



shellfish culture

shellfish culture newsletter | Summer 2014

Pulling together in difficult times

The Tasmanian oyster industry is on the rebound in 2014, after a patchy performance last year caused by weather related events.

Pittwater oyster producer James Calvert says the weather last year probably caused a 10-15% decrease in revenue for the Tasmanian industry. "It certainly did some market damage, but consumers have short memories and a great love affair when it comes to oysters".

Mr Calvert says the market down turn lasted about four months. "Things have certainly picked up since then. We broke all records over last Christmas, and our business is getting very buoyant about the export market. We've got enquiries flowing in from some very lucrative markets.

"As I see the challenge, we need to service the volume by supplying larger numbers of quality product. So it's up to us to learn to farm our oysters even better." While 2013 was a challenging year, Mr Calvert also describes it as an inspiring year.

"It was a very challenging year, with fires, floods, run-off contamination, and other setbacks. But it built a strong sense of community in our industry, and this will endure into the future. As we go into 2014 the camaraderie has been sensational.

"In my own case, offers of help came in from everywhere, with offers from unaffected growing areas to take stock out of our bay at Pittwater and re-swim them elsewhere. Shellfish Culture was very good to everyone, and offered us space in clear water on their Pipe Clay Lagoon farm.

"So as an industry here in Tasmania, we've learned that you don't pit yourself against each other. We all pull together for the collective good of the Tasmanian industry."



Pittwater farming

Jon Poke, Chairman of the Tasmanian Shellfish Executive Council agrees. "While it was a tough year in 2013 the industry really rallied around. South Australia had quite a good year but NSW and Tasmania were beset by a series of natural disasters.

"Here in Tasmania, the events of 2013 highlighted the need for restructuring the way the industry handles the issues of advocacy and communication. The only way this issue can be addressed is by the appointment of a fulltime Executive Officer. As an industry body, and together with related organisations, we're working with the state government on how we can best overcome issues such as infrastructure and communications.

"As the new year starts, the fundamentals are sound. Demand for product is good and the market remains consistently strong. We need to understand that to some extent we're still in the hands of Mother Nature, and we need to work at ways to lessen that grip."

Also in this issue:



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Chairman's Report

Towards the end of last year, Shellfish Culture held its Annual General Meeting at our Farm Operations Centre at Pipe Clay Lagoon in Tasmania. It was a great opportunity to show shareholders and visitors this recently acquired Shellfish Culture asset.

As part of the event, we conducted a tour of the facility, and received very good feedback from those who joined us.

Shareholders heard that Shellfish Culture enjoyed a positive year in 2012-2013. In particular, production was very good. Despite a wet spring and other weather-related challenges last year, Shellfish Culture's hatchery operations had a very productive year. It meant that the company had bumper numbers of stock in store and ready for our customers.

As I acknowledged when I spoke at our AGM, it was quite a difficult 2013 for many oyster producers. A POMS outbreak on the Hawkesbury River in NSW and weather related issues in Tasmania – algal blooms, water run-off from bushfire affected areas and even a sewage spill – all tested the resources and resourcefulness of our industry colleagues.

So I used the AGM as a forum to express Shellfish Culture's sympathy to those affected.

The POMS outbreak in NSW is another painful reminder that our industry needs to find a solution to the scourge of POMS.

Over recent years Shellfish Culture has developed a major focus on risk mitigation and this strategy is reflected in our recent strong hatchery production numbers. Our focus derives from our own experiences, and the knowledge that diseases such as POMS and adverse weather events are part of our current operating environment.

So credit is due to our staff for developing a particular culture to manage the risks associated with our industry sector. Shellfish Culture is now much more focussed on how it does things compared to a few years ago, with an emphasis on research and knowledge, Standard Operating Procedures, and training.



Chairman, Greg Goodman

Distinguished guests

Shellfish Culture has recently been hosting international visitors keen to inspect its Tasmanian hatchery, nursery and farming operations. The visits have resulted in an invitation to SCL to attend a major oyster industry gathering in Japan in the first quarter of this year.

An Austrade representative in Japan, Takehiro Yoshimoto, visited SCL's headquarters at Pipe Clay Lagoon and invited the company to Japan to address an industry conference in February.

The Japanese conference is part of the Miyajima Oyster Festival. The waters in the Hiroshima region produce the bulk of Japan's oysters, and festivals are held all along the coast. Probably the biggest is the oyster festival on the island of Miyajima.

Kerry Wells, SCL's General Manager, says the Japanese industry sees the Tasmanian oyster sector as a leader, and is keen to learn how to farm the Australian way.

The Thai Ambassador to Australia, His Excellency H.E. Maris Sanglampongsa, also recently overviewed SCL's operations as a first step towards a possible visit to Thailand by SCL.



Kerry Wells, SCL General Manager and Takehiro Yoshimoto, Senior Business Development Manager, Australian Trade Commission

For your diary

Don't forget the World Aquaculture Adelaide Conference and Trade Show. Shellfish Culture will be there June 7-11 at the Adelaide Convention Centre. For more information go to www.aquaculture.org.au

Trading in SCL shares

As reported in the Summer 2013 Newsletter, a central register has been established where both buyers and sellers can record their interest in the trading of SCL shares. We currently have a number of interested buyers.

Negotiations would be undertaken directly between the shareholder and the potential purchaser. If requested, the Company Secretary can provide details of the last sale price and the net asset backing of shares as at the last annual accounts.

Any shareholder wishing to sell part or all of their shareholding should contact the Company Secretary on email at secretary@shellfishculture.com.au or phone 0488 796 555.



Inset: Peter Dawson (left) and Mark Wright (right) of Pipe Clay Oysters

Above: Grading Pipe Clay Oysters

Investment pays off for Pipe Clay Oysters

Pipe Clay Oysters in southern Tasmania has grown three fold in the last four to five years.

First established in 1974 by the Wright family, the business was acquired by investors, who have turned the farm into a producer of 250,000 – 300,000 dozen oysters a year compared to about 80,000 dozen when the farm was first acquired.

At the same time, 4.4ha of lease area has become 12.7ha of oyster producing water, and Pipe Clay Oysters is fulfilling orders 52 weeks a year.

"When we acquired the business, we put Pipe Clay Oysters on a corporate footing with an investment strategy to increase our water lease capacity, our infrastructure, and the technology we use on the farm; all with the aim of significantly growing our oyster production", says a principal of the company, Peter Dawson.

"Fixed costs in this industry are very high, so intensifying production of quality oysters is very important to profitability. When we took over the business, oysters were still being graded by hand. It was very labour intensive. Now we have two SED electronic grading machines which can grade and package a 30 dozen bag of oysters in two minutes."

Experience matters too. "When we acquired this business we appointed Mark Wright, one of the previous owners, as our Operations Manager. Mark retained equity in the business, and his

knowledge and know how has proved utterly invaluable".

Pipe Clay Oysters supplies wholesalers nationally and last Christmas Australians were dining on their product everywhere from Hamilton Island to the Museum of Old and Modern Art in Hobart.

Peter Dawson says Pipe Clay Lagoon is a natural haven for growing prime oysters. "It's an inter tidal environment. At high tide, the oysters are covered by fresh, clean water from the Southern Ocean, and at low tide, you can virtually walk right across the lagoon. It means we produce a hard oyster which travels well and has a good shelf life. We know of fish mongers interstate who specifically ask for Pipe Clay Lagoon oysters".

Pipe Clay Oysters began its own juvenile stock program two years ago. "SCL now supply us with seed enabling us to reduce ongrower numbers. We are now a 'closed loop' operation within the lagoon, with oysters growing from seed to market in the same location

"Shellfish Culture has been tremendously supportive as we developed this juvenile oyster program. We enjoy a fantastic relationship with them, and I know the wider industry has also been most appreciative of SCL's support and co-operation at difficult times, such as when waters have been contaminated by bushfire run-off or heavy rain. In return, our company assists SCL where we can by, for instance, providing them with brood stock for research purposes".

Seafood leadership graduate

Shellfish Culture's Scott Parkinson has just graduated from a National Seafood Industry Leadership program. Scott, who joined Shellfish Culture in 2008, is the company's Breeding Manager.

"The program is about providing leadership skills to people with a passion for the seafood industry," said Scott.

"The program provides opportunities for understanding your strengths and weaknesses, and developing skills to assist both you as a professional in the industry, and the industry itself. For me it was also a wonderful opportunity to learn about the wider seafood industry sector."

The industry leadership program is delivered with funding from the Fisheries and Research Development Corporation (FRDC). The program runs over six months through three residential sessions held in Fremantle, Sydney and Canberra. A key sponsor is the Sydney Fish Market.

"I'd recommend this program to anyone who wants to develop their skills in the seafood industry; and I'd like to thank my General Manager, Kerry Wells, and the Board of Shellfish Culture for providing me with this opportunity to participate in the program," said Scott.



Leadership graduation, Scott Parkinson is flanked by Brian Skepper (CEO Sydney Fish Market: left) and Patrick Hone (CEO, FRDC: right)



Shellfish Culture and neighbouring Pipe Clay Lagoon oyster businesses conduct several clean-ups of the Lagoon each year. Staff are pictured at the end of the latest clean-up, which involved removing feral oysters from the rocks below SCL's hatchery.



Staff Safety

SCL takes its responsibilities to its staff very seriously when it comes to health and safety and career development.

Driver Training: Over the past few months several groups of staff have successfully completed a Smart Drive course provided by Motorsafe Tasmania. The course makes drivers aware of their surroundings, the capabilities of vehicles in stopping when doing different speeds, and even vehicle maintenance.

SCL vehicles are on the road continuously, and it is important that drivers are safe and the vehicles are in a reliable mechanical condition. This training is ongoing with further groups undertaking courses on a regular basis.

Confined spaces: Six SCL staff recently completed a Confined Space Re-Accreditation course. All staff who work in confined spaces are licensed to perform tasks in such areas, firstly by completing a full course and then updating their skills on a bi-annual basis.



Safe driving and vehicle reliability training at SCL, together with confined space training for staff James Ransom (left) and Greg Hollingsworth (right)

STAFF PROFILE:

George Cuthbertson



George Cuthbertson doing what he loves: driving boats

George Cuthbertson is doing the two things he loves: working outdoors and driving boats.

George joined Shellfish Culture nearly two years ago and works with the Pipe Clay Lagoon nursery team. "The work is varied and changes from day to day. But it always involves boats," says George. "I get to drive boats every day, bringing stock in from the farm, grading it, and putting it out in the farm water again."

A keen surfer, Hobart born George has just completed a Certificate 3 in aquaculture. "It took about 18 months and involved both practical work and theory. I found it very stimulating, and learned a lot about issues ranging from food safety to shellfish husbandry."

"My interest in the industry has grown since I've been working here. This industry has good career paths. With experience and qualifications, you can travel around the world doing aquaculture."