so there is need to improve consumer knowledge and understanding across industry by engaging domestic consumers and increasing the public perception, including of imports. Currently, it is not readily possible to differentiate local barramundi v imported *Lates c.* at the food service sector end of the supply chain (except in NT). Research identified that Australian sourced ABFA barramundi is the core strategic competitive advantage that industry has control over.

| Investment Objective  | Risks and Action  | Investment             | Responsibility  | Horizon  | Resources  |
|---|---|------------------------|-----------------|--|--|
| <b>Naming rights for 'Barramundi' for Australian produced <i>Lates calcarifer</i></b>                     | <p>Imports are major threat to market share due to free riding on Australian Barramundi name.</p> <ul style="list-style-type: none"> <li>The name Barramundi to be applied and implemented exclusively by all Australian barramundi farmers and fishers (i.e. whole-of-industry).</li> <li>Address disjunct between Australian Fish Name Standards (FNS) objectives, Fish Names Committee (FNC) operations and current outcomes</li> <li>Maintain activity to seek alternative means to achieve clarity: <ul style="list-style-type: none"> <li>CoOL</li> <li>GI.</li> </ul> </li> </ul>  | ABFA Funds<br>ABFA IBC | ABFA<br>Members | Near Term  | NAC<br>NSIA<br>FRDC<br>Federal Agencies<br>Wild harvest      |
| <b>Branding and promotion program for Barramundi</b>  | <p>Lack of identification or consumer understanding of Australian Barramundi's place in the market. Need to be able to improve consumer knowledge and understanding at a whole of industry level. Engage domestic consumers and increase public perception, including imports.</p> <ul style="list-style-type: none"> <li>Engage an external marketing firm to develop and build a Brand Name and Marketing Plan (based on a starting budget of \$50,000/year). Plan must be positively focused to not negatively impact on consumer's seafood consumption. Use strong positive legislative platform/differentiation in Australia (health, labour, etc) as a selling point for branded Australian produced barramundi to domestic consumers.</li> <li>The Plan driven through ABFA Branding and promotion Sub-Committee.</li> <li>ABFA to coordinate, manage, promote labelling, origin and brand with initial program based on building links through existing distribution chain (Point of Sale [POS] material and eMedia presence)</li> <li>Need to ensure the Plan is adopted by downstream partners and investors – accredited wholesalers, retailers and builds over time.</li> </ul> | ABFA IBC               | ABFA<br>Members | Near Term with existing budget.<br>Ongoing and enhanced over 5-7 year time frame based on available budget | Supply Chain partners<br>SCRC<br>FRDC<br>Wild harvest        |
| <b>Differentiate Australian caught or grown (produced) Barramundi v imported <i>Lates calcarifer</i>.</b> | <ul style="list-style-type: none"> <li>Currently, it is not readily possible to differentiate local barramundi v imported <i>Lates c</i> at the food service sector end of the supply chain (except in NT). Australian sourced ABFA barramundi is the core strategic competitive advantage identified</li> <li>Product will be fresh Australian grown– a unique offer to the domestic market</li> <li>ABFA members to adopt the Barramundi Farming Certification Program (BFCP) 'Green Tick' Certification as point of differentiation at market – 'if it has the tick you can be assured it is Australian grown' therefore sustainably produced and guaranteed quality</li> <li>Leverage Certification with 3rd parties.</li> <li>Obtain better and timely market data on imports (monthly, volumes, type of product).</li> </ul>  | ABFA IBC               | ABFA<br>Members | Near Term and Ongoing  | Supply Chain partners<br>SCRC<br>FRDC<br>Wild harvest<br>NGO |

## INVESTMENT AREA 2 – CONSISTENT HIGH QUALITY AUSTRALIAN PRODUCT TO MEET CONSUMER PREFERENCES

The Industry needs a professional National ABFA QA Scheme to underpin the Branding Strategy (based on research and a clear documentation of understanding of what quality means to the Australian seafood consumer). Industry must avoid a “Quality lite” approach and demonstrate to consumers that the industry is serious about quality from resource to plate. All farmers must address any quality issues using the QA scheme as the benchmarks, with individual companies encouraged to continually improve beyond the Scheme where possible.

| Investment Objective  | Risks and Action   | Investment | Responsibility                                | Horizon               | Resources                                      |
|---|--|------------|---|-----------------------|--|
| <b>National ABFA Quality Scheme (QA)</b>  | <ul style="list-style-type: none"> <li>Develop proprietary ABFA QS and incorporate into Certification Program:                             <ul style="list-style-type: none"> <li>ensure scheme meets requirements of chains and major fish mongers – understand consumer needs based on research – target key issues.</li> <li>build in existing food safety arrangements, GMP, EU residue testing program</li> <li>address taint and assess other issues such as flesh colour etc</li> <li>work with whole-of-chain, existing partners and retailers</li> <li>ABFA manage and monitor through a 3rd party audited scheme.</li> </ul> </li> <li>Access to ABFA branding benefits as an incentive for all farmers and fishers to participate in the scheme.</li> </ul> | ABFA RD&E  | ABFA<br>QDAFF<br>Members<br>EcoSustainAbility | Near Term and Ongoing | SCRC<br>FRDC<br>Supply Chain partners<br>QDAFF |
| <b>Cool chain management and product integrity adopted along whole supply chain</b> | <ul style="list-style-type: none"> <li>As part of QA Scheme develop processes to work with partners to optimise cool chain:                             <ul style="list-style-type: none"> <li>cool chain management critical to ensure the quality investment by farmers is not lost down the supply chain.</li> <li>maintain high level of chain of custody and product integrity with supply chain partners</li> </ul> </li> </ul>  | ABFA Funds | ABFA<br>Members                               | Near Term and Ongoing | FRDC<br>Supply Chain partners                  |

## INVESTMENT AREA 3 – EFFECTIVE MANAGEMENT OF BIOSECURITY RISK

It is critical to manage biosecurity risk to minimise impacts on the Australian wild harvest and fish farming sectors. Apart from the risk to fish and the environment it is a vital aspect of domestic market appeal. Biosecurity breaches (pest and diseases) are a major and growing threat to Australian wild stocks and seafood and barramundi production systems, especially due to increased seafood and fishery imports with whole and fresh fish major risk; (e.g. disposal/use of waste product).

| Investment Objective  | Risks and Action  | Investment | Responsibility | Horizon               | Resources                     |
|---|---|------------|----------------|-----------------------|-------------------------------|
| <b>Understanding of biosecurity risks and processes to minimise those risks.</b>              | <ul style="list-style-type: none"> <li>Undertake a desk based review of external (overseas production regions and import border) biosecurity/testing protocols/trade pathways/ and risks. Clarify the biosecurity process. Utilise a professional to undertake intelligence and technical component of the strategy and build data sets to guide ABFA approach:                             <ul style="list-style-type: none"> <li>document and understand the biosecurity risks associated with importation of <i>Lates c</i> – documented and agreed actions determined with farms and regulators</li> <li>arguments developed as required for improved border biosecurity (AQIS and AQUAPLAN) with credible and effective monitoring program for key risks established and maintained</li> </ul> </li> </ul> | ABFA RD&E  | ABFA           | Near Term and Ongoing | FRDC<br>AAH<br>Subprogram     |
| <b>Industry Informed of status of biosecurity</b>   | <ul style="list-style-type: none"> <li>Collate/analyse/disseminate biosecurity data and information to industry via website and electronic newsletter.</li> </ul>   | ABFA Funds | ABFA           | Ongoing               | AAH<br>Dept Ag<br>FRDC<br>NAC |
| <b>AQUAPLAN is adequate to deal with emergency response to a disease outbreak in industry</b> | <ul style="list-style-type: none"> <li>Engage in the process to ensure AQUAPLAN is adequate to deal with emergency response to a disease outbreak in industry.</li> </ul>   | ABFA Funds | ABFA           | Ongoing               | AAH<br>Dept Ag<br>FRDC<br>NAC |
| <b>Address off label treatments and MUP</b>   | <ul style="list-style-type: none"> <li>ABFA to work with state and national regulators, and other aquaculture/seafood sectors (where mutually beneficial) to address off label treatments and MUP.</li> </ul>   | ABFA Funds | ABFA           | Ongoing               | NAC                           |

## INVESTMENT AREA 4 – AWARENESS OF FARM PRODUCTIVITY ISSUES AND OPTIONS

Australian Barramundi farms operate in a globally competitive seafood market and farm viability is a critical issue. This will be increasingly important as import volumes increase under new FTA. To remain competitive there is a need be continually seeking means to sustainably maximise performance and develop cost effective improved productivity. The technical aspects of improved farm energy efficiency, productivity, feed utilisation, and water treatment and recycling will differ with each production system, however there are a number of improvements that can be made by industry immediately at relatively low cost. This can be achieved by identifying key productivity issues and where best gains can be made across farms.

| Investment Objective  | Risks and Action  | Investment                            | Responsibility  | Horizon | Resources  |
|---|---|---------------------------------------|-----------------|---------|--|
| <b>Better awareness of Farm Productivity Issues and Options</b> | <ul style="list-style-type: none"> <li>• Access, collate and review existing production research from barramundi and other comparative aquaculture sectors regarding farm productivity and performance – across all production types (including international)</li> <li>• Identify key productivity issues and where best gains can be made across farms (i.e. hatchery, fingerlings, growth, power, labour, feed, logistics, etc) – understand where farms are inefficient and target common issues</li> <li>• Seek access to APFA/CSIRO productivity model as a draft to adapt to barramundi farming – use outcomes to guide RD&amp;E and capital spend to optimise return on investment</li> <li>• Develop farm and industry performance benchmarks (spreadsheet) – use independent source to collect and collate. Share whole of industry data and use farm data to assess individual performance.</li> <li>• Gather operational and economic data – undertake appropriate analyses and establish ongoing economic and productivity data</li> <li>• Develop reference source for aquaculture production.</li> <li>• Each barramundi farm should introduce a program of continuous improvements to ensure better use of resource inputs and reduce adverse outputs.</li> </ul> | ABFA Funds<br>Members<br>Universities | Members<br>ABFA | Ongoing | Feed companies<br>CSIRO<br>Masters/PhD students<br>APFA<br>FRDC<br>Other farmers |

## INVESTMENT AREA 5 – SUSTAINABLE BARRAMUNDI PRODUCTION SYSTEMS

All members must aspire to a Triple Bottom Line (TBL) sector sustainability goal (i.e. economic, social, environmental – ‘profit, people, planet’). ABFA can work through a whole of industry approach to identify key issues for environmental sustainability and ensure all members and production systems can be addressed through this approach. State/territory based members need to drive the process to identify and seek to address local regulatory issues as part of a national approach to defend against unnecessary red/green tape and lobby governments to reduce or remove unnecessary regulatory burdens. In addition, the industry must continue to seek cost effective options to improve Industry’s sustainability credentials. There is a need to ensure that Australian farms have high sustainability ratings as this is critical to domestic market appeal. The Barramundi Farming Certification Program (BFCP) ‘Green Tick’ Certification program provides a 3rd party audited process to highlight the sustainability credentials of the industry.

| Investment Objective  | Risks and Action  | Investment      | Responsibility                 | Horizon        | Resources                   |
|---|---|-----------------|--------------------------------|----------------|-----------------------------|
| <b>Understand the level of regulation seeking to address sustainability</b> | <ul style="list-style-type: none"> <li>Document state/territory/national operational regulatory programs that seek to address sustainability issues impacting on barramundi aquaculture production</li> <li>Assess their cost/benefits and areas of overlap</li> </ul>  | ABFA Funds      | Members<br>ABFA<br>Uni/Student | Medium         | Uni/student<br>QDAFF<br>NAC |
| <b>Strategy to address unnecessary burdens</b>                              | <ul style="list-style-type: none"> <li>Seek to address local regulatory issues as part of a national approach</li> <li>Develop a sound argument to lobby governments to reduce or remove unnecessary regulatory burdens.</li> </ul>   | ABFA Funds      | Members<br>ABFA                | Near to Medium | NAC<br>APFA<br>NFF          |
| <b>National strategy to manage water discharge</b>                          | <ul style="list-style-type: none"> <li>Develop a strategy or policy to manage water discharge quality</li> <li>Develop a sound argument to lobby regulators to adopt industry sensible water discharge policies</li> </ul>  | ABFA Funds      | ABFA<br>Members                | Near           | APFA<br>NAC                 |
| <b>Promote ABFA members environmental sustainability</b>                    | <ul style="list-style-type: none"> <li>Get ‘BFCP Green Tick Certification’ in place for all ABFA members                             <ul style="list-style-type: none"> <li>– continue EU testing program</li> </ul> </li> <li>Develop media strategy and incorporate ‘BFCP Green Tick’ into Branding/Promotion program to disseminate and promote ABFA members environmental sustainability</li> </ul> | ABFA<br>Members | ABFA<br>Members                | Near           | Dept AG<br>Media            |

## INVESTMENT AREA 6 – EFFECTIVE REGULATORY FRAMEWORKS TO SUPPORT AUSTRALIAN BARRAMUNDI FARMS

Australian aquaculture systems are recognised as some of the best managed in the world and operate in a highly regulated environment covering many facets of operation (e.g. sustainability, labour, power etc). A clean environment is critical to the operation of barramundi farms in Australia. To continue to operate the industry must seek to have in place regulatory frameworks, across Australia, that allow barramundi aquaculture to operate sustainably, efficiently and profitably.

| Investment Objective  | Risks and Action   | Investment                                     | Responsibility  | Horizon          | Resources  |
|---|--|--|-----------------|------------------|--|
| <b>Understand level of regulations in place impacting on barramundi aquaculture</b> | <ul style="list-style-type: none"> <li>Document state/territory/national operational regulatory programs in place impacting on barramundi aquaculture, identify overlaps and impacts of regulatory burden on productivity v environmental and other benefits (clearly articulating the TBL cost/benefit)</li> </ul>              | Members<br>ABFA RD&E<br>ABFA IBC<br>ABFA Funds | ABFA            | Near and ongoing | NAC<br>Agencies<br>CSIRO                                   |
| <b>Strategy to address unnecessary burdens</b>                                      | <ul style="list-style-type: none"> <li>Identify key regulatory issues</li> <li>Work with likeminded organisations to develop a national strategy to lobby to reduce or remove unnecessary regulatory burdens applied by Government and NGOs</li> <li>Develop clear science based regulatory policy framework strategy</li> </ul> | ABFA RD&E<br>ABFA IBC<br>ABFA Funds            | ABFA            | Near to medium   | APFA<br>NAC<br>FRDC<br>Aquaculture sectors<br>NGO<br>CSIRO |
| <b>Promote ABFA members environmental sustainability</b>                            | <ul style="list-style-type: none"> <li>Get 'BFCP Green Tick Certification' in place for all ABFA members</li> <li>Develop media strategy and incorporate 'BFCP Green Tick Certification' into Branding/Promotion program to disseminate and promote ABFA members environmental sustainability</li> </ul>                         | ABFA<br>Members                                | ABFA<br>Members | Near to medium   | Media  |

## INVESTMENT AREA 7 – A RESOURCED NATIONAL INDUSTRY BODY THAT DELIVERS OUTCOMES

The ABFA is a relatively new organisation, that represents the vast majority by numbers and production (90+%) of farmed barramundi producers in Australia. To date the ABFA has been maintained a very lean operation, often addressing issues on an as needs basis, rather than operating from a clear and agreed strategic direction. The process used to identify key farm and industry needs, as part of developing this strategic plan, ensured that all members had 'skin in the game' and their views were included. With the winding up of the SCRC the ABFA identified the need to have a well resourced national industry body that delivers outcomes for members, including an organisational costed business and RD&E plan and communication strategy. Due to its limited resources and budget it is agreed the ABFA must focus on a few key issues and do them well so members are clearly better off. The industry demands that members are engaged in many complex and dynamic issues, and whole of Industry viability often depends on ABFA's ability to negotiate issues and risks beyond the control of each licence holder. There is a need to develop a 'value proposition' that is clear, attractive and well understood and that provides value to members of ABFA – an organisation that farmers want to join.

| Investment Objective               | Risks and Action  | Investment                          | Responsibility  | Horizon        | Resources                          |
|------------------------------------|---|-------------------------------------|-----------------|----------------|------------------------------------|
| <b>ABFA Business Plan</b>          | <ul style="list-style-type: none"> <li>Develop national ABFA Business Plan to achieve objectives and strategic priorities:                             <ul style="list-style-type: none"> <li>– compile accurate and detailed budget with focussed spending on the Plan</li> <li>– each strategy to be supported by a clear funding stream from industry/FRDC/others</li> <li>– establish industry task groups to manage key strategic areas and advise the Executive (e.g. Branding).</li> </ul> </li> <li>Maintain IBC and seek additional funds from industry as necessary (e.g. ongoing Branding costs and/or one off contribution).</li> </ul> | ABFA Funds<br>ABFA RD&E<br>ABFA IBC | ABFA            | Near to medium | FRDC                               |
| <b>Industry Communication Plan</b> | <ul style="list-style-type: none"> <li>Engage with all farmers, feed companies and stakeholders to build greater trust:                             <ul style="list-style-type: none"> <li>– engage with all barra farmers in order to increase ABFA membership to maximum participation and reduce IBC leakage</li> <li>– promote industry benefits to community for mutually beneficial reasons (e.g. social licence, employment)</li> </ul> </li> </ul>  | ABFA Funds<br>ABFA RD&E<br>ABFA IBC | ABFA            | Near to medium | FRDC                               |
| <b>Sound Governance</b>            | <ul style="list-style-type: none"> <li>Effective and transparent Executive/Leadership Team to manage and establish governance platform:                             <ul style="list-style-type: none"> <li>– appoint staff as per Constitution (e.g. CEO, EO, contract staff etc)</li> <li>– build strong alliances with other organisation.</li> </ul> </li> </ul>   | ABFA Funds<br>ABFA RD&E<br>ABFA IBC | ABFA            | Near to medium | APFA<br>NAC<br>FRDC<br>Aquaculture |
| <b>RD&amp;E Strategy</b>           | <ul style="list-style-type: none"> <li>Formalise IPA with FRDC as basis for post SCRC RD&amp;E program</li> </ul>   | ABFA RD&E4                          | ABFA            | Near           | FRDC                               |
| <b>Capacity Building</b>           | <ul style="list-style-type: none"> <li>Increase human capacity in core areas:                             <ul style="list-style-type: none"> <li>– Governance capacity, Leadership development, Media Training</li> </ul> </li> <li>Establish capacity to lobby on key issues</li> <li>Maintain a watching brief on strategic opportunities to establish alliances with other bodies – liaise with other sectors/organisations to enhance outcomes</li> <li>Undertake Annual conference and ½ year workshop</li> </ul>  | ABFA Funds<br>ABFA RD&E<br>ABFA IBC | ABFA<br>Members | Near to medium | APFA<br>NAC<br>FRDC                |

## 4. RD&E INVESTMENT CAPACITY 2015–2020

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### BASE CASE SCENARIO

The following table presents the ABFA Base Case Growth Scenario on behalf of the whole Australian Barramundi Farming Industry, based on 4 core assumptions:

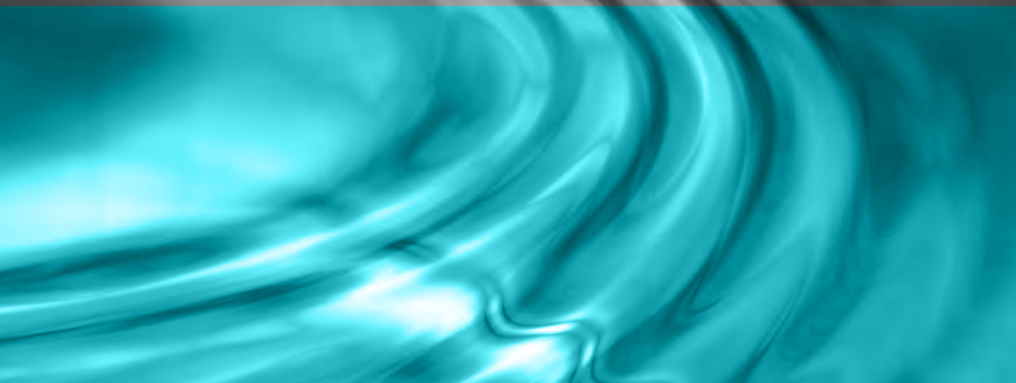
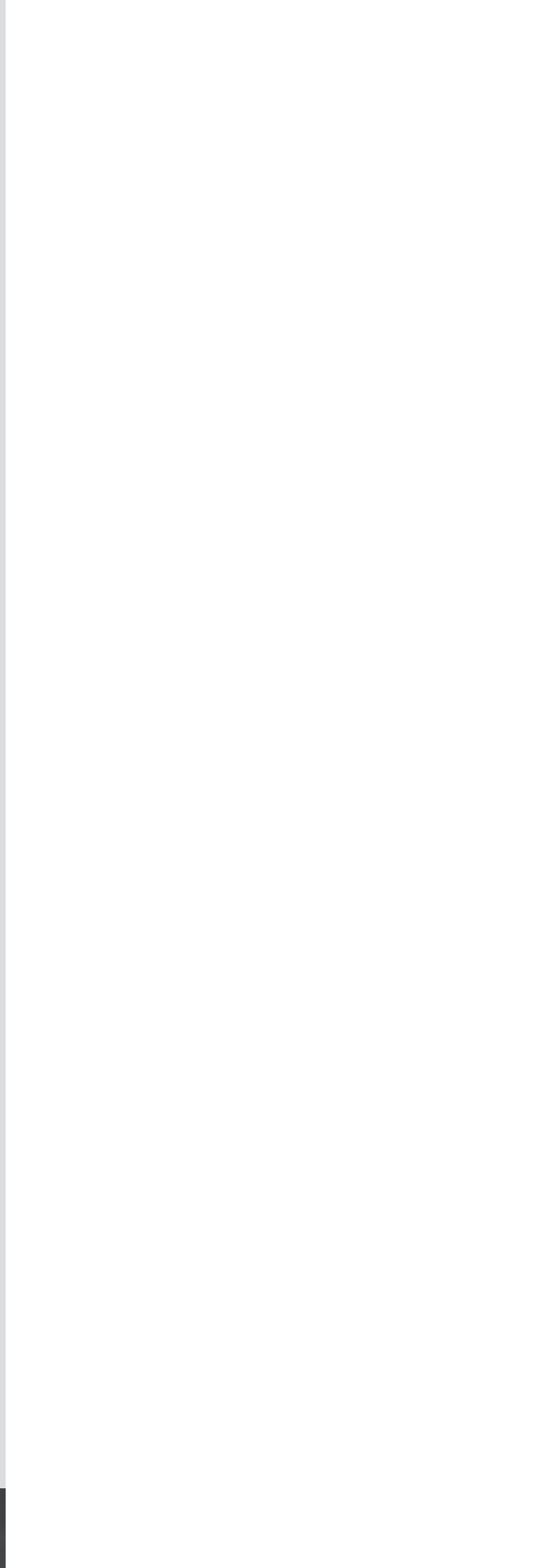
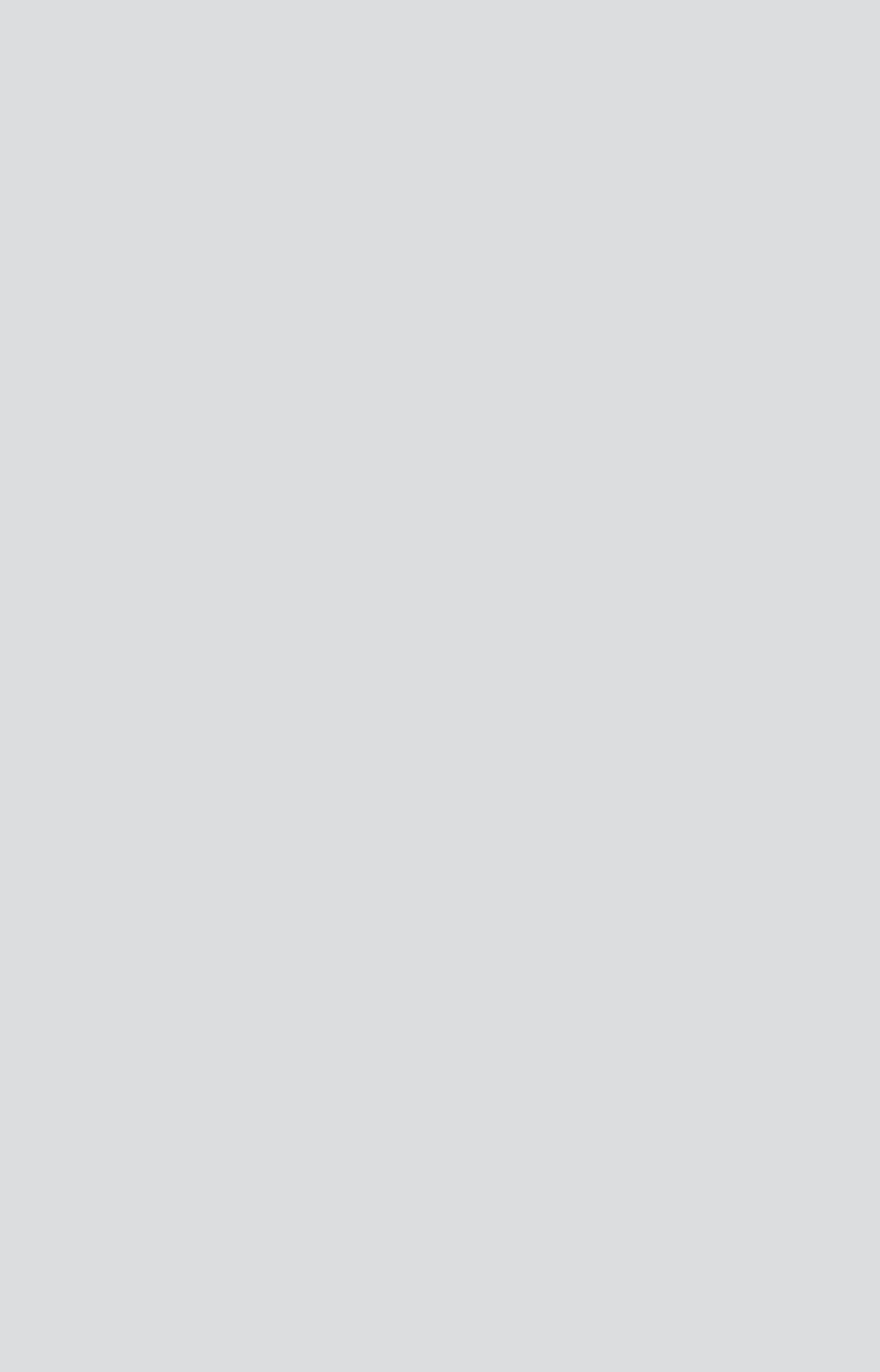
1. Harvest tonnage from Australian barramundi farms assumed to increase at an average of 8% per year from 2014 base (this is considered a relatively conservative figure).
2. Long term nominal \$A beach price stable at \$9/kg. This assumes real prices will slowly decline at ~3% p.a. during this plan, in the face of increased pressure from imports.
3. Industry (farmers & feed companies) will contribute funds for RD&E and marketing, with assumed leakage from both streams. ABFA leadership will attract new funding.
4. Additional RD&E capacity will accrue from co-investors, especially via co-investment from the FRDC under an IPA.

The growth assumptions and related RD&E investment funds presented on the following page in the Base Case Scenario are therefore quite conservative.

**BASE CASE INDUSTRY GROWTH  
SCENARIO**

|                                      | Assumption                  | Year end<br>June | Industry<br>2012 | Est.<br>2013 | Est.<br>2014 | Year 1<br>2015 | Year 2<br>2016 | Year 2<br>2017 | Year 4<br>2018 | Year 5<br>2019 | Year 6<br>2020 |
|--------------------------------------|-----------------------------|------------------|------------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Harvest                              | 8% growth p.a.              | tonnes           | 4,919            | 4,870        | 4,725        | 5,103          | 5,511          | 5,952          | 6,428          | 6,943          | 7,498          |
| Feed Tonnes                          | FCR of 1.50                 | tonnes           |                  |              | 7,088        | 7,655          | 8,267          | 8,928          | 9,642          | 10,414         | 11,247         |
| Forecast Nominal Pond Price          | Constant price              | \$/kg            | 9.38             | 10.00        | 9.00         | 9.00           | 9.00           | 9.00           | 9.00           | 9.00           | 9.00           |
| <b>Est. Nominal Farmed GVP</b>       |                             | <b>\$Mill.</b>   | <b>46.2</b>      | <b>48.7</b>  | <b>42.5</b>  | <b>45.9</b>    | <b>49.6</b>    | <b>53.6</b>    | <b>57.9</b>    | <b>62.5</b>    | <b>67.5</b>    |
| Net Industry Betterment Contribution | @ 0.25%, less leakage       | \$'000           |                  |              |              | 87             | 95             | 109            | 124            | 135            | 152            |
| Net Feed company contribution        | \$10/tonne, less leakage    | \$'000           |                  |              |              | 77             | 83             | 89             | 96             | 104            | 112            |
| <b>Industry Funds Received</b>       |                             | <b>\$'000</b>    |                  |              |              | <b>164</b>     | <b>178</b>     | <b>199</b>     | <b>221</b>     | <b>239</b>     | <b>264</b>     |
| Marketing Performance Funds Rec'd    | incl. performance bonus     | \$'000           |                  |              |              | 60             | 30             | 20             | -              | -              | -              |
| Membership Funds Received            |                             | \$'000           |                  |              |              | 20             | 20             | 22             | 24             | 24             | 26             |
| <b>TOTAL ABFA FUNDS RECEIVED</b>     |                             | <b>\$'000</b>    |                  |              |              | <b>244</b>     | <b>228</b>     | <b>241</b>     | <b>245</b>     | <b>263</b>     | <b>290</b>     |
| RD&E Matching Funds                  | incl. FRDC matching         | \$'000           |                  |              |              | 77             | 81             | 85             | 89             | 94             | 99             |
| <b>TOTAL INVESTMENT FUNDING</b>      | <b>Funds Pool Available</b> |                  |                  |              |              | <b>321</b>     | <b>309</b>     | <b>326</b>     | <b>334</b>     | <b>357</b>     | <b>389</b>     |
| <b>INVESTMENT AREAS</b>              |                             |                  |                  |              |              |                |                |                |                |                |                |
| 1. Market Differentiation            |                             | \$'000           |                  |              |              | 80             | 80             | 95             | 110            | 125            | 140            |
| 2. High Quality Product              |                             | \$'000           |                  |              |              | 30             | 40             | 40             | 40             | 40             | 40             |
| 3. Management of Biosecurity         |                             | \$'000           |                  |              |              | 20             | 10             | 10             | 10             | 10             | 10             |
| 4. Farm Productivity Awareness       |                             | \$'000           |                  |              |              | 30             | 20             | 20             | 20             | 20             | 20             |
| 5. Sustainable Production Systems    |                             | \$'000           |                  |              |              | 10             | 10             | 10             | 10             | 10             | 10             |
| 6. Effective Regulatory Frameworks   |                             | \$'000           |                  |              |              | 20             | 10             | 10             | 15             | 15             | 15             |
| 7. Well Resourced National Body      | incl. admin & EO salary     | \$'000           |                  |              |              | 131            | 139            | 141            | 129            | 137            | 154            |
| <b>TOTAL INVESTMENT \$'000</b>       |                             | <b>\$'000</b>    |                  |              |              | <b>321</b>     | <b>309</b>     | <b>326</b>     | <b>334</b>     | <b>357</b>     | <b>389</b>     |





## **APPENDIX 5      Distribution List - ABFA Strategic and RD&E Plan 2015–2020**

A covering email and link to the Australian Barramundi Farmers Association Strategic and RD&E Plan, 2015–2020 was provided to the following.

ABFA members  
ABFA sponsors  
CRC  
CSIRO  
Curtin University  
DAFF  
Department of Fisheries WA  
Department of Primary Industries and Water  
Department of Primary Industries  
Department of Primary Industry and Fisheries  
Fisheries Queensland  
Flinders University  
FRDC  
FRDC Aquatic Animal Health Subprogram  
FRDC Indigenous Reference Group Subprogram  
FRDC Recfishing Research Subprogram  
FRDC Social Sciences Research Coordination Program  
GBRMPA  
James Cook University  
National Aquaculture Council  
Nofima  
Northern Territory Seafood Council  
NSW Department of Primary Industries and Fisheries  
NSW Fisheries Research Advisory Body  
NT Fisheries Research & Development Advisory Committee  
PIRSA  
Qld Fishing Industry Research Advisory Committee  
QSIA  
Ridge Partners  
SA Fisheries Research and Development Board  
Seafood Industry Victoria  
Senator Colbeck  
Senator Fitzgibbon  
Senator Hunt  
Senator Joyce  
Senator Milne  
Social Science Research Coordination Program  
TAS Fisheries Research Advisory Board

Tasmanian Seafood Industry Council

USC

UTAS

UWA

VIC FRAB

WA Aquatic Resources Research And Development Advisory Committee

WAFIC