

Torres Strait Fisheries Exporter's Handbook



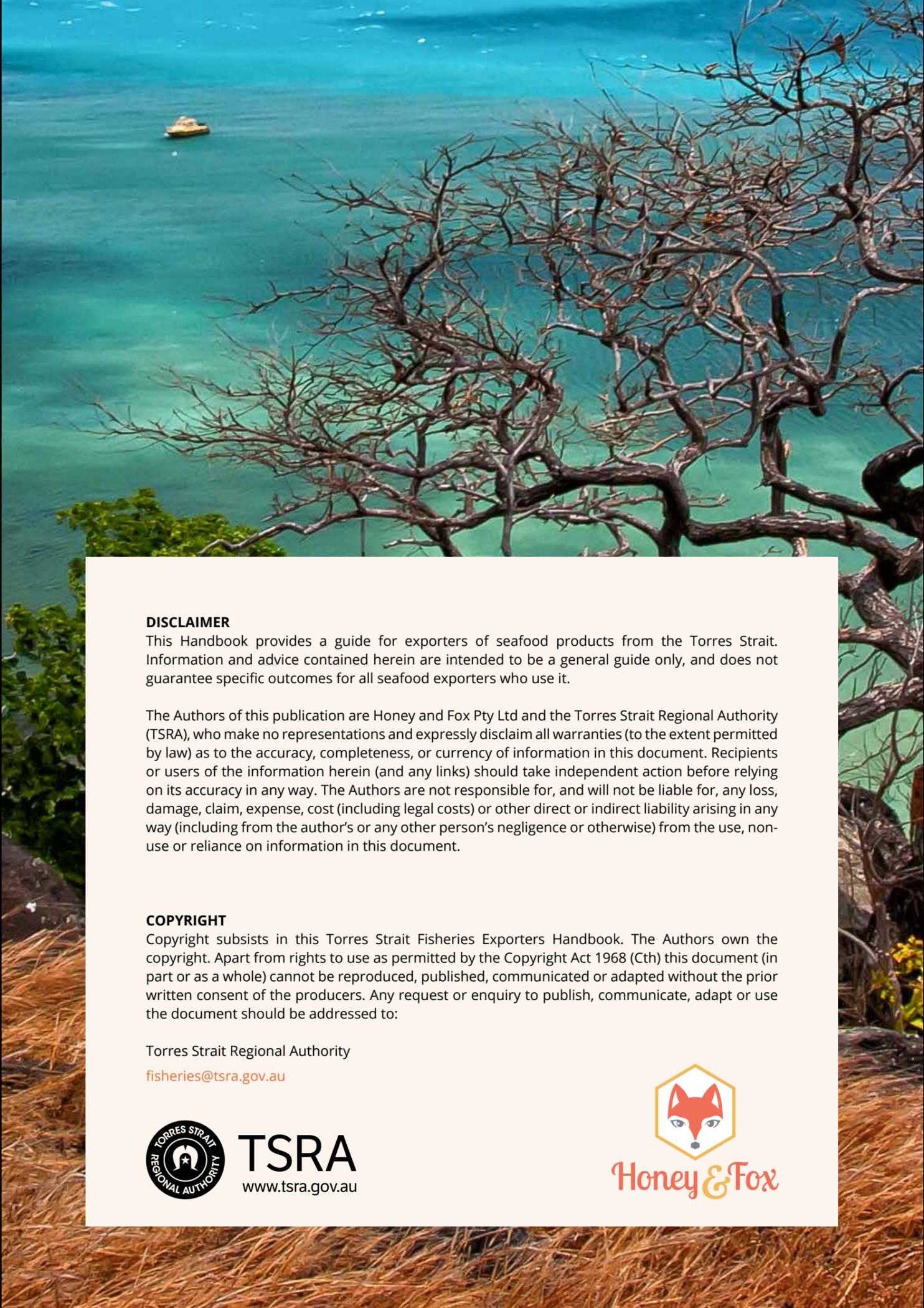
FRDC



Australian Government



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DISCLAIMER

This Handbook provides a guide for exporters of seafood products from the Torres Strait. Information and advice contained herein are intended to be a general guide only, and does not guarantee specific outcomes for all seafood exporters who use it.

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TSRA
www.tsra.gov.au



Foreword

To all Torres Strait Islanders,

It is with great pleasure that we present to you the Torres Strait Fisheries Exporter's Handbook.

Whether you are a highly experienced and seasoned seafood exporter or have aspirations to become one, this handbook provides you with a step-by-step guide to the exporting and marketing process.

You will discover whether you and your business is export ready and what you need to do to be successful as an exporter. The handbook details the steps and processes you need to undertake and provides a guide to the myriad of information resources, people and / or government departments that are available to help you.

You will find checklists and hints to help you navigate through the handbook and help you develop an action plan tailored to your circumstances. Importantly the handbook will help you avoid costly and time-consuming mistakes!

This handbook has been produced as part of a Torres Strait Regional Authority commissioned project called "Assessing Direct Export Feasibility, Marketing and Branding Opportunities for Torres Strait Fisheries Derived Products" (FRDC Project 2016/244)

This overarching project has helped define feasible direct export pathways for Torres Strait seafood businesses and outlines how a whole of industry Torres Strait seafood brand could support market development efforts in Australia and internationally.

From all of us at the Torres Strait Regional Authority, we wish you all profitable exporting success!

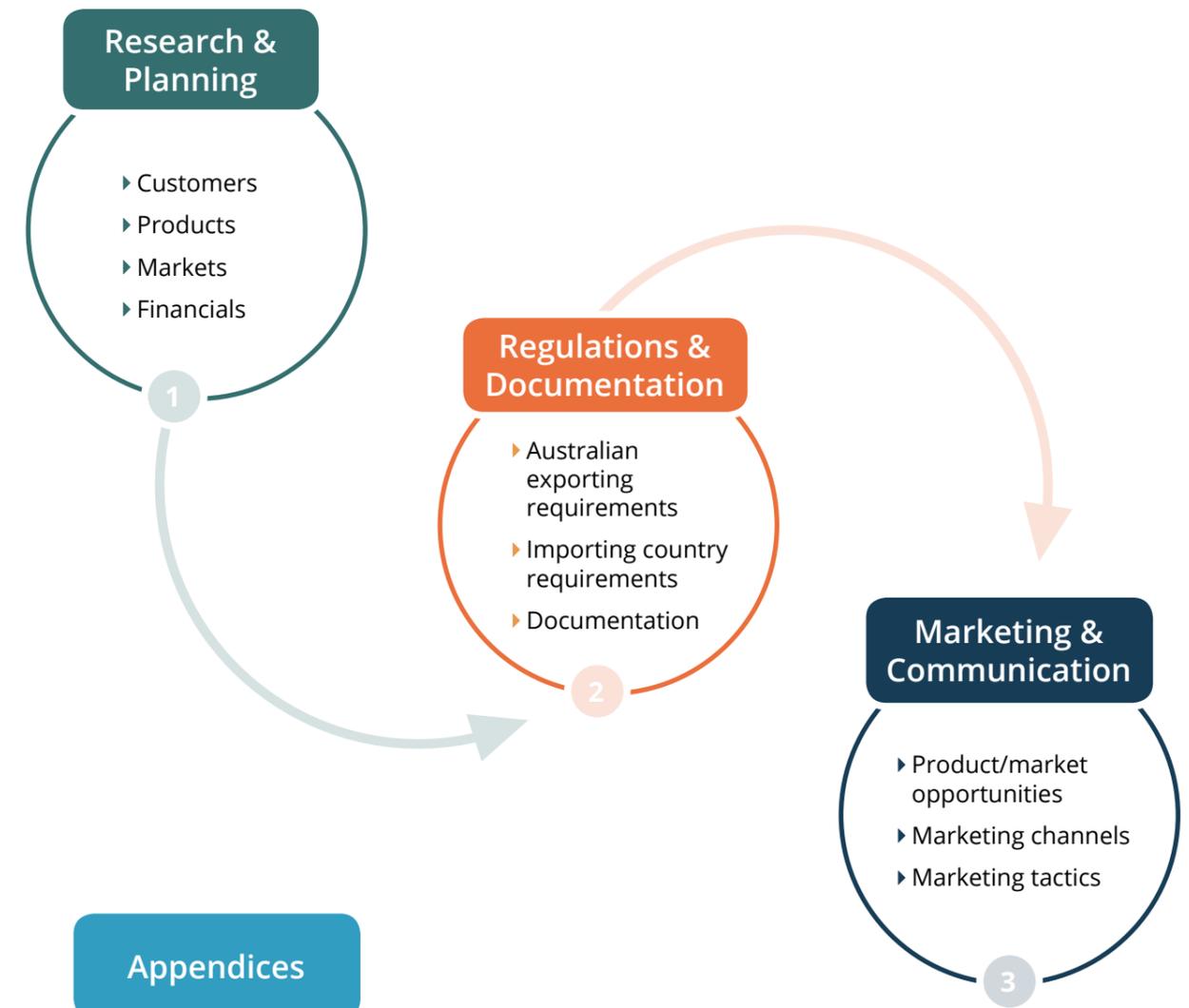
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Navigating this handbook

This handbook is a guide to the export process. It is organised into three sections as per the diagram below. Checklists and hints are provided to help navigate through the guide. Resources and people who can provide help are listed in Appendix 4.



Appendix 1: Torres Strait Fisheries Key Seafood Export Products Report

Appendix 2: Market Profiles: China Hong Kong Singapore and Japan

Appendix 3: Seafood E-commerce Opportunities

Appendix 4: Useful Exporter Resources

This handbook provides information and resources to help you answer the following questions:

Am I export ready?

What do I need to fix or change in my business to be able to start exporting?

What steps and processes do I need to undertake to be in a better position to begin exporting?

What information, people or departments are available to help me?

What is my plan of action?



Throughout the handbook you will see a number of symbols. Here is what they mean:



Important information



Link to more information



Tips and ideas



Rules and regulations



Checklists

Exporting

Export can be done directly or indirectly from the Torres Strait. See the diagrams on the opposite pages showing how this works.

When you export directly you own the product until it is sold to a buyer in an overseas market. This means that you are also responsible for what happens to the product along the journey.

Whether you decide to go direct or indirect this handbook outlines the steps needed to undertake export from the Torres Strait.



Indirect export

Fishers sells to a buyer who then exports the product. Responsibility for the product ends with the first sale.



Direct export

The fisher is the exporter and retains responsibility for the product through the chain – engaging service providers, to get the product to the customer.





**Part 1:
Research & Planning**



■ Sources of information ■



Use a range of search terms to find useful reports and resources to help you. Try FRDC, TSRA, Trade & Investment Qld, Austrade and others



Here is a link to some useful resources:
<https://www.business.qld.gov.au/starting-business/planning/market-customer-research>

Introduction to this section

Whether you decide to export directly or indirectly it is important that you understand your:

1

CUSTOMERS

2

PRODUCTS

3

COMPETITION

4

MARKETS

5

FINANCES



1

CUSTOMERS

The greatest asset for a business is customer demand!

Surveys and interviews are a great way to find out more about your customer. You can do this yourself or get someone else to do it on your behalf.

ANSWER THESE QUESTIONS ABOUT YOUR CUSTOMERS...

- ▶ Who are they?
- ▶ Where are they?
- ▶ What do they want/need?
- ▶ How important it is to them to have your product?
- ▶ How much will they pay for it?
- ▶ How will they get it?





2

PRODUCTS

Once you know what your customer wants, you need to be clear about what your product is and consider how it fits into the market you are investigating.

See Appendices 1 and 2 Torres Strait Fisheries key Export Products

SOME QUESTIONS TO ASK ABOUT YOUR PRODUCTS

2

- ▶ What products do you have?
- ▶ How much product do you have?
Are they seasonal or available all year round?
- ▶ How does your product/service meet your customer needs?
- ▶ What is special about your product? What is the story behind your product – where does it come from?
- ▶ What product format does your customer want? Can you provide the product in the right format?
- ▶ Does your customer have specifications that you need to meet? Can you meet them? How do you meet them? Is it documented?
- ▶ What packaging is needed to transport your product safely to your customer?
- ▶ How will your product get to your customer? Is this reliable?





SOME QUESTIONS TO ASK ABOUT YOUR COMPETITORS

3

- ▶ What other products are you competing with?
- ▶ How is your product different to your competitors?
- ▶ What do your competitors say about their products? What makes their products special?
- ▶ How can your product stand out from the crowd? What makes your product special?
- ▶ What are your competitors' price points? How far away from their price points are you? Is that difference justified? If so, how?
- ▶ What are your points of differentiation? Product and non-product based?

3

COMPETITION

You need to know about your competition. What products do they offer and how is yours different? How can you communicate that difference? What is your price point and what is theirs?

Note: Don't compete on price alone! That is a race to the bottom.





SOME QUESTIONS TO ASK ABOUT MARKET ACCESS

4

- ▶ What tariffs apply to your product?
- ▶ If a market imposes tariffs, how much is it, and does it make your product more expensive than your competitors?
- ▶ What non-tariff barriers are there? What testing has to be done and where can it be done?
- ▶ Are there any specific cultural, social, economic or political considerations?

4

MARKETS

Once you know your customers (there may be more than one type!) and which products/services you will provide then you **MUST** check the rules and regulations of the importing country.

This is critical as these can impact whether it is worth the effort!!



A Tariff is a tax imposed by a government on goods and services imported from other countries.



SOME QUESTIONS TO ASK ABOUT FINANCE

- ▶ How will you finance export marketing. Is this included in your budget?
- ▶ How will you finance the extra costs of getting your product to market (e.g. storage, transport, export certification)?
- ▶ How will you get paid?
- ▶ When will you get paid?
- ▶ What are your payment terms?

5

FINANCES

This is important as there is significant investment needed to market your product and to implement systems to enable you to export.

Work out what your budget is and write it down.

5



CONGRATULATIONS!

YOUR EXPORT STRATEGY

All of the information you have gathered can be summarised into one document. This is your export strategy.

It doesn't need to be a long document but it should cover the basics so that you know how you are performing.

Here is a link to a template you can use <https://www.austrade.gov.au/Australian/Export/Guide-to-exporting/Export-strategy>

Research & Planning Checklist



- You know who your customers are and what they want
- You have the right product in the right quantities demanded by your customers
- You know that you have market access to your target market
- You know who your competitors are, what they are doing and how you can compete effectively
- You have the finances to support your export efforts
- You have written down your export strategy



If you can tick all of the above then you are ready to move to the next section!

A wooden ruler with an orange eraser attached to the left end, set against a yellow background. The ruler is marked in centimeters, with numbers 2 through 13 visible. The text "Part 2: Regulations & Documentation" is overlaid on the ruler.

**Part 2:
Regulations &
Documentation**

Steps to export

These are the steps that you need to complete to gain export registration.

More detail about each of these steps is provided on the following pages



Introduction to this section

Having developed your export strategy based on researching customers, products, markets and finances you now need to look at the technical aspects of exporting. There are Australian laws and regulations that you must comply with as well as importing country requirements.

This section of the handbook sets out the basic requirements for export and the documentation you will need to prepare.

Throughout the handbook you will see a number of symbols. Here is what they mean.



Exports from Australia are subject to laws passed by the Australian Parliament. There are specific requirements relating to seafood exporters. These are known as Orders and are changed by the relevant Minister from time to time.



Here is the link to the **Export Control (Fish and Fish Products) Orders 2005**

<https://www.legislation.gov.au/Details/F2007C00765>



Step 1: Are you selling a prescribed good?

Non Prescribed Goods

- ▶ Shells
- ▶ Seaweed
- ▶ Products where fish is an ingredient but not the major part (weight or volume) of the product (e.g. bakery products containing fish oils, fish oil capsules)
- ▶ Fish and fish products for animal food
- ▶ Products where fish is an ingredient but not described or represented as being a fish product.

IF YOU ARE SELLING A NON PRESCRIBED GOOD, STOP HERE AND VISIT THE LINK BELOW

If you are exporting non prescribed goods then you do not have to comply with the Export Control Orders. However there may be specific requirements imposed by the importing country.



Guidance for exporting non-prescribed goods can be found via the link below.
<http://www.agriculture.gov.au/export/controlled-goods/>

Prescribed Goods

- ▶ Abalone
- ▶ Crocodile
- ▶ Crustaceans (such as prawns, rock lobster, yabbies, crabs)
- ▶ Finfish (such as eel, tuna)
- ▶ Shellfish (such as oysters, scallops, mussels, pipis, clams, cockles)
- ▶ Products where if fish was removed as an ingredient, the product would no longer have the stated or implied characteristics (such as sand-crab lasagne, smoked salmon dip, fish sauce).



The rest of this handbook will deal only with the requirements of Prescribed Goods.

If you are exporting Prescribed Goods please proceed to **STEP 2**.



Sources of information



You should ask your importer to check with the importing country authority that the information in MICO is up to date.

<https://micor.agriculture.gov.au/fish/Pages/default.aspx>



MICO can be searched by country. Some key requirements for the major markets for Torres Strait Fisheries products are summarised on the following pages.



Step 2: Importing country requirements

Check the importing country requirements set out in MICO (Manual of Importing Country Requirements).



CHINA

Here is the link to MICO for China

<https://micor.agriculture.gov.au/Fish/Pages/china/china.aspx>



HONG KONG

Here is the link to MICO for Hong Kong

https://micor.agriculture.gov.au/Fish/Pages/hong_kong/hong_kong.aspx



JAPAN

Here is the link to MICO for Japan

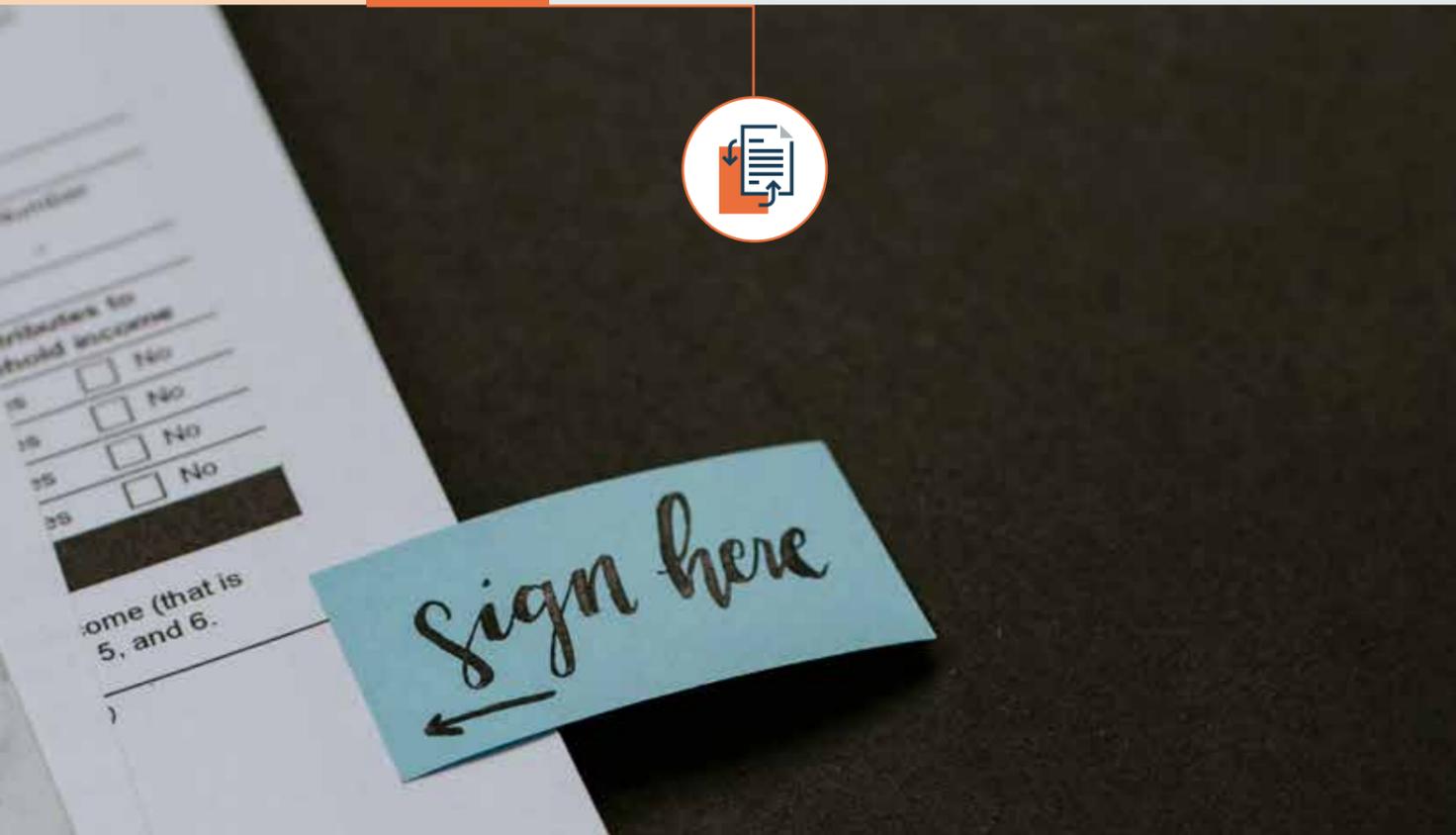
<https://micor.agriculture.gov.au/Fish/Pages/japan/japan.aspx>



SINGAPORE

Here is the link to MICO for Singapore

<https://micor.agriculture.gov.au/Fish/Pages/singapore/singapore.aspx>



Sources of information



<http://www.agriculture.gov.au/export/certification/exdoc/register>
Link to Register with Federal Department of Agriculture EXDOC.



A new system called NEXDOC will be introduced in 2019, further information can be found here:
<http://www.agriculture.gov.au/export/certification/nexdoc/transition>



Step 3: Exporter Registration

Exporters of prescribed goods (see page 31) must register with EXDOC, the Federal Department of Agriculture. This includes businesses involved in:



- ▶ Producing
- ▶ Storing
- ▶ Freight forwarding
- ▶ Manufacturing
- ▶ Processing
- ▶ Packing on board a vessel where product is for export.



KEY DOCUMENTS FOR EXPORTER REGISTRATION

Hazard Analysis Critical Control Points (HACCP): A food safety management tool that identifies food hazards (biological, physical, chemical, allergenic) and how they will be controlled, monitored, reviewed and reported on (see page 86)

Food Safety Program (FSP): A food safety program documents the processes that you will use to produce a safe product and that any possible food safety risks are minimised or eliminated. It will include your HACCP. (see page 85)

Approved Arrangement (AA): A food safety management system which is specifically approved by the Department of Agriculture. It includes your FSP and your HACCP and sets out how a your business will comply with export legislation and importing country requirements. (see page 89)

Note: make sure you have paid all outstanding debt owed to the Commonwealth and all fees and charges.



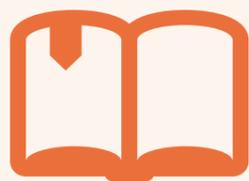
Safe Food Queensland Accreditation



One of the requirements for exporter registration is to be approved for domestic purposes. Safe Food Queensland manages this for the Torres Strait and requires accreditation for the following activities:

- ▶ Commercial fishing
- ▶ Land based seafood processing
- ▶ Storing seafood (cold storage and live fish)

To obtain accreditation you will need to submit either a Food Safety Plan or a Management Statement. See Appendix 4.



Sources of information



Here is a link for more information:
<https://www.safefood.qld.gov.au/food-business/want-sell-supply/-tab-seafood>

Note: There is a fee for obtaining a Safe Food Queensland accreditation.



Approved Arrangements for Export



An Approved Arrangement (AA) is also required. AA is a Food Safety Program that includes a HACCP plan. The AA is approved by Biosecurity Australia following an audit. An AA is reviewed:

- ▶ When you apply for registration as an establishment
- ▶ At regular audits

A list of documents that are typically included in the Approved Arrangement are provided in Appendix 4.



Sources of information



An AA audit checklist can be found here:
<http://www.agriculture.gov.au/SiteCollectionDocuments/aqis/exporting/dairy/checklists/aa-checklist-processing-establishments.pdf>



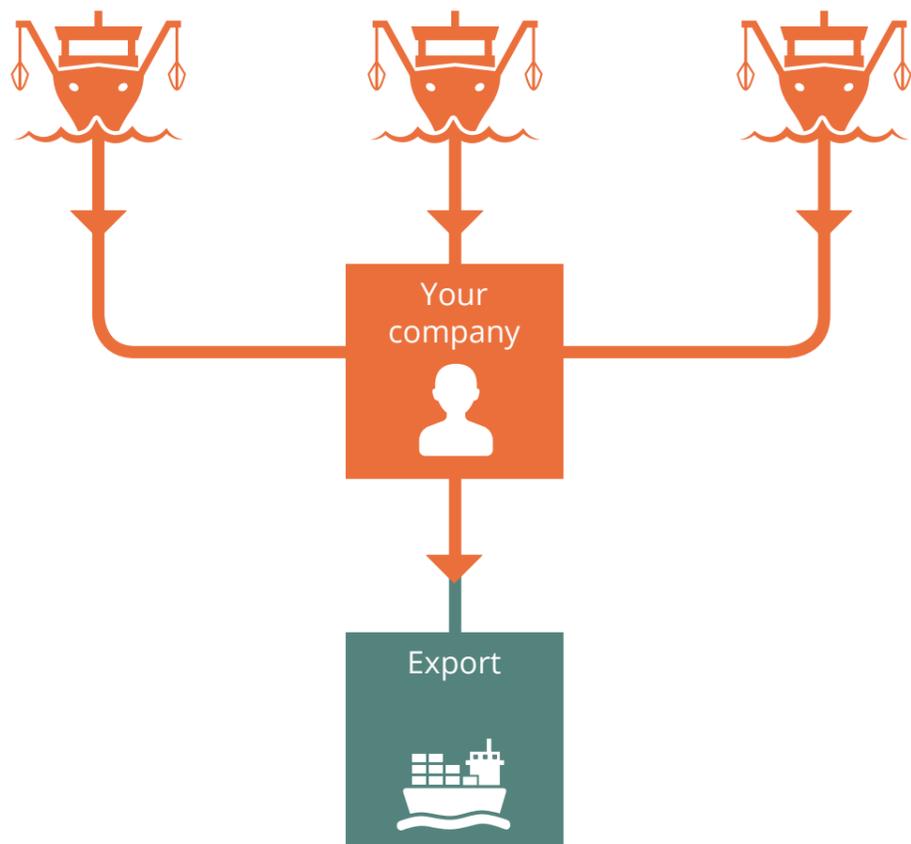
Documentation showing compliance with import country testing requirements should be kept with your AA documentation.

Note: Any changes to the business impacting on the AA documents, must be approved before the changes can occur.



Step 4: Suppliers

If you export products that are caught and delivered to you by another person or company, they must also be export registered.



Step 5: Proving Exporter Eligibility

You need to make a declaration of compliance (for each shipment) that confirms that the goods are eligible for export and that the product:



- ▶ Is fit for human consumption
- ▶ Meets all requirements under the Export Control (Fish and Fish Products) Orders 2005
- ▶ Complies with importing country requirements.

If you receive or move goods from your export registered establishment to another, you must make a transfer declaration. The declaration must identify the specific goods and state that the product has been stored in accordance with:

- ▶ the Export Control (Fish and Fish Products) Orders 2005
- ▶ importing country requirements.





Step 6: Export permits

When your products are packaged and ready to be exported you will need to make a Request for Permit (RFP) using EXDOC (or NEXDOC if it is launched).

You will select a fish product code which is then used in customs declarations and links your permit to the registered establishment.

When an RFP is approved, you will be issued with:

- ▶ An export permit
- ▶ A health certificate, if required by the importing country.



Note: A fee is charged for this



Step 7: Declaration

You may need to make a customs export declaration and be issued with an Export Declaration Number (EDN).



Sources of information



Here is a link to the Australian Home Affairs Department
<https://www.abf.gov.au/importing-exporting-and-manufacturing/exporting/how-to-export>



You can link your EXDOC account with the customs system (ICS) by

1. Registering your ABN in the customs system
2. Applying for access to the EXDOC Single Electronic Window



STEP 8 - CONGRATULATIONS!

YOU HAVE YOUR EXPORT PERMITS

If you have followed all the steps in this section you have all the permits and certifications you need to export

Export Documentation Checklist



- You are exporting a prescribed good
- You have registered on EXDOC (or NEXDOC late 2019)
- You have developed a HACCP plan
- You have achieved Safe Food Queensland accreditation and paid the fees
- You have an Approved Arrangement which has been audited
- Your suppliers are registered exporters (if needed)
- You have all your export permits
- You have completed your customs documentation



If you can tick all of the above then you are ready to move to the next section!



Part 3: Markets and Marketing



Photo: Brand concept from 'Assessing Direct Export Feasibility, Marketing and Branding Opportunities for Torres Strait Fisheries Derived Products Project 2016/244'

Introduction to this section

This section provides information about the marketing and communications activities you should do to support your export performance.

Only a summary is provided here as you will need to get expert advice and assistance to suit your particular business circumstance.

Additional resources are listed in the Appendices.

Throughout the handbook you will see a number of symbols. Here is what they mean.



IMPORTANT INFORMATION



LINK TO MORE INFORMATION



TIPS & IDEAS



CHECKLISTS



RULES & REGULATIONS



Photo source:
Tony Gordon



Your story

The Torres Strait has an incredible story to tell, and unique products for consumers looking for new and exciting culinary experiences.

There is a great opportunity to position the products as luxury, with authentic Torres Strait Island stories, proud traditions and fishing culture, a pristine sustainable island environment and niche, rare hand-caught produce.

Customers

Before starting on your marketing program you really need to know and understand your customer.

Sources of information



Go back to your export strategy and review the information you have about your customer. Have this information handy (see page 15 in this handbook) as you work through this part of the handbook.



The Australian government provides support to new and emerging exporters:

<https://www.austrade.gov.au/Australian/Export/Export-Grants>

<https://www.business.qld.gov.au>

Visit the market

If you have never been to the market, you need to do this as your very first step. You can read about a market but there is nothing more informative and insightful than actually visiting the market and talking to customers. It is the best way to find out what is happening, not only for your product, but more generally about consumer trends and buying behaviour as well as competitor activities.



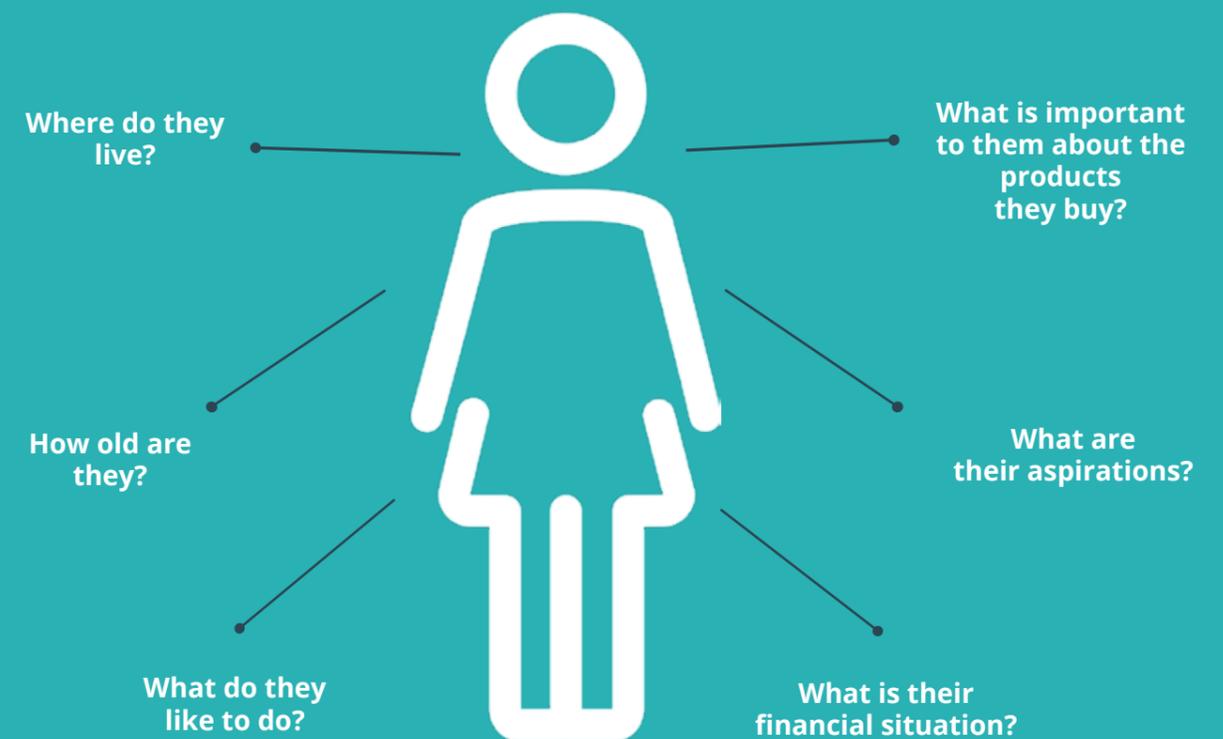
Honey & Fox offer tailored market insiders study tours. For more information go to www.marketinsiders.com.au



Customer Persona

Using the information that you gather when visiting the market you need to describe your customer. Give them a name if you like.

Use this template to draw a picture of your customer:

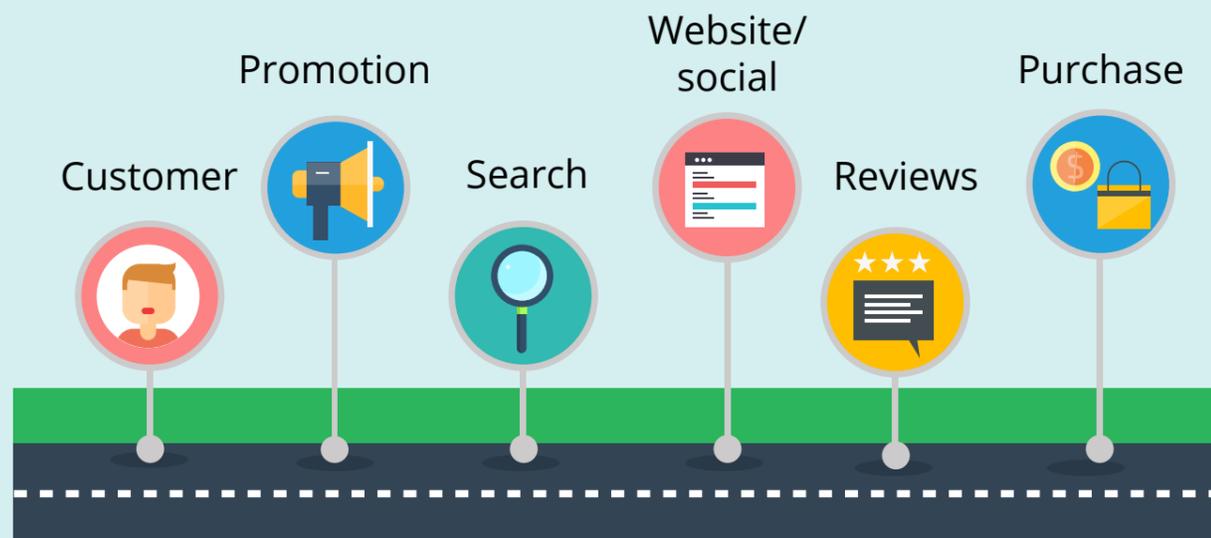


The more you know about your customers and what they want the more you can tailor the communication that you have with them about your product. You want your product story to resonate with them, for your product to stand out from the crowd and appeal to them.

If you have completed your export strategy you should have most of this information!

Customer Journey

Find out what the customer journey is.
How will a customer find out about your product and buy it?
Knowing this will help you target your marketing activities.



Content is King

To get ready for communicating and promoting your products you need to gather content. To tell your story you will need photos, videos, testimonials, information about your product, where you come from and how you get the product to market.

Cultural Considerations

Know and understand the cultural dos and don'ts for your target market.

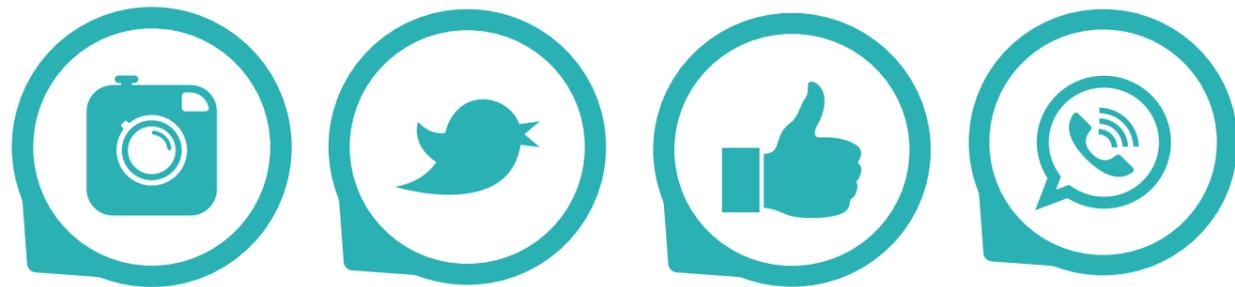


A good resource can be found here:
<https://www.austrade.gov.au/Australian/How-Austrade-can-help/trade-services>

Note: The specific journey each customer takes will be different, but there are commonalities that will help you decide how to market to your customers generally.

Get Online

Establishing a company website and social media platforms such as Facebook and/or Instagram are essential marketing tools for all businesses, particularly food businesses. The first place that customers will look for you is on-line and they need to find your company or they may doubt your credibility and authenticity. If your target market is China, the online platforms are different. See Appendix 3 for further information.



You can do this yourself (lots of resources available online to help you do it). For a premium product offering it is prudent to get professional advice and assistance.

Customer Touchpoints

Your customers will connect with your brand in a number of different ways. A mix of marketing channels and tactics is required to communicate effectively with your target customers. Here are some examples, think of all the places you will connect with your customers:



Branding

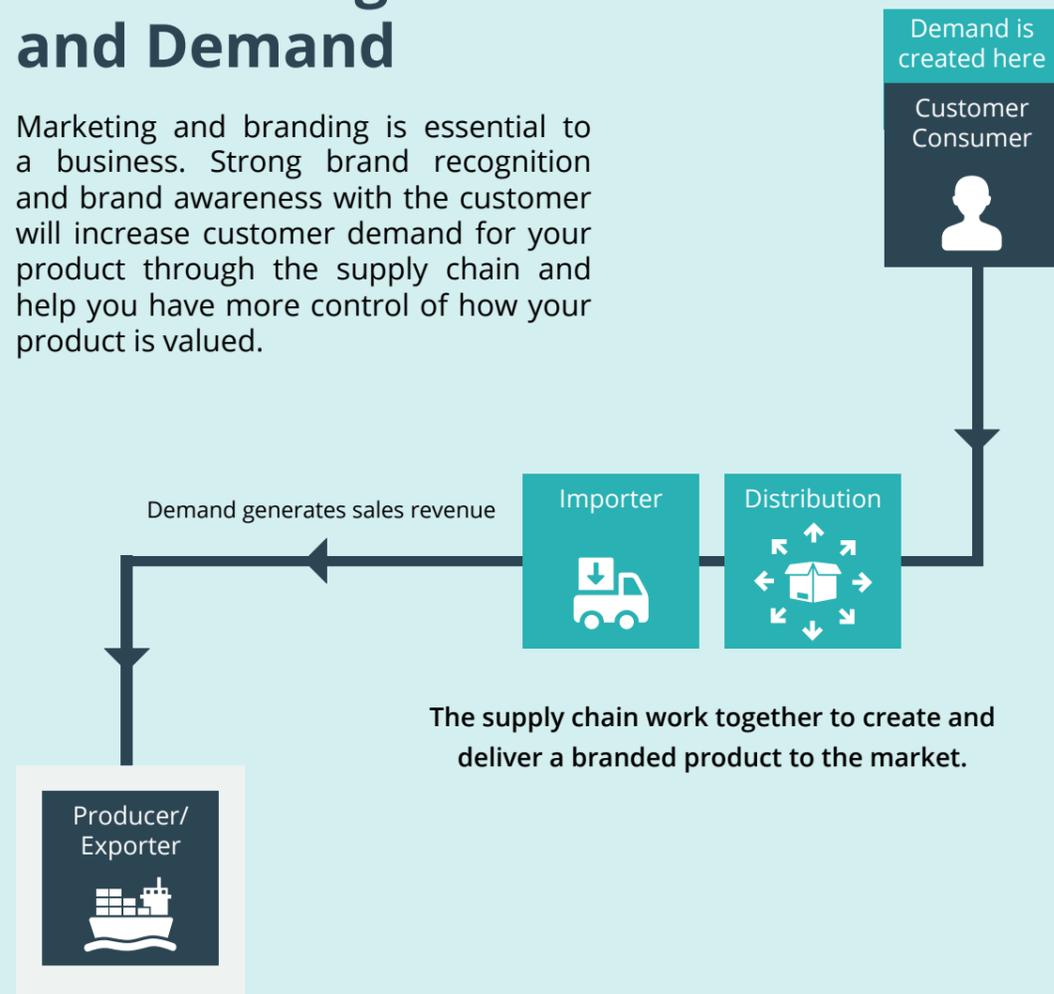
What do you want your customers to think about you?

Your brand DNA should be developed by understanding how you want your products to make your customers feel, it should guide everything you do - how you behave as a company and how you communicate.



Brand Recognition and Demand

Marketing and branding is essential to a business. Strong brand recognition and brand awareness with the customer will increase customer demand for your product through the supply chain and help you have more control of how your product is valued.



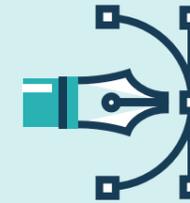
Working on your brand is an important investment.

A brand is far more than a logo.



Brand

The company image as a whole including what you do and say and how people feel about you and your product.



Identity

The visual aspects of the brand, including great photography of your product, and other visual elements that reflect your brand personality.



Logo

Identifies a business in its simplest form via the use of a mark or icon.

A brand is the set of expectations, memories, stories and relationships that, taken together, account for a consumer's decision to choose one product or service over another.

- Seth Godin



CONGRATULATIONS!

YOU ARE NOW READY
TO CONNECT WITH
YOUR CUSTOMERS!

Marketing Checklist



- You have visited the market you are targeting
- You have researched your market and know where your product will be positioned
- You know who your customer is and their customer journey
- You have established trusted supply chain partnerships to get your product to the market
- You are clear about what your company brand is
- Your logo and brand identifiers are trademarked in Australia and in your target markets
- You have high quality photography and marketing collateral
- You have established a company website that reflects your branding
- You have established relevant social media sites to connect and engage with your target market
- You have identified trade shows and events that will help you market your product



Appendices

Useful information and resources



Appendix 1

Torres Strait Fisheries Key Seafood Export Products Report



Introduction

Here is an overview of the market environment and opportunities for the major fisheries products from the Torres Strait for 2018-2019.

Attractiveness and difficulty rankings are provided which are then used to provide a combined priority ranking score.

The priority ranking identifies first, second and third priorities for investment for a collaborative approach to Torres Strait product and market development – including brand development.

Beche de Mer

Species:

Various

Target Markets:

China*, Hong Kong, Singapore, Malaysia

Competitors:

China, Japan, Indonesia, Philippines, Thailand

Product formats:

Blanched, gutted, salted, dried

Beach prices:

Difficult to determine (see below)

Market prices 2018:

Dried: \$120 to \$280/kg

IQF Frozen: \$10 to \$20/kg



Considerations:

It is difficult to calculate accurate beach prices or the profitability of the Beche de Mer fishery due to the lack of good quality catch data and the presence of a cash market in the Torres Strait.

As it is a highly complex market, it will be important to have a well respected and well connected buyer in target markets. There are opportunities to build profile in Australia targeting the Chinese/Asian visitor market. The rise of e-commerce in target markets also provide market entry opportunities

China has a large and growing aquaculture sector providing an opportunity to differentiate TSI product as wild caught.

*** Beche de Mer is not currently on the approved list for exporting from Australia for import to China**

Tropical Rock Lobster

Species:

Panulirus ornatus

Target Markets:

Live: China, Hong Kong Tails: USA

Competitors:

Australia (WRL, SRL), USA/Canada, South Africa Tropical: Indonesia, Philippines, Vietnam, Thailand, Papua New Guinea

Product formats:

Live and frozen tails

Beach prices:

Average approximately \$20/kg (2016)

Market prices :

Varies. Average across all formats and sizes, approximately \$60+/kg (2016)

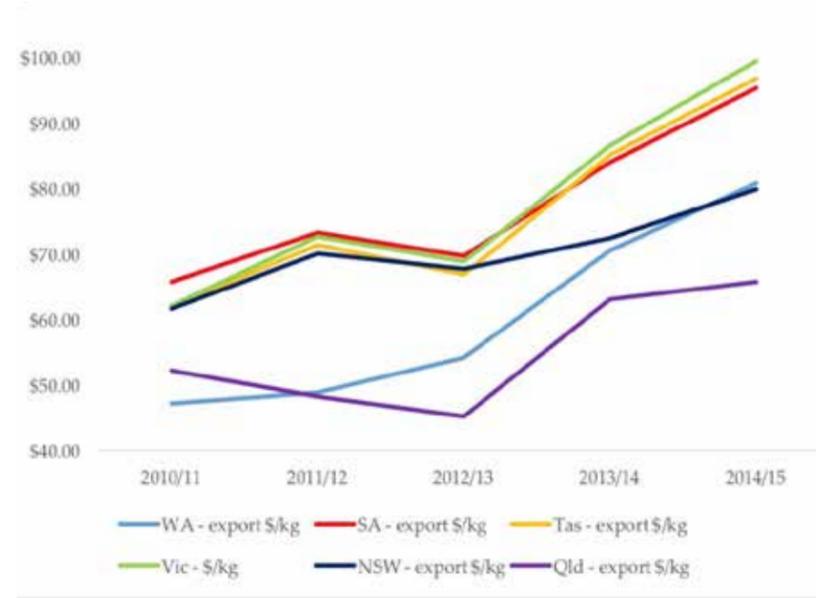
Considerations:

The live market in China continues to be the major market for all spiny rock lobster species globally with fierce competition from other producers. Tropical lobster aquaculture is making inroads to the market creating a niche for "plate sized" lobsters.

Moving from frozen tails to live product format requires an investment in land based holding facilities as well as supply chain integration.

See next pages for detailed information about beach prices and market prices for rock lobster from Australia.

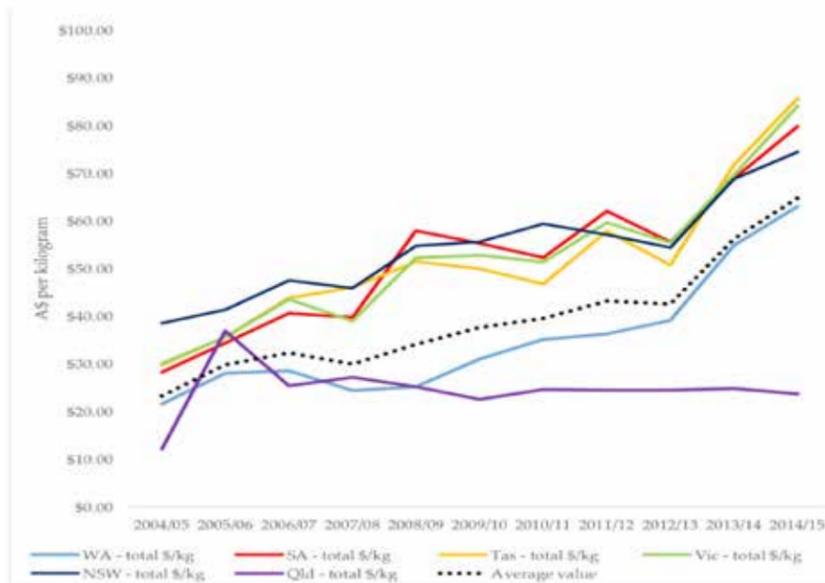
Rock Lobster market price trends



In contrast to beach price, export prices have increased significantly. The graph shows that, while still lower than prices paid for rock lobsters sourced from other States, the export prices for Qld sourced rock lobster have increased significantly over the past 5 years (and have outstripped inflation).

Source: Australian Venture Consultants (2018) Australasian Institute for Spiny (Rock) Lobster Research - A concept study

Rock lobster beach price trends



This graph shows the landed price paid for Australian rock lobster based on location of catch. The decline in beach prices paid for Queensland catch is due to much of the product still being sold as frozen tails which commands a lower price. The beach price has not kept pace with inflation.

Source: Australian Venture Consultants (2018) Australasian Institute for Spiny (Rock) Lobster Research - A concept study



Photo source: Tony Gordon



Fin Fish

Species:

Main targets: Spanish Mackerel (*Scomberomorus commerson.*) and Coral Trout (*Plectropomus spp.*)

Target Markets:

China, Hong Kong, Japan, USA, New Zealand

Competitors:

Indonesia, Philippines, Thailand Vietnam

Product formats:

frozen whole (Coral Trout), frozen trunk (Sp. Mackerel)

Beach prices:

Coral trout: \$4.00/kg,
Spanish Mackerel: \$10/kg

Market prices 2018:

Varies

Considerations:

The majority of the finfish catch from the Torres Strait Fisheries is sold as whole frozen however live fin fish is the most valuable product format for Australian fin fish exports (ABARES estimates live finfish prices in 2015/2016 averaged \$39.75/kg)

The benefits and costs of changing from a frozen whole product to a frozen filleted product has been examined in previous TSRA studies (Bodsworth, 2016). Changing to a live market will require significant investment in facilities, quality systems, fishing gear and practices. This could be further explored but is not ranked as high as other product/market options.

The domestic Australian market is a largely un-tapped opportunity for a branded Torres Strait Industry fin fish product offering.



Product / Market combinations

The previous pages summarised the state of markets for individual products. The next three pages use this information to determine an attractiveness ranking and a difficulty ranking for product and market combinations

Attractiveness relates to opportunities for developing existing and new market niches (taking into account competitors, prices and product positioning opportunities)

Difficulty relates to how difficult it is to do businesses (taking into account social/cultural/economic and political situations)

These rankings are then combined to create a priority matrix.

Product/market attractiveness ranking

Product (species and form)	Target Markets	Attractiveness Ranking
Rock Lobster (live)	China/Hong Kong	1
Sea Cucumber (dried salted)	Hong Kong, Singapore	2
Finfish (chilled/frozen)	Australia (domestic)	3
Rock Lobster (frozen tails)	USA, China/Hong Kong	4
Finfish (live)	China/Hong Kong	5

Product/market difficulty ranking

Product (species and form)	Target Markets	Attractiveness Ranking
Rock Lobster (live)	China/Hong Kong	3
Sea Cucumber (dried salted)	Hong Kong, Singapore	4
Finfish (chilled/frozen)	Australia (domestic)	1
Rock Lobster (frozen tails)	USA, China/Hong Kong	2
Finfish (live)	China/Hong Kong	5

Overall priority ranking (effort and return)

Product (species and form)	Target Markets	Difficulty Ranking	Attractiveness Ranking	Overall ranking
Rock Lobster (live)	China/Hong Kong	3	1	1
Sea Cucumber (dried salted)	Hong Kong, Singapore	4	2	2
Finfish (chilled/frozen)	Australia (domestic)	1	3	1
Rock Lobster (frozen tails)	USA, China/Hong Kong	2	4	2
Finfish (live)	China/Hong Kong	5	5	3

KEY

1= High
5 = Low

Appendix 2

Market Profiles

China, Hong Kong, Singapore and Japan

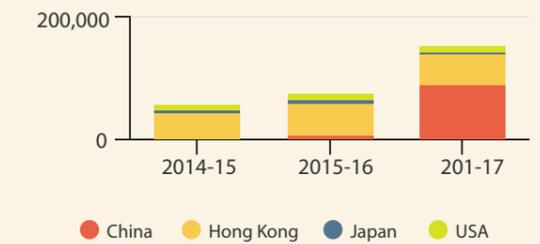
CHINA

Market Dashboard



Australian Rock Lobster exports to major markets (\$'000)

The China Free Trade Agreement came into full force in January 2019. There has been a significant shift to direct exports to China with consequent reductions to other markets such as Hong Kong.



GDP (2017)
\$US23.12 trillion

Population
1.38 billion people

Per Capita GDP (2017)
\$US 16,600pa

Urban dwellers
59.2%



151 flights per week from Australia with more being added, particularly to 2nd tier cities and the western regions outside of the well serviced Beijing, Shanghai and Guangzhou.



Seafood features strongly in Chinese cuisine. Demand is highly seasonal linked to festivals and special occasions. Tropical marine seafood is particularly favoured in the south. Expensive dishes such as lobsters are popular as they "give face".



Seafood particularly sea cucumber has been described for centuries in Traditional Chinese Medicine as good for kidney function and for general strengthening properties.

0%
tariffs on
seafood from
Australia

The Approved Species List for Import to China from Australia

Tropical Rock Lobster Live, chilled and frozen	✓
Sea Cucumber	✗
Coral Trout	✓
Spanish Mackerel	✗

Top 5 Market Opportunities for Torres Strait Seafood

- Imported seafood, particularly from Australia is preferred to local products as it is perceived to be safe to eat due to the environment it grows in.
- E-commerce both B2C and B2B provides new channels for connecting with the end users
- Seafood, particularly expensive seafood is linked to eating out of home so developing connections with the catering sector will support market development
- Rising disposable incomes means that the potential market for seafood is constantly growing with new consumers now able to afford high end seafood
- New retail, combination of supermarket, restaurant, fresh seafood market and online APP provides opportunities to get in front of consumers

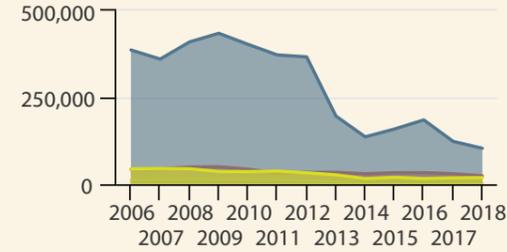
HONG KONG

Market Dashboard



Australian seafood exports to Hong Kong (\$'000)

The Hong Kong Free Trade Agreement was signed in March 2019. While most seafood already enjoys zero tariffs these rates are now locked in. There is also an agreed process for dealing with trade disruptions.



● Fish ● Fish (salted, dried) ● Crustaceans ● Seafood (other)

GDP (2017)
\$US455.9bn

Population
7.21 million people

Per Capita GDP (2017)
\$US 61,500pa

GDP Growth
3.8%pa



123 flights per week from Australia. Hong Kong is not only a good potential export market but as a great source of visitors to Australia (308,700 visitors in 2018) - many of whom will be looking for our famous seafood.



Seafood features strongly in Chinese cuisine. Demand is highly seasonal linked to festivals and special occasions. Tropical marine seafood is particularly favoured in the south. Expensive dishes such as lobsters are popular as they "give face".



Seafood particularly sea cucumber has been described for centuries in Traditional Chinese Medicine as good for kidney function and for general strengthening properties.

0%
tariffs on
seafood from
Australia

SINGAPORE

Market Dashboard



Australian seafood exports to Singapore (\$'000)

The Singapore market is very stable for Australian seafood with potentially lots of room for growth. There are minimal barriers for exporters to deal with and as a result Singapore is a very competitive marketplace



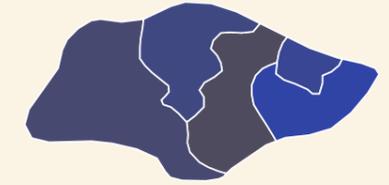
● Fish ● Fish (salted, dried) ● Crustaceans ● Seafood (other)

GDP (2017)
\$US528.19bn

Population
6.0 million people

Per Capita GDP (2017)
\$US 94,100pa

GDP Growth
3.6%pa



243 flights per week from Australia. Singapore is not only a good potential export market but as a great source of visitors to Australia (447,800 visitors in 2018) - many of whom will be looking for our famous seafood.



Seafood features strongly in Singaporean cuisine. Demand is highly seasonal linked to festivals and special occasions such as Chinese New Year. Expensive dishes such as lobsters are popular as they "give face".



Seafood particularly sea cucumber has been described for centuries in Traditional Chinese Medicine as good for kidney function and for general strengthening properties.

0%
tariffs on
seafood from
Australia

The World Wildlife Fund Sustainable Seafood Guide

This guide was published in 2013 but is still used throughout Hong Kong. MSC certification is often a prerequisite for doing business with major retailers and food service companies.



Rock Lobster from Queensland ✓

Leopard Coral Trout from Queensland ✓

Top 5 Market Opportunities for Torres Strait Seafood

- 1 Hong Kong is heavily reliant on imported food with about 95% of the food consumed in Hong Kong being imported
- 2 Consumers in Hong Kong are very health conscious and have a high level of concern for the environment
- 3 Seafood, particularly expensive seafood is linked to eating out of home so developing connections with the food service sector will support market development
- 4 As exporters focus on China Australian exports to Hong Kong have declined providing an opportunity to target Hong Kong as a market in itself
- 5 WWF listing of Queensland Rock Lobster and Leopard Coral Trout as a recommended choice provides a platform for Torres Strait seafood marketing

Capitalise on Australia's Competitive Advantages

- Reputation for high level of food safety ✓
- Reputation for environmental management ✓
- Close in time zones ✓
- Familiar with Australia and Australians ✓

Top 4 Market Opportunities for Torres Strait Seafood

- 1 Singapore is heavily reliant on imported food with about 90% of the food consumed being imported. Seafood is in high demand.
- 2 Singapore has a thriving dining scene and there is always demand for seafood. Food service buyers tend to deal with agents and importers rather than buying direct.
- 3 Online retail is an emerging opportunity. There are several companies with efficient cold chains specialising in seafood.
- 4 WWF listing of Queensland Rock Lobster and Leopard Coral Trout as a recommended choice provides a platform for Torres Strait seafood marketing

JAPAN

Market Dashboard



Australian seafood exports to Japan (\$'000)

Australia's seafood exports to Japan were worth \$426 million in 2018. The elimination of tariffs on lobsters and other seafood provides a competitive edge for Australian seafood exporters. There is an opportunity to grow this market with a value based offering.



GDP (2017)
\$US4.872bn

Population
126.8 million people

Per Capita GDP (2017)
\$US 38,430.3

GDP Growth
1.7%pa



10,623 visitors per week from Australia - frequent direct flights to major Japanese business centres such as Tokyo and Osaka. Japan is not only a good potential export market but as a great source of visitors to Australia (470,076 visitors in 2018)



Seafood features strongly in Japanese cuisine including world-famous dishes such as sushi, sashimi and tempura. The dried Japanese sea cucumbers are referred to as "black diamond" and considered as a delicacy in Japan.



The popular seafood dishes in Japan such as sea cucumber are low in calories and fat and high in protein. Japanese people care about the freshness of fish and like deep-sea fish which contains high DHA and Omega 3.

0%
tariffs on
seafood from
Australia

Capitalise on Australia's Competitive Advantages

- Reputation for high level of food safety ✓
- Reputation for environmental management ✓
- Similar time zones ✓
- Counter-seasonal supply ✓

Top 4 Market Opportunities for Torres Strait Seafood

- 1 Japan as one of the world's largest consumers fish and seafood products is heavily reliant on imports.
- 2 Seafood products such as frozen, prepared and preserved lobster products are in high demand in recent years
- 3 Two Free Trade Agreements, CPTPP and JAEPA are currently in force for Japan, which has reduced/eliminated tariffs on many seafood.
- 4 Online retail is an emerging opportunity. Japanese manufacturers, processors, wholesalers, restaurants chains and supermarkets are all interested in clean, safe, price-competitive and value-add products from overseas.

Appendix 3

E-Commerce and Social Media

What is E-commerce?

E-commerce involves the purchase and sale of products and services via the internet. You will hear and see the following terms when you investigate e-commerce platforms suitable for your business:

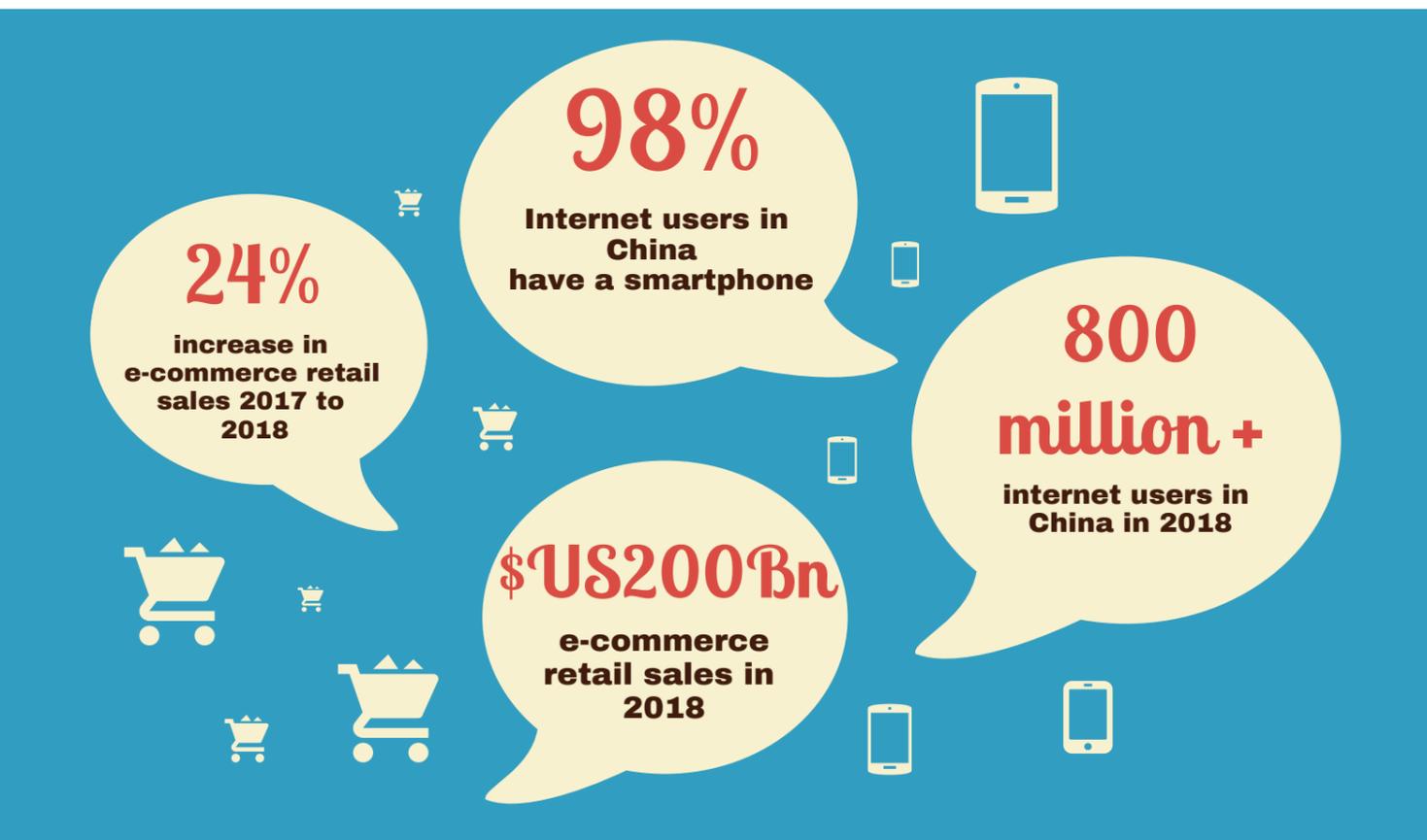
B2C - business-to-consumer

B2B - business-to-business

C2C - consumer-to-consumer

Cross-border refers to e-commerce that is conducted internationally. This is when consumers buy online from merchants, located in other countries and jurisdictions and then import the products to their home countries.

China's Internet Landscape



E-commerce shopping in China

With many E-Commerce site to choose from, online shopping in China is hugely popular. Technology developments enabling smarter websites and faster more reliable shipping will continue to accelerate customer demand.



 Convenience The gap between ordering and delivery is closing fast with many orders delivered within 2 hours!	 Choice The range of products available online is huge and growing providing consumers with more choices than ever before.	 Quality Logistics is one of the fastest growing sectors in China helping to ensure products arrive quickly and in good condition
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Digital media platforms in China are different

In China, there is limited access to Google, Twitter, Instagram, Facebook, YouTube and eBay.

Instead China has its internet ecosystem with its own platforms.



Search Engine Marketing

It has been reported that 75% of research conducted by Chinese consumers prior to making a purchase occurs on Baidu, therefore any company or brand needs to have a good ranking on Baidu to be visible.

Baidu also has its own websites and redirects 27% of its traffic to these sites: Baidu Zhidao (Q&A), Baidu Baike (Wikipedia), Baidu Tieba (Forum). This means that, in order to promote your website on the Chinese internet, you also have to be active on Baidu's affiliate websites.

Two of the most popular and used social networks in China are WeChat and Weibo and many companies promote their business, products and services through these two platforms. Consumers also use these platforms to search for information and recommendations about products.



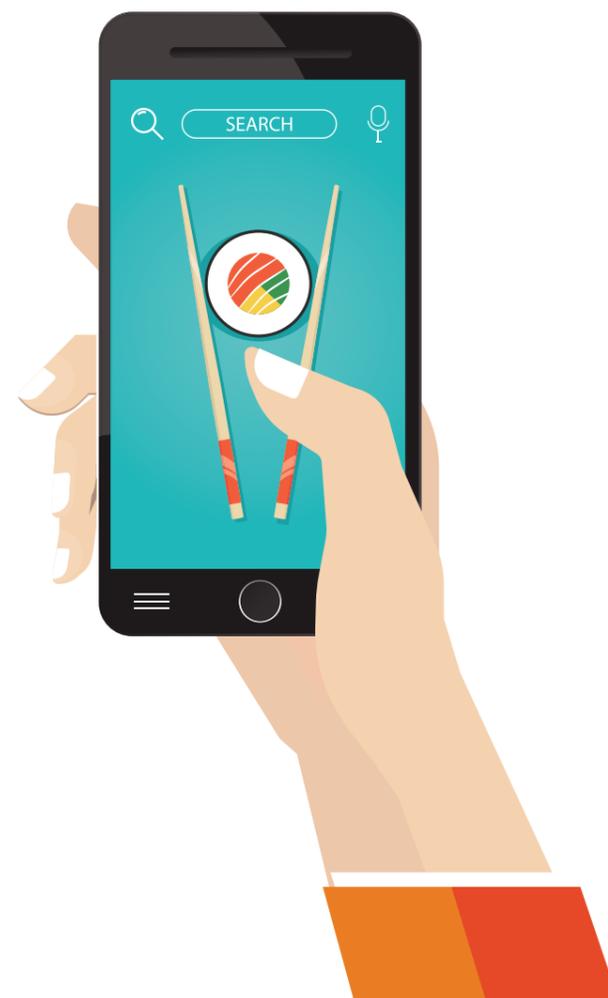
 WEIBO	VS	 WECHAT
340 million Monthly Active Users	 MONTHLY USERS	938 million Monthly Active Users
A powerful platform for content production and dissemination	 FUNCTIONALITY	Links to mobile phone numbers. A personal QR code provides a unique identity to users
Posts are public so are visible to everyone. It is very popular in 3rd and 4th tier cities	 VISIBILITY	Posts are only visible to connections (family, friends, followers). It is more popular in Tier 1 and 2 cities
You don't need to be connected to follow a brand. 56% of users follow at least one brand	 CONNECTIVITY	Known for its communication services including voice and video calls.
Functional on both mobile and desktop devices	 TECHNOLOGY	Designed for mobile. Desktop version available but not particularly functional
Used by Key Opinion Leaders to promote brands (usually paid for publicity)	 MARKETING USE	Users can set up stores to sell products. WeChat Wallet enables purchases to be made within the app
Communicates one-to-many. Enables brands to have broad reach.	 AUDIENCE	Communicates one-to-one. Enables brands to develop close relationships with their followers

E-commerce and Seafood

On average, the Chinese eat around 35.9kg of fish and seafood annually. In some areas, such as in Shanghai, consumption levels are exceeding 40kg per capita per year

While the overall proportion of seafood sold online is still relatively small, this is expected to change as part of the rapid growth in fresh food e-commerce that is occurring because of the growth in cold chain logistics. Cold-chain infrastructure such as storage capacity and the number of refrigerated vehicles now on the road in China is growing by 15-30% per annum.

Platforms focusing on seafood business-to-business (B2B) e-commerce in China include:



Appendix 4

Useful Exporter Resources

Australian Food Standards Code

Products sold on the Australian market (the domestic market) must comply with the food standards code. The Code includes general food, food product, food safety and primary production standards and details requirements for:

- ▶ Additives
- ▶ Food safety
- ▶ Labelling



Sources of information



The relevant links to the Food Standards Code are here:

<http://www.foodstandards.gov.au/code/primaryproduction/seafood/pages/default.aspx>
http://www.foodstandards.gov.au/code/primaryproduction/seafood/documents/Safe_Seafood_Aust_with_cover.pdf



All food producers in Queensland must also comply with the requirements set out by SafeFood Queensland (see page 36)

Safe Food Queensland Documentation

Management Statement (MS)

Suitable for lower risk activities including the production of live and whole seafood products transportation and temperature controlled storage.

A Management Statement provides the required details without the more complicated risk assessment and supporting programs that are required for higher risk activities.

Food Safety Program (FSP)

Required for “higher” risk activities such as cooking, cooling or drying of seafood products, pasteurisation, or any processing activities.

A FSP details all aspects of a business, from inputs, product descriptions and temperatures, right through to cleaning, maintenance and pest control.

It involves a risk assessment to identify where any possible issues may arise, how to recognise these issues, what the acceptable limits are and what to do to rectify the situation should issues occur.

Hazard Analysis & Critical Control Points (HACCP)

There are 7 Principles of HACCP:

1. Conduct a Hazard Analysis
2. Identify the Critical Control Points
3. Establish Critical Limits of the Critical Control Points
4. Monitor the Critical Control Points
5. Establish Corrective Actions
6. Verification of the Procedures
7. Record Keeping

What is a food safety hazard?

A food safety hazard is any agent with the potential to cause adverse health consequences for the consumers. They may be biological, chemical, allergenic, and/or physical.

What is a risk?

A risk is the chance (high or low) that any hazard will actually cause harm.

Steps to develop a HACCP Checklist



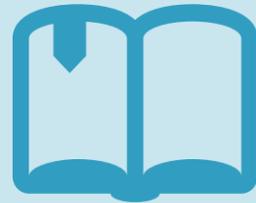
1. Assemble a HACCP team
2. Describe the product(s)
3. Identify the intended use of the product(s)
4. Create a flow diagram(s) from goods in, production, to goods out
5. Confirm the flow diagram(s)
6. Identify and list the potential hazards
7. Determine the significance of the hazards
(Risk assessment: Likelihood of hazard occurring x severity of the hazard)
8. Develop control measures for all significant hazards as rated by the risk assessment
9. Determine the critical control points
10. Establish critical limits of the critical control points
11. Establish a monitoring system for the critical control points
12. Monitor the critical control points
13. Establish corrective actions when the critical control points meet or exceed the limit
14. Verify your processes are working
15. Ensure all documents, procedures, training, records for the above are completed and stored appropriately.
16. Review your HACCP at least once every 12 months or when a change occurs that will your plan.

Here is a link to a useful resource to help you:

<https://www.foodsafety.com.au/resources/templates>

Australian Fish Names Standard

All seafood exports should comply with the Australian Fish Names Standard. These are progressively being loaded into EXDOC.



■ Sources of information ■



Further information can be obtained here:
<http://seafoodstandards.com.au/fish-names/Pages/default.aspx>

A searchable database can be accessed here:
<http://www.fishnames.com.au>

Approved Arrangement

The following documents are typically included in an Approved Arrangement

1. Business practices and commitment to food quality and safety
2. Management review
3. HACCP
4. Food safety monitoring, controls and corrective action
5. Pest control
6. Effective internal verification
7. Internal audits and corrective action closeout
8. Staff training, knowledge and skills
9. Product traceability, protection from contamination and safe handling of goods
10. Product recall procedure
11. Importing country requirements
12. Good Manufacturing Practices (GMP) and Good Hygiene Practices (GHP)

Q: What is GMP and GHP?

A: Company policies and procedures such as



- ✓ Clean as you go
- ✓ Wash and sanitise hands thoroughly
- ✓ Cleaning standards including sanitisation
- ✓ Not coming to work when ill
- ✓ Clean and tidy dress code
- ✓ Wearing appropriate PPE (Personal Protective Equipment) e.g. steel cap boots or gum boots, gloves, hard hat, hair nets, beard snoods, aprons, ear plugs

Other Useful Resources

Names of resources	Services provided by resources	Contacts
Australia's federal and state governments		
Department of Agriculture	The Department provides export controls and assistance on exporting goods from Australia.	http://www.agriculture.gov.au/export/controlled-goods/fish/step-by-step#step-3-register-with-the-department
Australian Trade and Investment Commission (Austrade)	Austrade provides information on current export opportunities, key export markets and help accessing the right people in these markets.	https://www.austrade.gov.au/
Australian Chamber of Commerce and Industry	Chambers of Commerce provides national and international business development assistance to businesses in each state of Australia. States' Business Chambers have various schemes specialised for supporting small businesses, including business tours, tradeshows, grants, export tools and other export development programs.	https://www.australianchamber.com.au/ States' Business Chambers NSW https://www.nswbusinesschamber.com.au/ SA https://business.sa.gov.au/ WA https://cciwa.com/ QLD https://www.cciq.com.au/ Vic https://www.victorianchamber.com.au/ Tas http://www.tcci.com.au/Home NT https://www.chambernt.com.au/
State Department of Fisheries	Regulations and assistance regarding commercial fishing and fish business operations.	NSW https://www.dpi.nsw.gov.au/fishing SA http://www.pir.sa.gov.au/fishing WA http://www.fish.wa.gov.au/Pages/Home.aspx QLD https://www.daf.qld.gov.au/ Vic https://vfa.vic.gov.au/ Tas https://dpiptwe.tas.gov.au/
China's departments		
China's State Administration for Market Regulation	This is a rich source for China's market regulation and supervision as well as updates of China's national laws.	http://samr.saic.gov.cn [English and Chinese]
China custom	Export related Customs into China	http://english.customs.gov.cn/ [English]
Trade events in China		
China Fisheries & Seafood Expo	Fisheries & Seafood Expo	http://chinaseafoodexpo.com/ [English]
Food and Hotel China	Food and Hotel expo	http://www.fhcchina.com/en/ [English]
SIAL China	Food innovation exhibition	http://www.sialchina.com/ [English]

Names of resources	Services provided by resources	Contacts
Grants/loans		
Austrade	Export Market Development Grands (EMDG)	https://www.austrade.gov.au/Australian/Export/Export-Grants
Export Finance and Insurance Corporation (Efic)	Australian Government's export credit agency providing Australian exporters with a range of specialist finance solutions to help them take on the world.	https://www.efic.gov.au/
Food Innovation Australia Limited (FIAL)	Funding available for food innovation	https://fial.com.au/connection-to-funding
Export regulations		
Export Control (Fish and Fish Products) Orders 2005	This guide will help you comply with Australian export laws and meet importing country requirements.	https://www.legislation.gov.au/Details/F2011C00766
Step-by-step guide	This guide will help you comply with Australian export laws and meet importing country requirements.	http://www.agriculture.gov.au/export/controlled-goods/fish/step-by-step#step-3-register-with-the-department
China's importing country requirements	This provides the detail of export requirements by China as the country.	https://micor.agriculture.gov.au/Fish/Pages/china/china.aspx
Consultancies		
Food Innovation Australia Limited (FIAL)	An industry-led, not-for-profit organisation focused on growing the share of Australian food in the global marketplace.	https://fial.com.au/
Export Council of Australia (ECA)	The Peak Membership Body for companies involved in International Business	https://www.export.org.au/
Australia China Business Council (ACBC)	The premier business organisation dedicated to promoting business and trade between Australia and the People's Republic of China.	http://www.acbc.com.au/
Other export development resources		
Seafood Trade Advisory Group	Seafood Exporters China Toolbox	https://www.seafoodtradeadvisory.com/seafood-exporters-toolbox.html



For further information www.honeyandfox.com.au



TSRA
www.tsra.gov.au

