

<b>TORRES STRAIT PRAWN MANAGEMENT ADVISORY COMMITTEE</b>	<b>Meeting No. 14 17-18 July 2013</b>
<b>MANAGEMENT TSPF Season Opening Dates</b>	Agenda Item No. 4.4

## RECOMMENDATIONS

**4.4.1** That the TSPMAC **NOTES** the TSPMAC industry member proposal to change the TSPF season dates to improve the marketability of TSPF product.

**4.4.2.** The TSPMAC **CONSIDERS** the options outlined below for extending the TSPF season.

## BACKGROUND

Over the past few years, particularly post the global financial crisis, the Australian Prawn Industry has witnessed a gradual decline in the once healthy export market of its product overseas, which was mainly to Europe and Japan. The decline in economic conditions in both regions combined with a significantly higher Australian dollar has seen a substantial reduction in the volume sold and price achieved through exports.

As a result the industry has been forced to turn to the Australian domestic market as a principal outlet for its products, whereas previously this was in the main, a secondary market. One of the problems confronting the industry with the domestic market however has been that traditionally the Australian prawn has been largely marketed for consumption around the Christmas period. Given that a major part of the catching period centres around the first half of the year, this represents a significant problem to marketers and wholesalers in terms of cash flow and product quality through long term storage. The overall result of this situation therefore is that fishers receive far less returns for their catch due to low demand.

So as to increase consumption of prawns during these periods of traditional lower purchasing activity, a number of marketing initiatives such as the Queensland Endeavour Prawn campaign, "Eat Queensland Prawns on Queensland Day" and "Go Wild Go Bananas" have all been developed in an effort to stimulate sales and price.

As a result of these marketing campaigns, Australian prawn consumers are now slowly looking at including prawns on their shopping list during other times of the year. One period which is now beginning to experience an increase in sales levels, with potential for greater growth, is that of Easter. Given however that the Northern prawn seasons (i.e. North Queensland, GOC and Torres Strait) do not open until March, ironically, the problem faced now with developing this market further is that of supply.

## **DISCUSSION-**

In light of the above, the TSPMAC is asked to consider the option of moving the opening date of the Torres Strait prawn season, on a trial basis for the 2014 fishing season. Three options are offered for consideration:

1. That the 2014 season be changed to commence on February 1<sup>st</sup> (one month extension).
2. That the 2014 season be changed to commence on February 15<sup>th</sup> (two week extension).
3. Option one or two above with a closure period incorporated (either mid-season or end of season), commensurate with the altered season opening time.

Should the TSPMAC wish to advance or further explore any of the options, consultation with Torres Strait Prawn Fishery stakeholders would need to be undertaken before any recommendations are forwarded to the PZJA Standing Committee.

As the Total Allowable Effort level would remain capped at 9,200 days, there would be no increase in the effort allowed in the fishery if any of the options are adopted, and no increased risk to sustainability. However this proposal may improve the PZJA's ability to meet its objective to maximise the utilisation of the fishery and improve the economic viability.

From a marketing perspective these options give fishers, agents, and wholesalers time to catch, unload, market and distribute product into retailers comfortably before Easter. With Easter falling this year on the 31<sup>st</sup> March, it has been virtually impossible to get stock into southern markets before that time. While the situation for Easter 2014 (April 20<sup>th</sup>) may not be as critical, 2015 will see Easter fall on April 5<sup>th</sup>, which once again is a short lead time getting stock into markets.

As the QLD East Coast trawl season starts earlier than the current TSPF season (1 March), some TSPF operators have chosen to fish in the south instead of the Torres Strait. If the TSPF season starts on 1 February, some of these operators may choose to operate in the TSPF increasing profitability of the fishery.

If the season date was to change, the fleet would require mothership services to start earlier. Discussions with Seaswift at this point have indicated that if enough fishers were operating earlier in the season they would operate in the north, earlier.

## **FINANCIAL IMPLICATIONS**

There would be costs associated with issuing a direction to amend the season dates. There could be economic benefits to fishers in terms of potential increased returns for their catch given they would have a better opportunity to land product into the domestic market to meet a peak period of demand in Easter.