

# Insights into the impacts of the Covid-19 pandemic on the Australian oyster industry

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September 2020



*2019-210 Oyster industry response to the Covid 19 Crisis is supported by funding from the  
FRDC on behalf of the Australian Government*

## BACKGROUND:

Spring & Summer holds extra importance for the oyster industry in 2020 as the sector looks to recover from the impacts of Covid-19, and interrupted supply over the last few years. As the weather warms and oyster growth accelerates, it's a critical period which will hopefully be countered by increased consumer demand & sales.

With this in mind Oysters Australia and the state peak bodies are keen to monitor the trajectory of the oyster industry over the Spring & Summer periods. Such insights will provide the information needed should we need to approach governments for assistance, or enact some other supporting activity.

A series of snapshot surveys are proposed:

- September 2020 – coming in Spring
- January 2021 – after Christmas
- April 2021 – after Easter

## THIS REPORT:

This report provides an analysis of data collected from the industry survey conducted in **September 2020**. This survey was completed by 53 oyster farmers from across the major oyster-producing states in Australia:

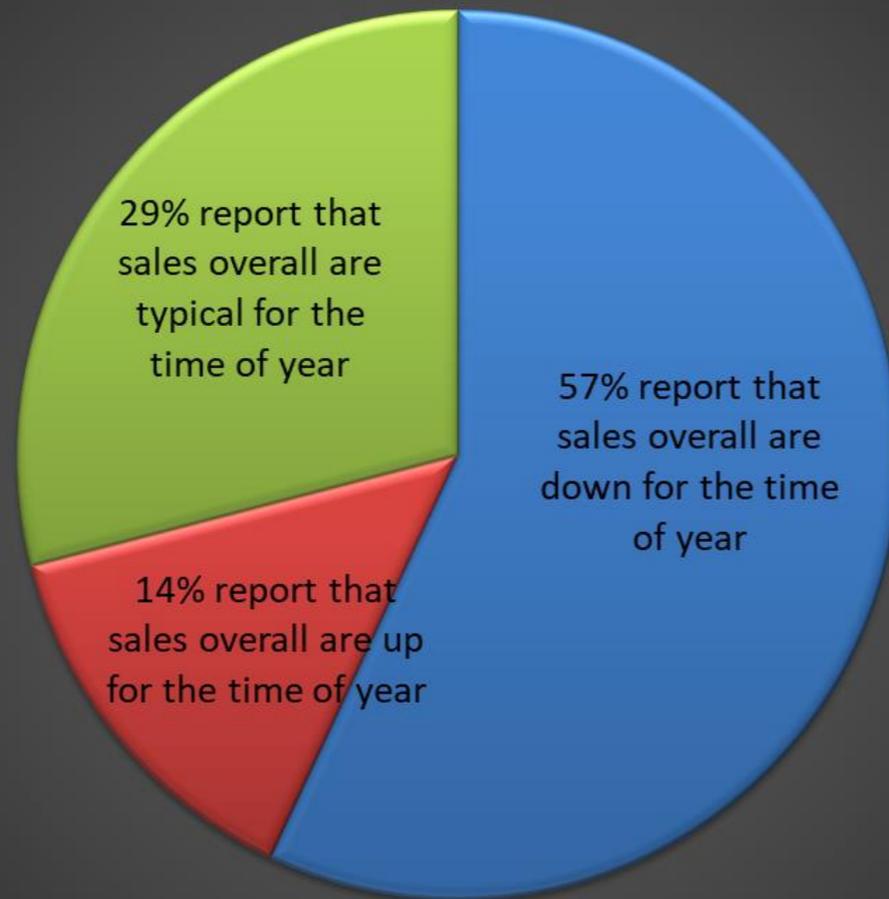
- 26 oyster farmers in NSW
- 18 oyster farmers in South Australia
- 9 oyster farmers in Tasmania



# MARKETS

## SALES – ALL MARKETS

National (n=50)

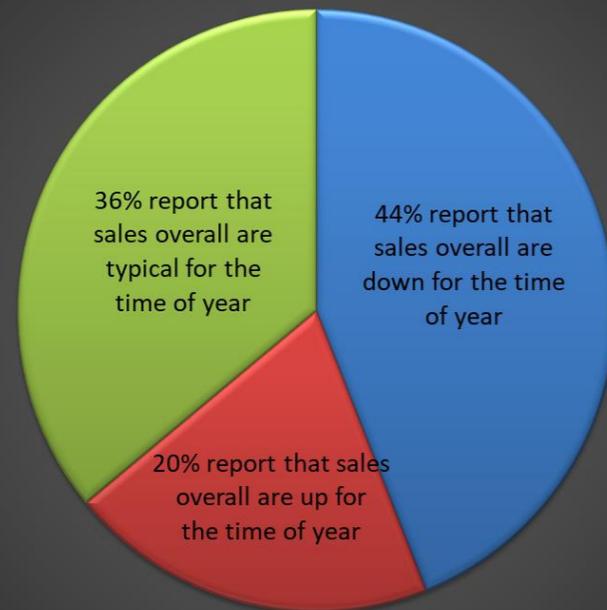


- Overall average downturn in trade of 26%\*
- Highly variable

\*All responses are treated equally, and the analysis doesn't account for different size farms

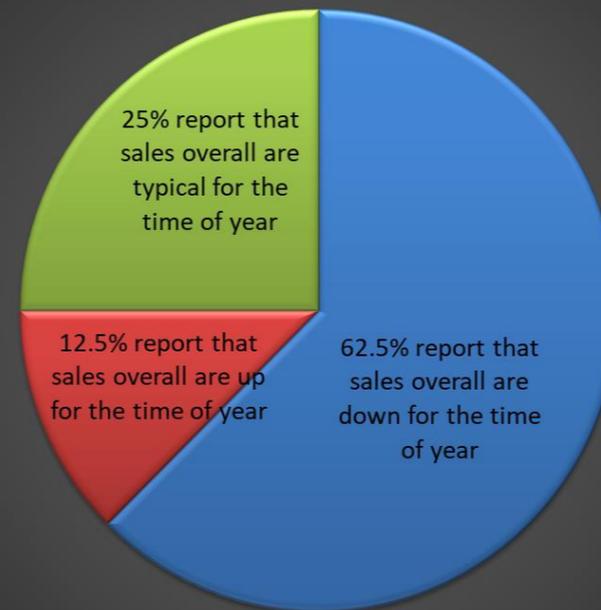
# SALES – ALL MARKETS

NSW (n=25)



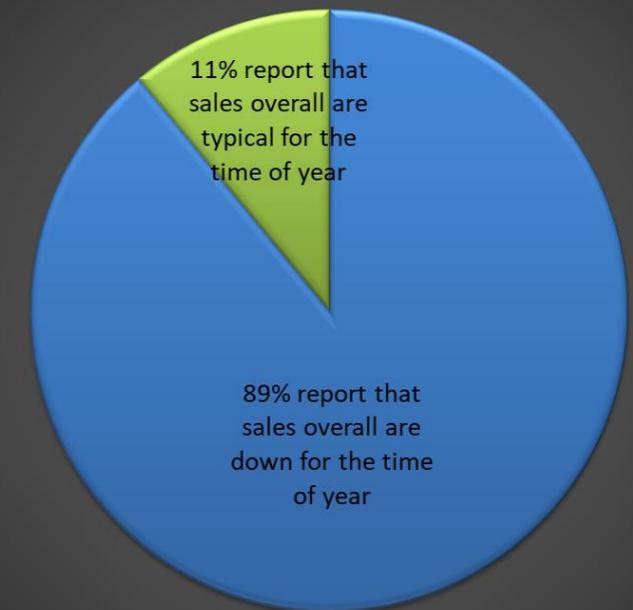
NSW average downturn in trade of 15%

SA (n=16)



SA average downturn in trade of 30%

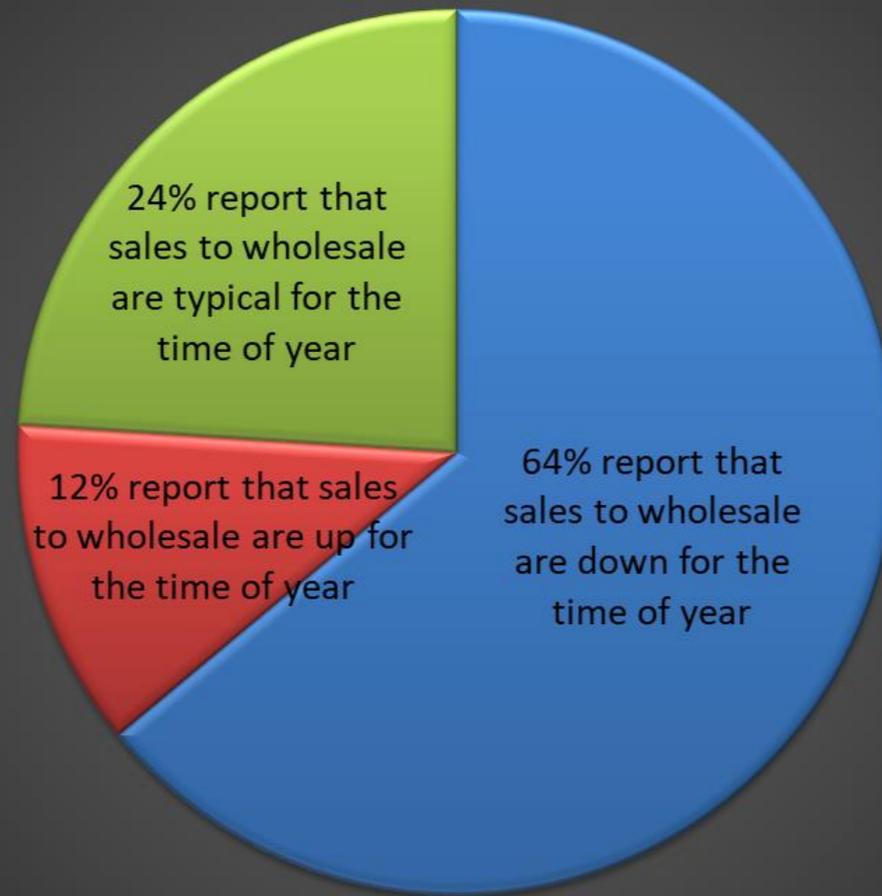
TAS (n=9)



TAS average downturn in trade of 47%

## SALES – WHOLESALE MARKET

National (n=42)

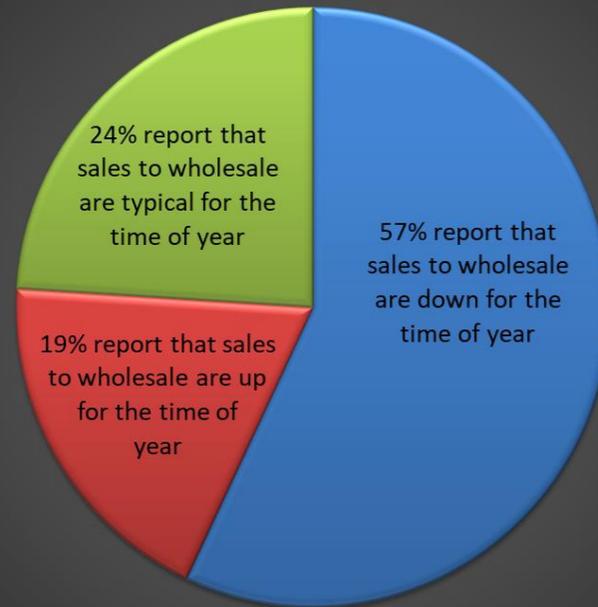


- Overall average downturn in wholesale trade of 33%\*
- Highly variable

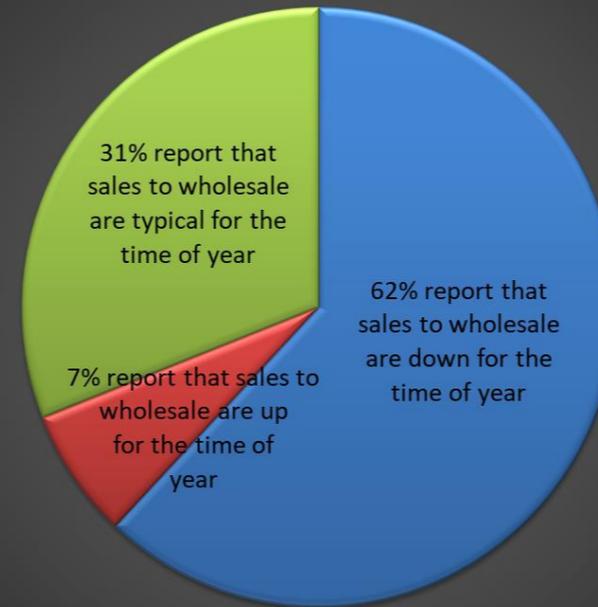
\*All responses are treated equally, and the analysis doesn't account for different size farms

# SALES – WHOLESALE MARKET

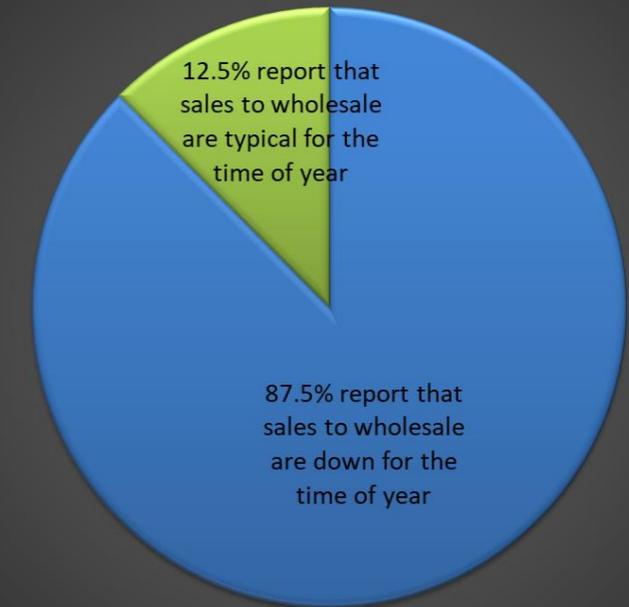
NSW (n=21)



SA (n=13)



TAS (n=8)



NSW average downturn in wholesale trade of 29%

SA average downturn in wholesale trade of 30%

TAS average downturn in wholesale trade of 47%

## SALES – RETAIL MARKET

National (n=33)

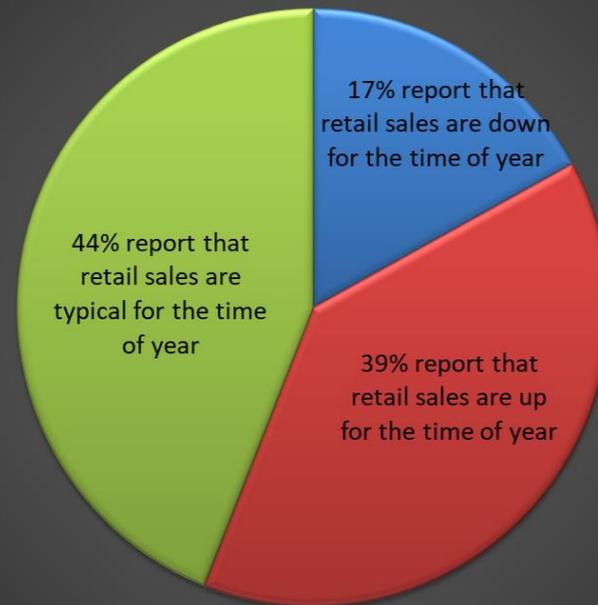


- Overall average downturn in retail trade of 9%\*
- Highly variable

\*All responses are treated equally, and the analysis doesn't account for different size farms

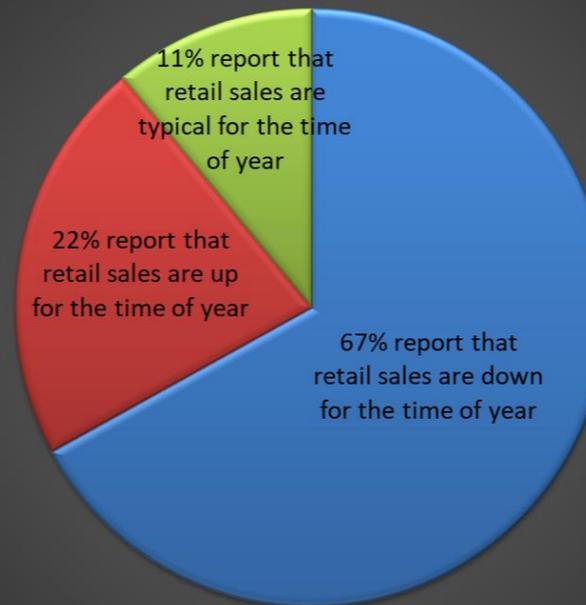
# SALES – RETAIL MARKET

NSW (n=18)



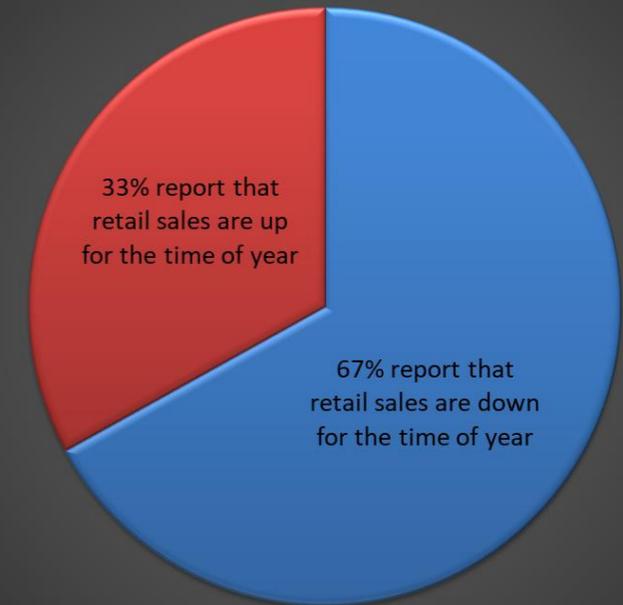
NSW average upturn in retail trade of 9%

SA (n=9)



SA average downturn in retail trade of 29%

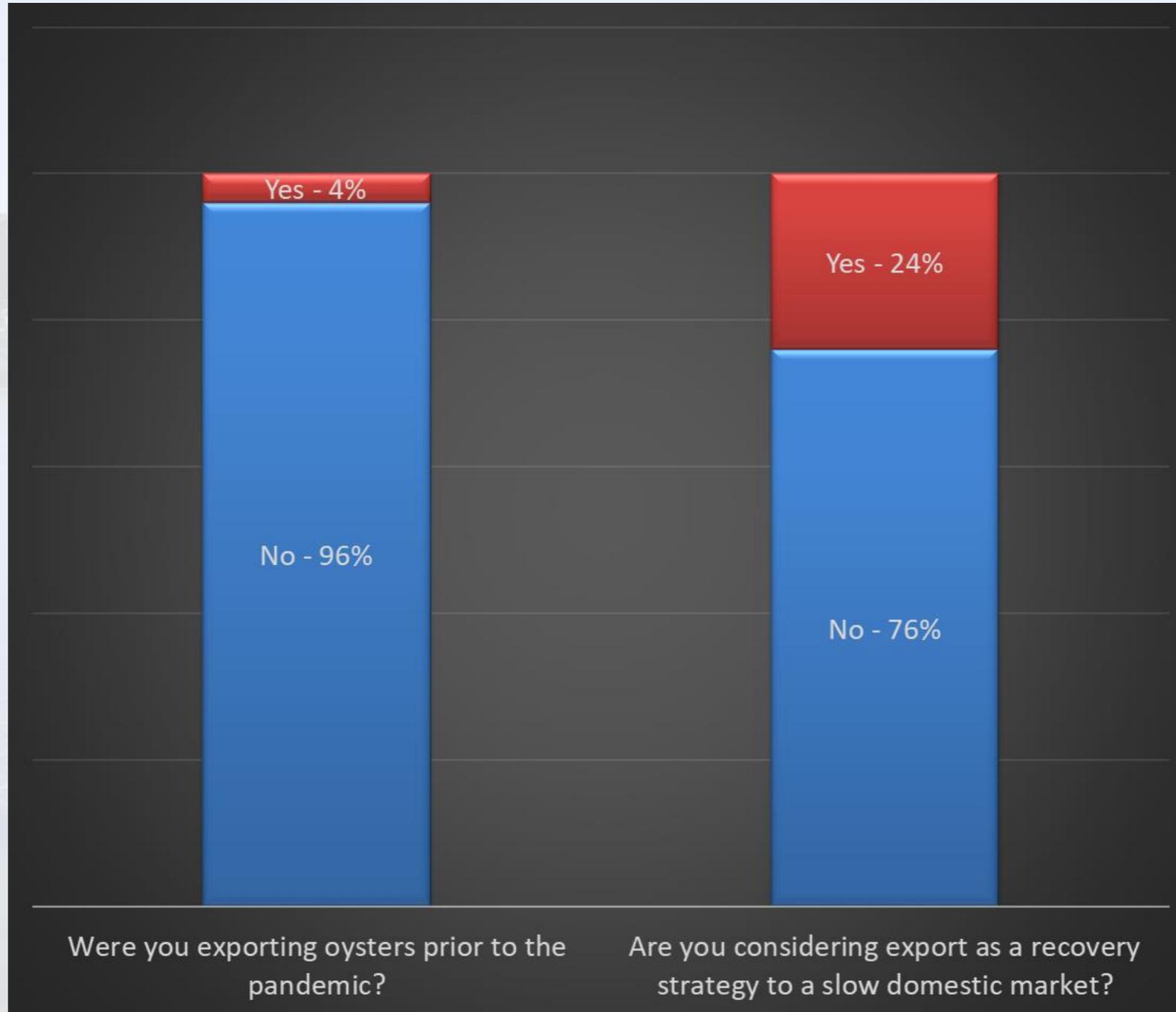
TAS (n=6)



TAS average downturn in retail trade of 30%

# SALES – EXPORT

National (n=51)



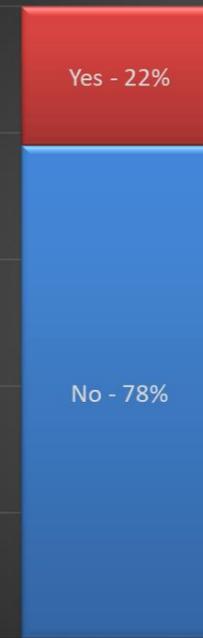
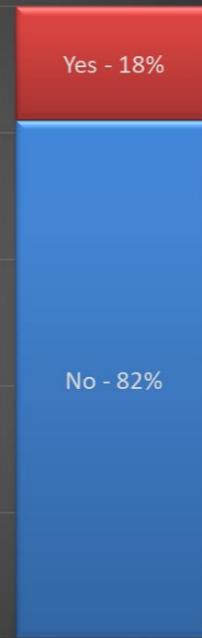
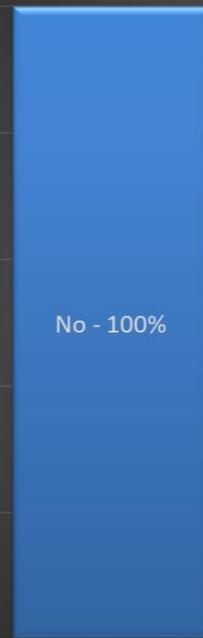
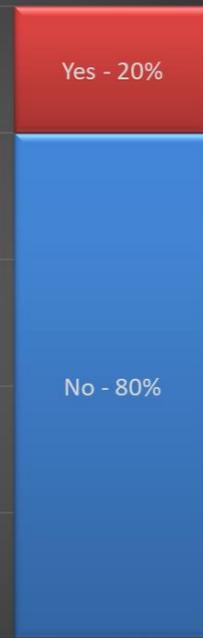
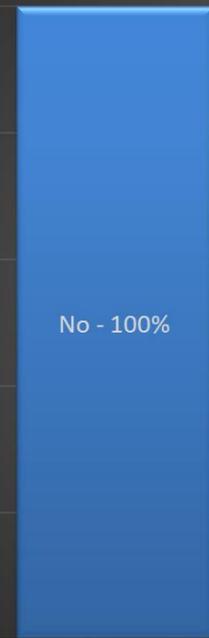
- 4 in 100 were exporting prior to the pandemic
- 24 in 100 are considering export as a recovery strategy

# SALES – EXPORT

NSW (n=25)

SA (n=17)

TAS (n=9)



Were you exporting oysters prior to the pandemic?

Are you considering export as a recovery strategy to a slow domestic market?

Were you exporting oysters prior to the pandemic?

Are you considering export as a recovery strategy to a slow domestic market?

Were you exporting oysters prior to the pandemic?

Are you considering export as a recovery strategy to a slow domestic market?

# MARKETS – SUMMARY

## NATIONAL:

- ↓ Average downturn in oysters sales of 26%
- ↓ Average downturn in wholesale trade of 33%
- ↓ Average downturn in retail trade of 9%
- ↑ 20% increase in farmers considering export

## NEW SOUTH WALES:

- ↓ Average downturn in oysters sales of 15%
- ↓ Average downturn in wholesale trade of 29%
- ↑ Average upturn in retail trade of 9%
- ↑ 20% increase in farmers considering export

## SOUTH AUSTRALIA:

- ↓ Average downturn in oysters sales of 30%
- ↓ Average downturn in wholesale trade of 30%
- ↓ Average downturn in retail trade of 29%
- ↑ 18% increase in farmers considering export

## TASMANIA:

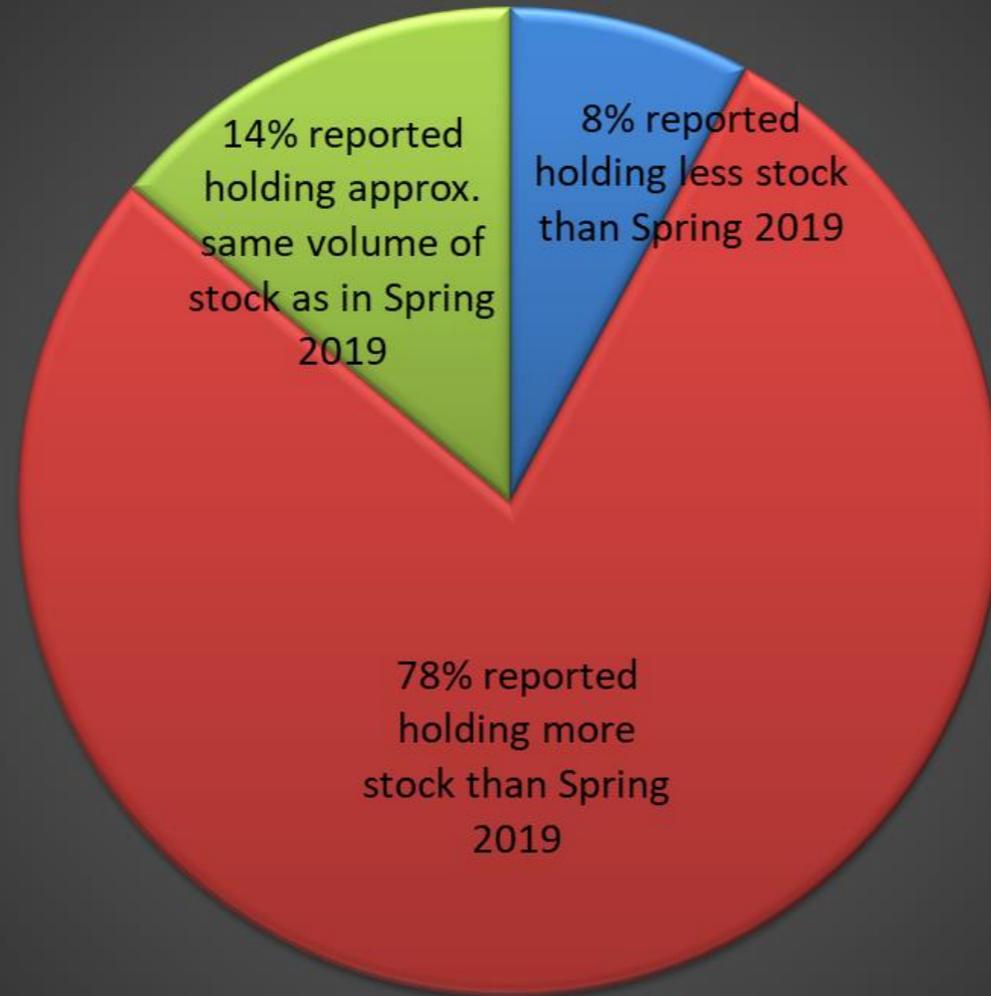
- ↓ Average downturn in oysters sales of 47%
- ↓ Average downturn in wholesale trade of 47%
- ↓ Average downturn in retail trade of 30%
- ↑ 22% increase in farmers considering export



# STOCK, LEASE SPACE & GEAR

## VOLUME OF STOCK ON FARM VS. SPRING 2019

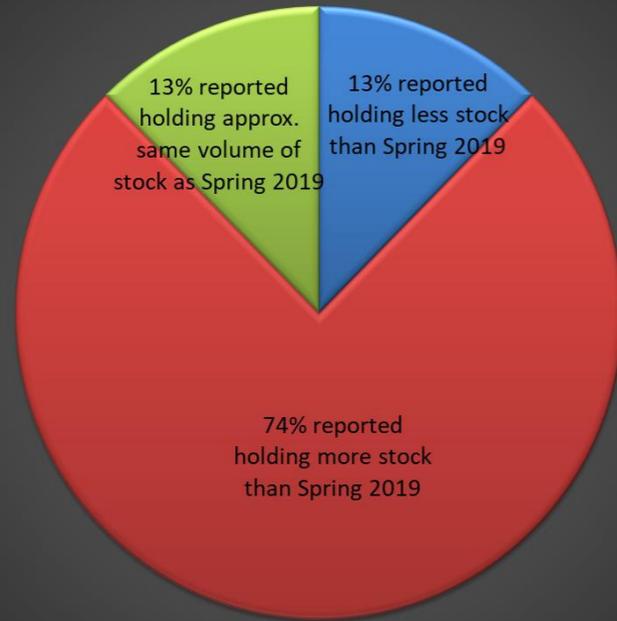
National (n=50)



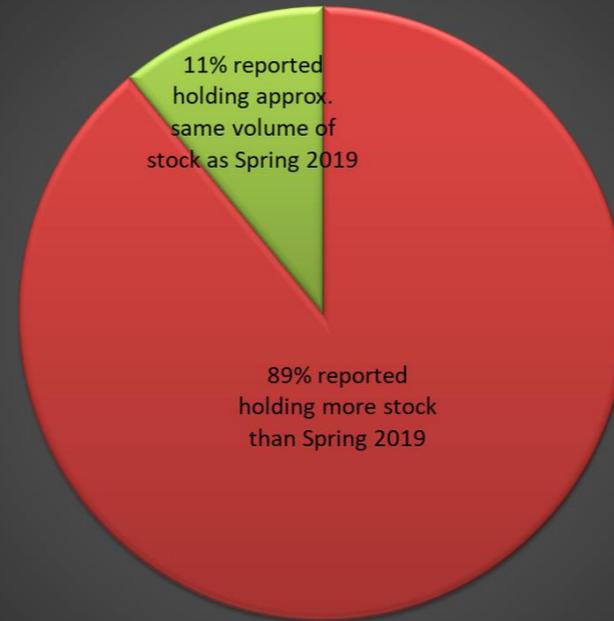
- Those reporting a decline in volume, cited disease as the reason – not market factors
- If omit those impacted by disease, average increase in stock volume on farm is +35% or 61,000 dozen
- Even accounting for those impacted by disease, average increase in stock volume on farm is +27%
- Stock increases not solely due to reduced market demand / Covid-impacts. SA & TAS were returning following production issues, and NSW lost sales opportunities over 19-20 summer due to bushfires.

# VOLUME OF STOCK ON FARM VS. SPRING 2019

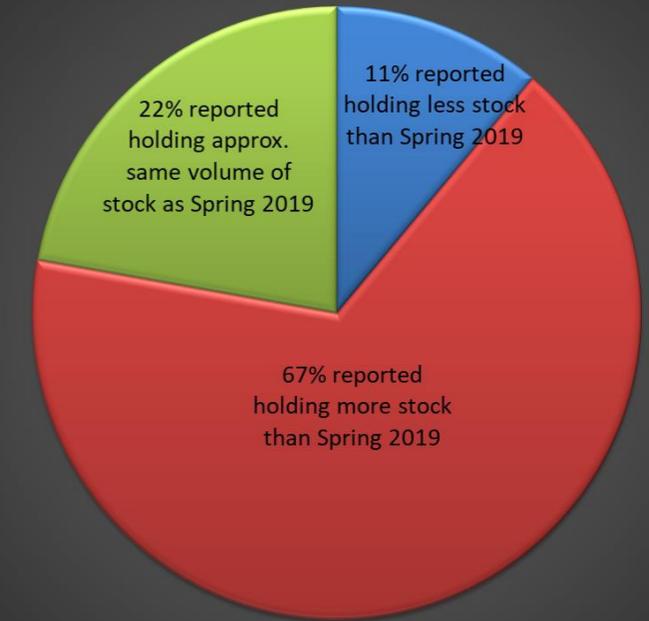
NSW (n=23)



SA (n=18)



TAS (n=9)



If omit those impacted by disease, average increase in stock volume on farm is +36% or ~47,000 dozen

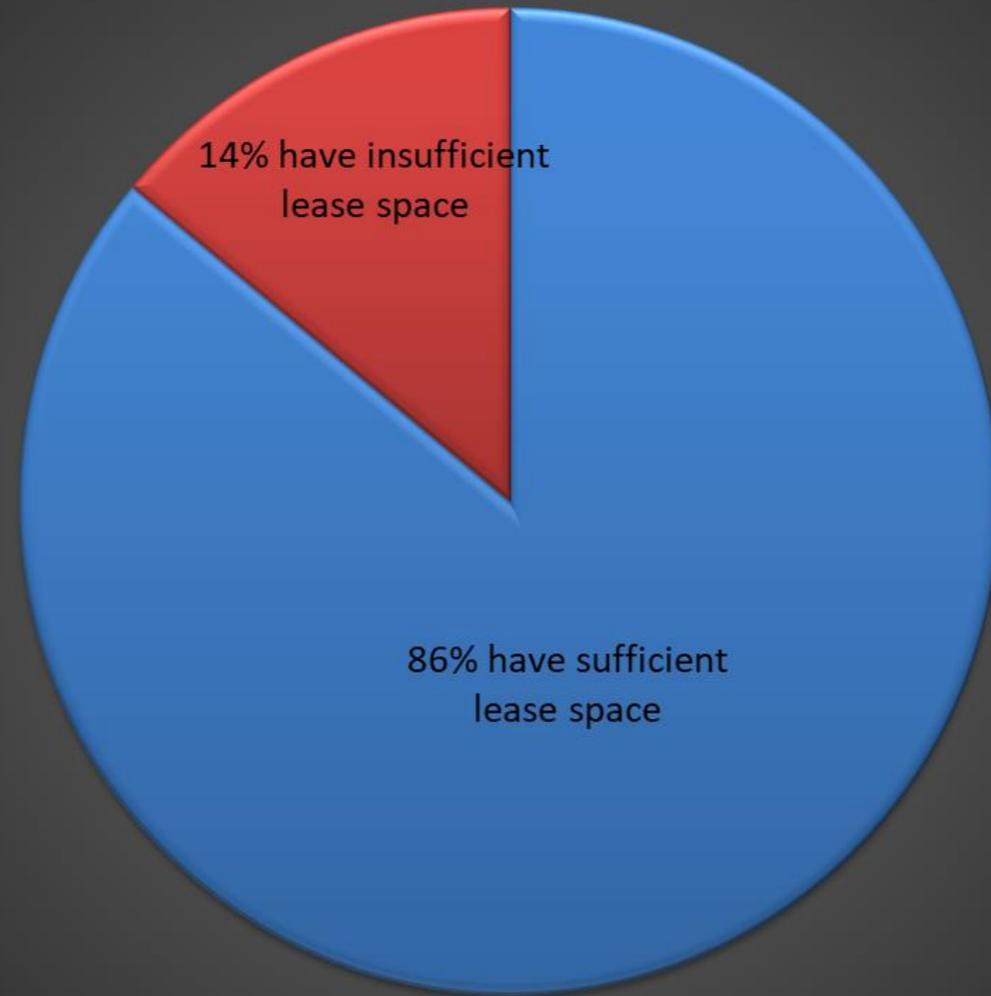
Even accounting for those impacted by disease, average increase in stock volume on farm is +25%

Average increase of stock volume on farm compared in Spring 2019, is +36% or ~70,000 dozen

Average increase of stock volume on farm compared in Spring 2019, is +18%

# LEASE SPACE FOR STOCK OVER SUMMER

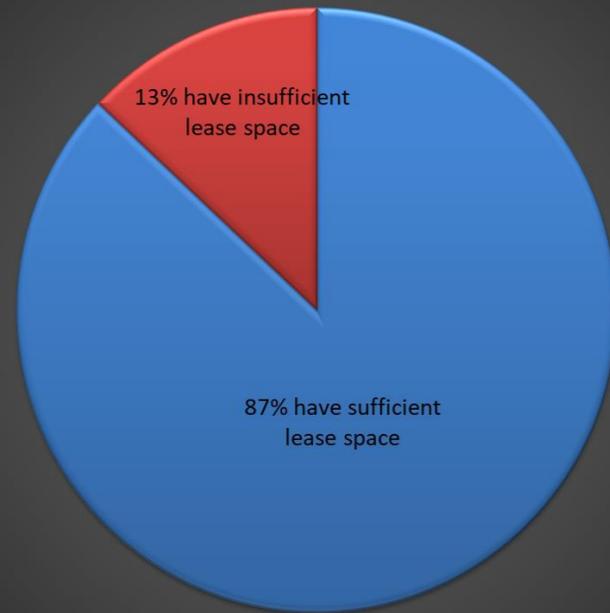
National (n=50)



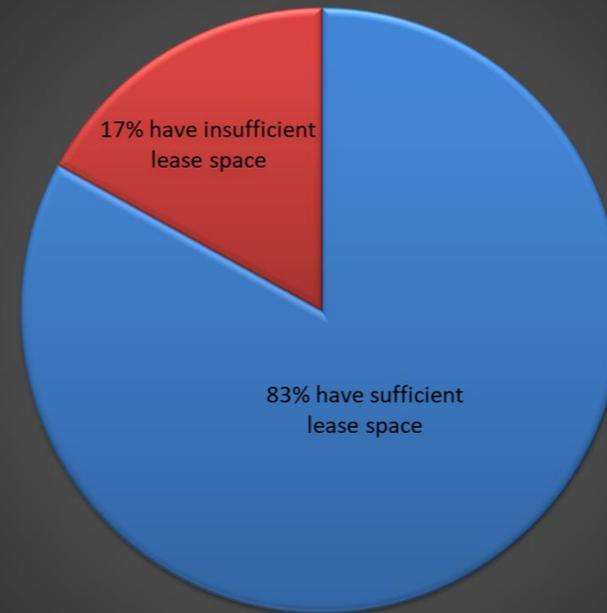
- Average of 3.1ha needed by those that have insufficient lease area

# LEASE SPACE FOR STOCK OVER SUMMER

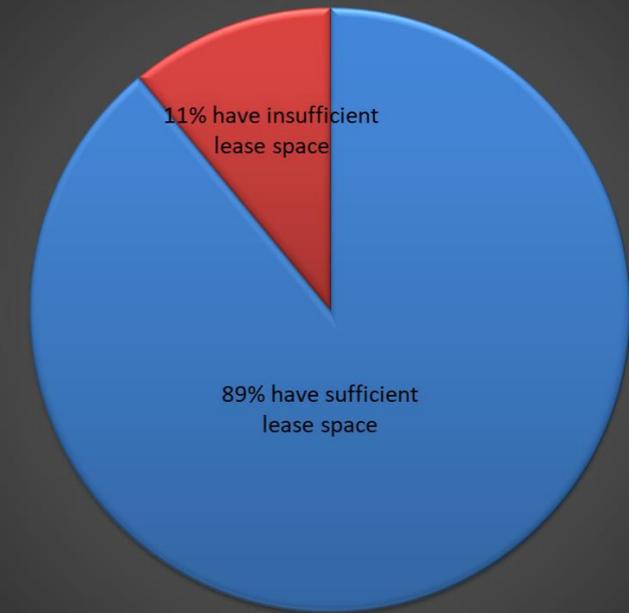
NSW (n=23)



SA (n=18)



TAS (n=9)



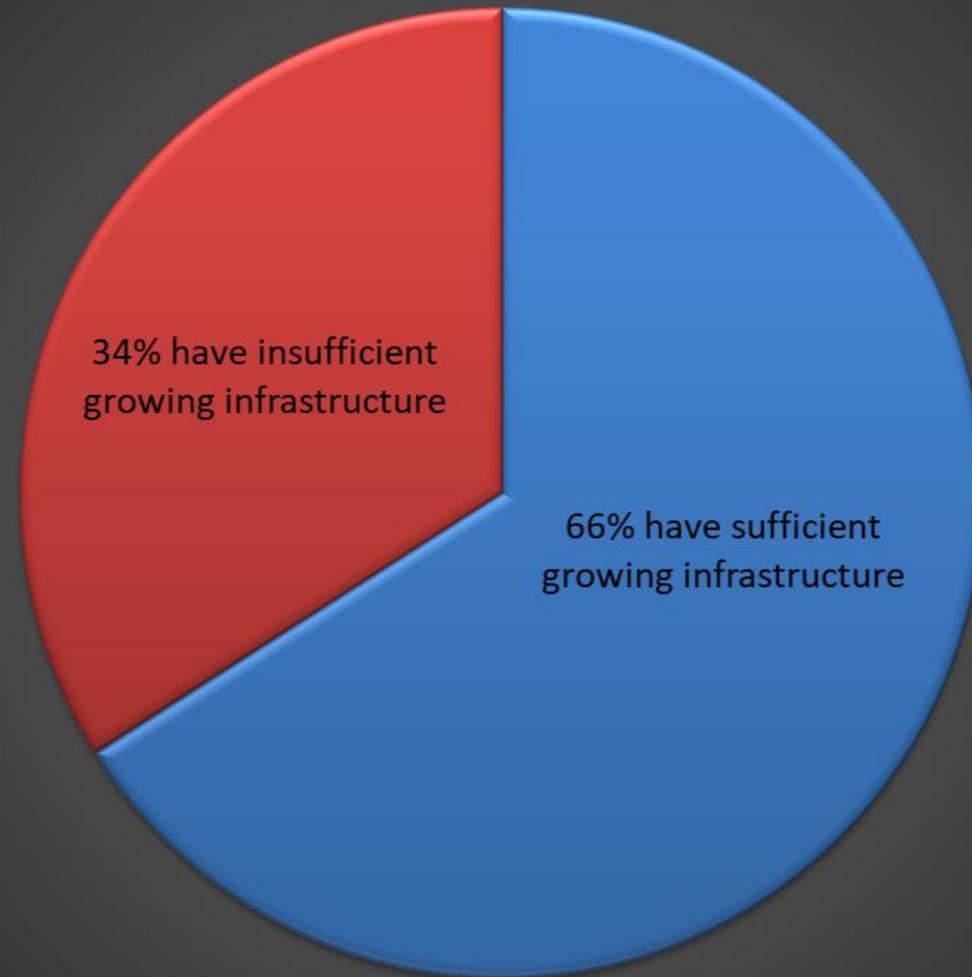
Average of 2.3ha needed by those NSW growers that have insufficient lease area (only 3 growers in sample)

Average of 3.3ha needed by those SA growers that have insufficient lease area (only 3 growers in sample)

Average of 5ha needed by those Tasmanian growers that have insufficient lease area (only 1 grower in sample)

## GROWING INFRASTRUCTURE FOR STOCK OVER SUMMER

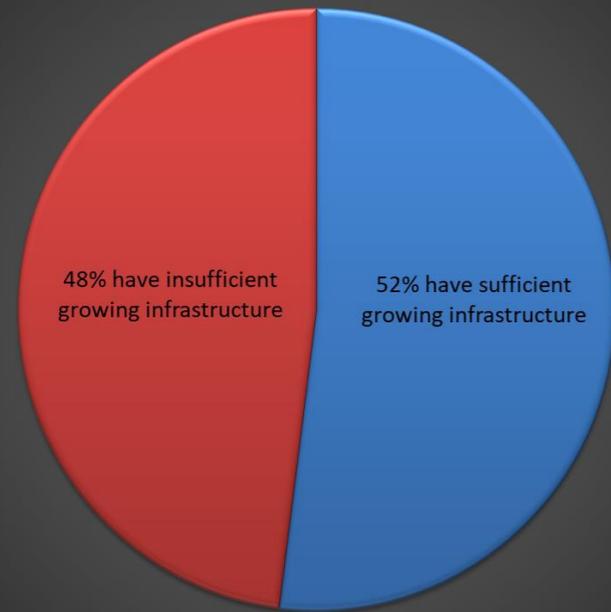
National (n=50)



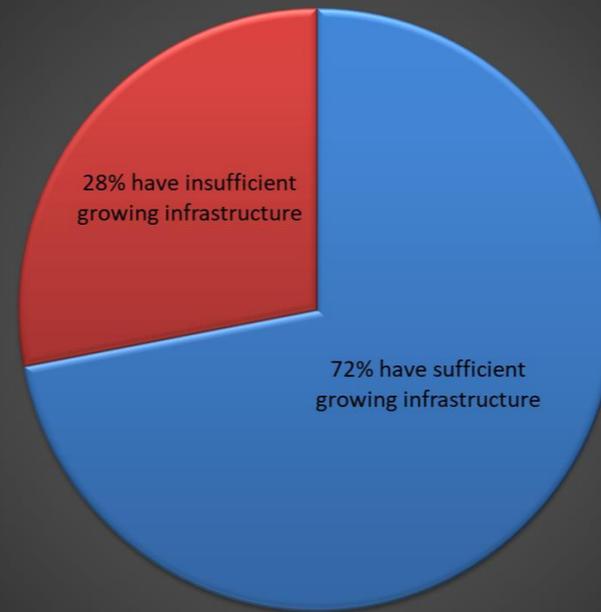
- 34% of growers have insufficient growing infrastructure to accommodate stock over summer

# GROWING INFRASTRUCTURE FOR STOCK OVER SUMMER

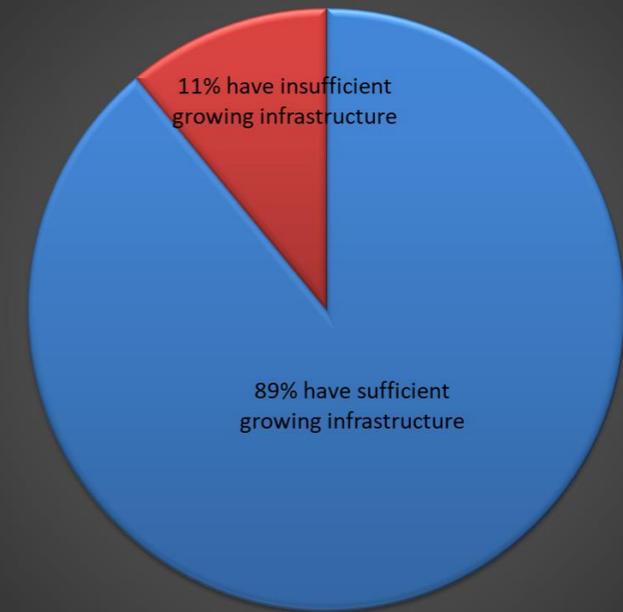
NSW (n=23)



SA (n=18)

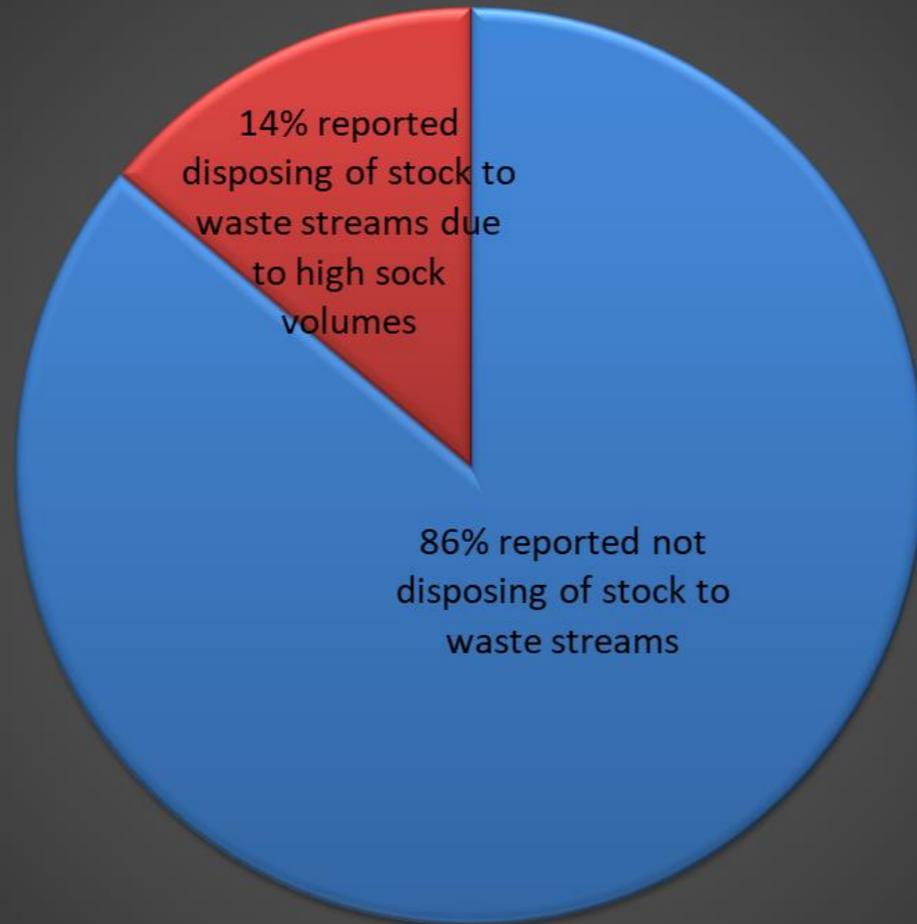


TAS (n=9)



## STOCK DISPOSAL TO WASTE STREAMS DUE TO HIGH VOLUMES

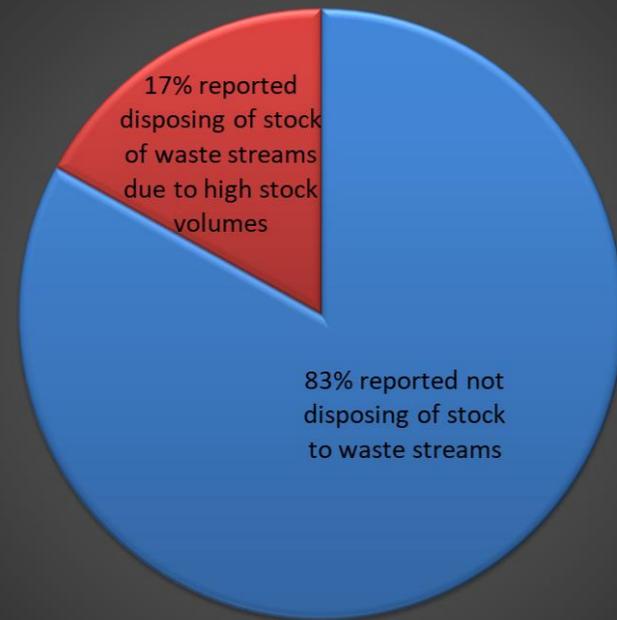
National (n=50)



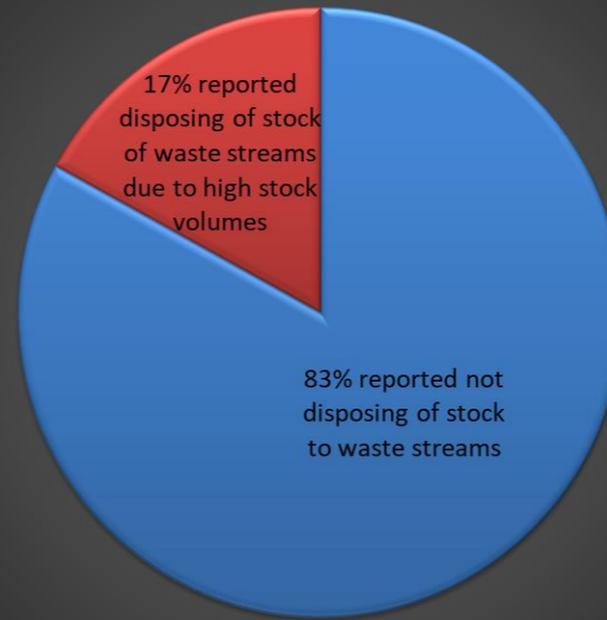
- 14% reported disposing of stock to waste streams due to high stock volumes
- 7 farmers reporting disposing of stock to waste, for a total of 64,000 dozen (average ~9,150 dozen)

# STOCK DISPOSAL TO WASTE STREAMS DUE TO HIGH VOLUMES

NSW (n=23)



SA (n=18)



TAS (n=9)



Average of ~7,250 dozen disposed to waste, by NSW growers that can't accommodate larger than normal stock volumes (only 4 growers in sample)

Average of ~11,650 dozen disposed to waste, by SA growers that can't accommodate larger than normal stock volumes

No Tasmanian growers reported disposing of stock to waste streams

# STOCK, LEASE SPACE & GEAR – SUMMARY

## NATIONAL:

- On average farms holding ~30% more stock than Spring 2019
- 14% have insufficient space to accommodate stock over summer
- 34% have insufficient growing infrastructure to accommodate stock over summer
- 14% have disposed of stock to waste streams

## NEW SOUTH WALES:

- 74% holding more stock vs. Spring 2019 (average increase 25-36%)
- 13% have insufficient space to accommodate stock over summer
- 48% of growers report have insufficient growing infrastructure to accommodate stock over summer
- 17% reported disposing of stock to waste streams to reduce stock volume

## SOUTH AUSTRALIA:

- 89% holding more stock vs. Spring 2019 (average increase 36%)
- 17% of growers have insufficient space to accommodate stock over summer
- 28% of South Australian growers report having insufficient growing infrastructure to accommodate stock over summer
- 17% reported disposing of stock to waste streams to reduce stock volume

## TASMANIA:

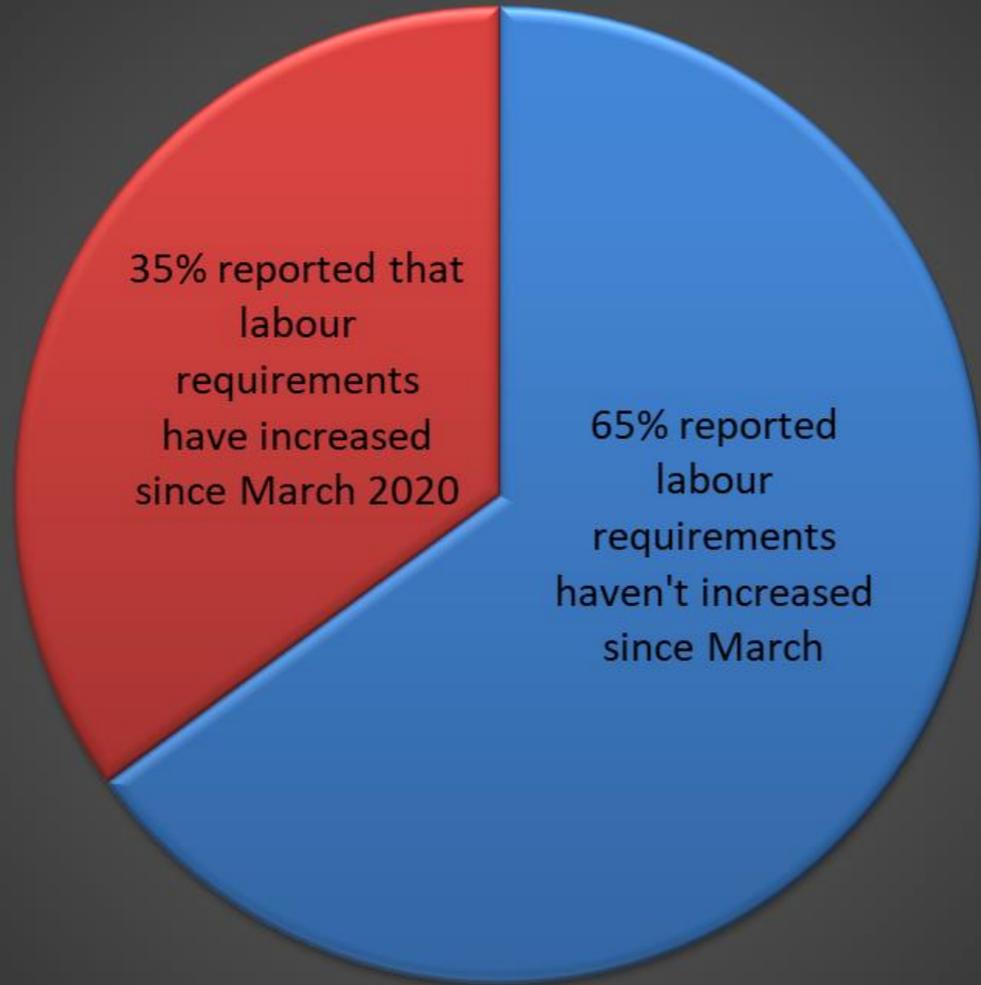
- 67% holding more stock vs. Spring 2019 (average increase 36%)
- 11% of growers have insufficient space to accommodate stock over summer
- 11% of Tasmanian growers report having insufficient growing infrastructure to accommodate stock over summer
- 0% reported disposing of stock to waste streams to reduce stock volume



# LABOUR & FREIGHT

# LABOUR REQUIREMENTS SINCE MARCH 2020

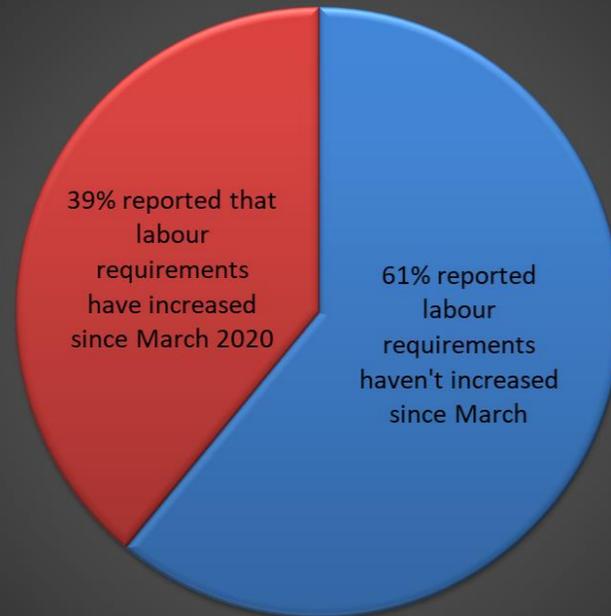
National (n=49)



- 35% report that labour requirements have increased since Covid-19 first started impacting markets in March 2020
- Average increase in labour requirements of +15% since March 2020

# LABOUR REQUIREMENTS SINCE MARCH 2020

NSW (n=23)



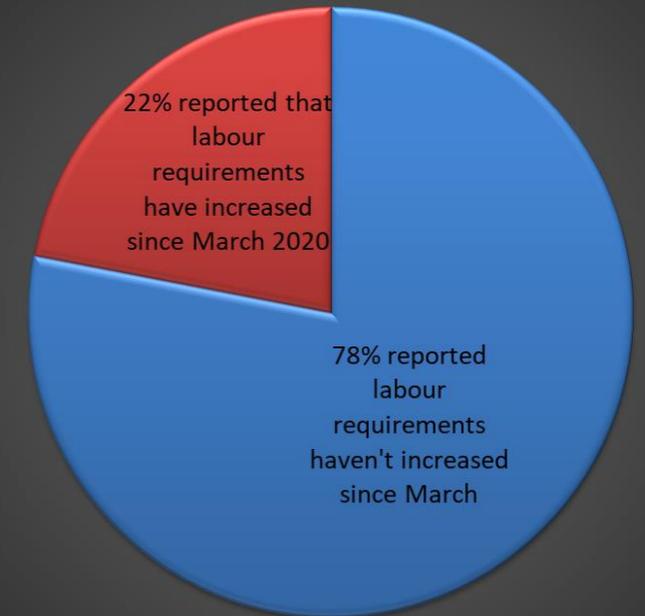
Average increase in labour requirements of +16% since March 2020

SA (n=17)



Average increase in labour requirements of +20% since March 2020

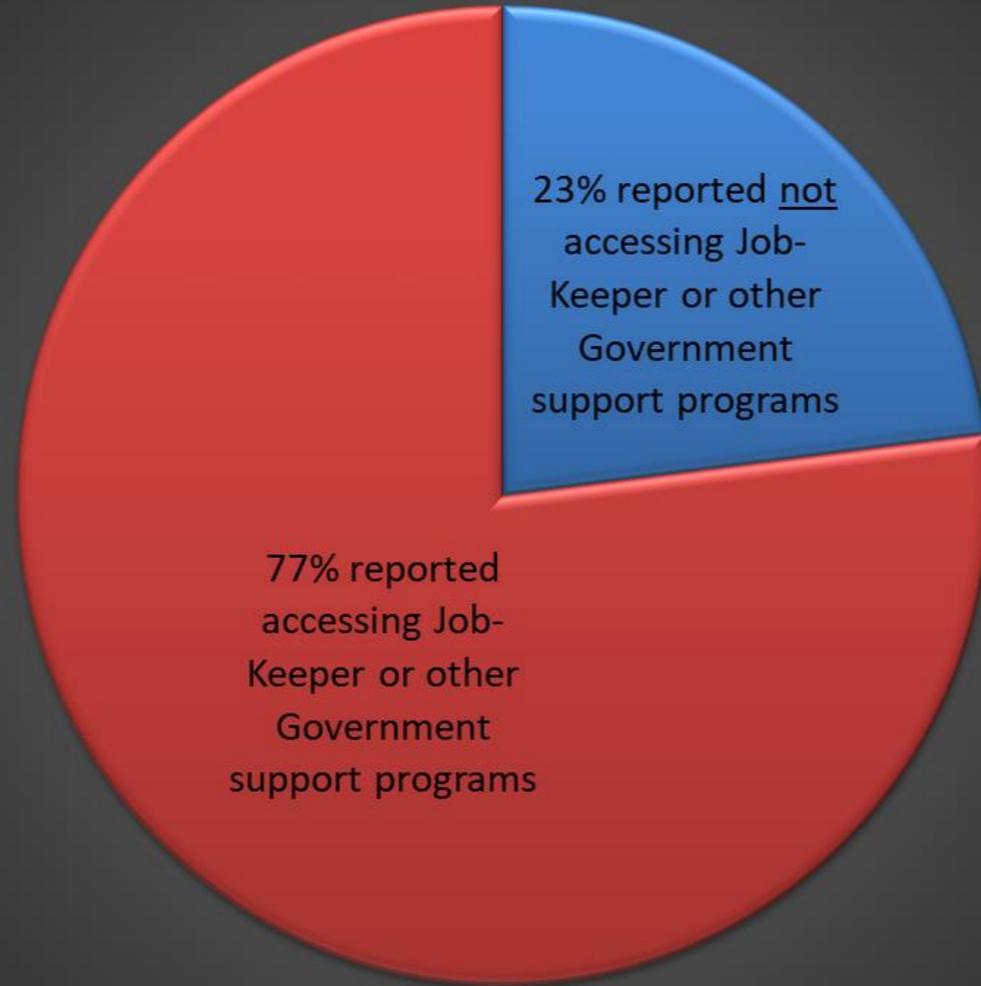
TAS (n=9)



Average increase in labour requirements of +7% since March 2020

# GOVERNMENT SUPPORT / JOBKEEPER

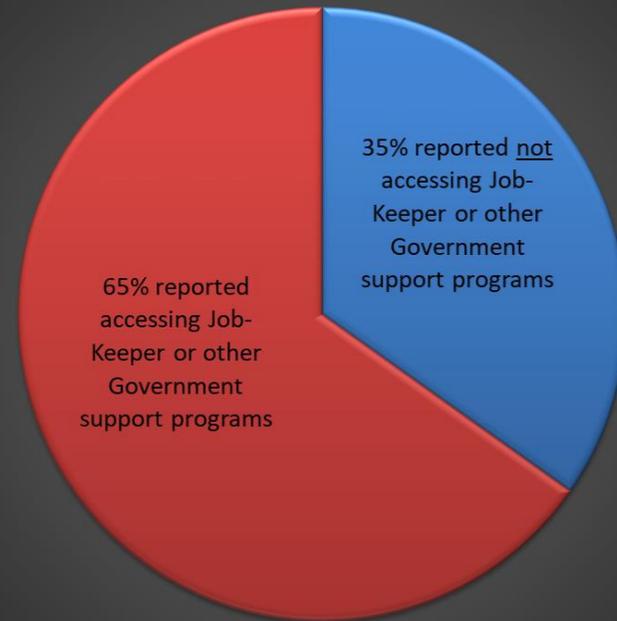
National (n=48)



- 23% reported not-accessing Job-Keeper or other Government support programs

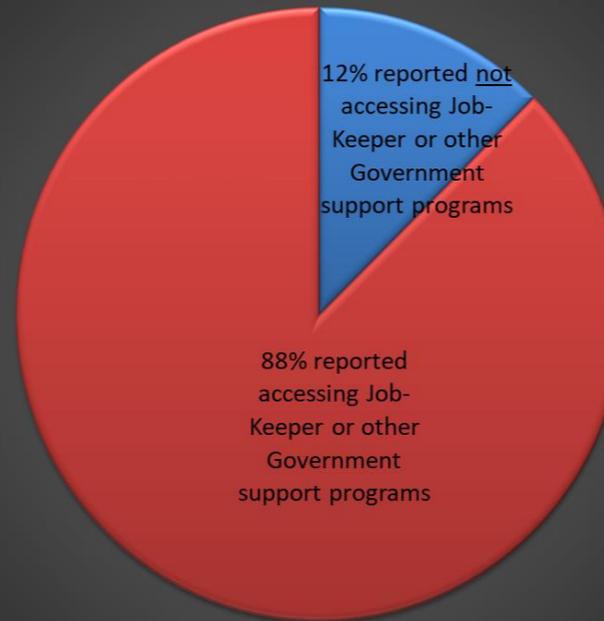
# GOVERNMENT SUPPORT / JOBKEEPER

NSW (n=23)



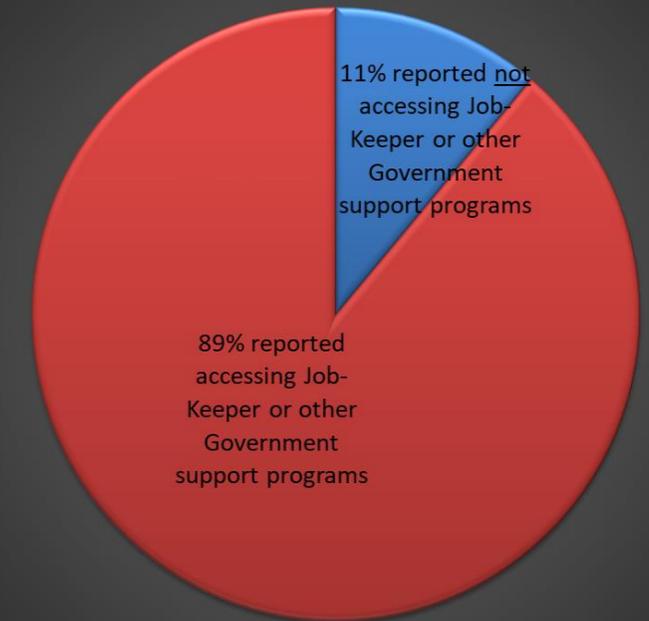
35% reported not-accessing Job-Keeper or other Government support programs

SA (n=16)



12% reported not-accessing Job-Keeper or other Government support programs

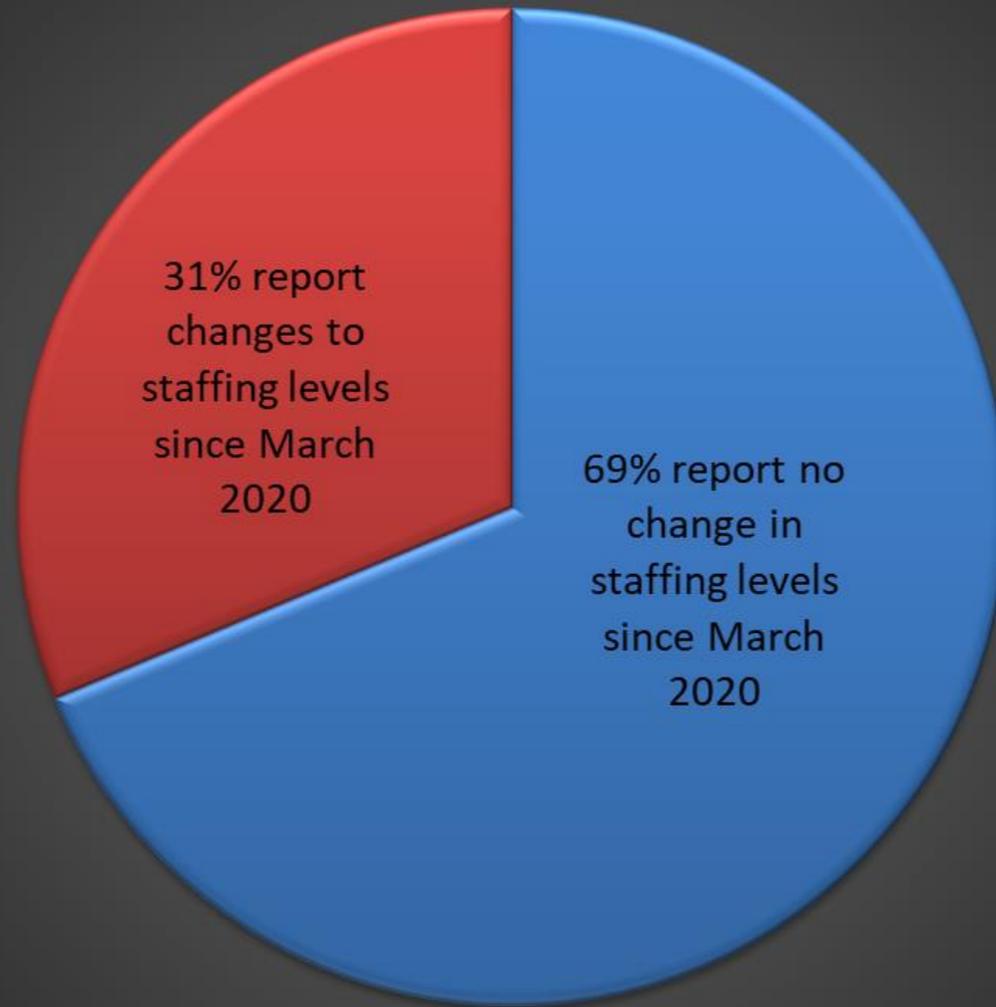
TAS (n=9)



11% reported not-accessing Job-Keeper or other Government support programs

## STAFFING LEVELS

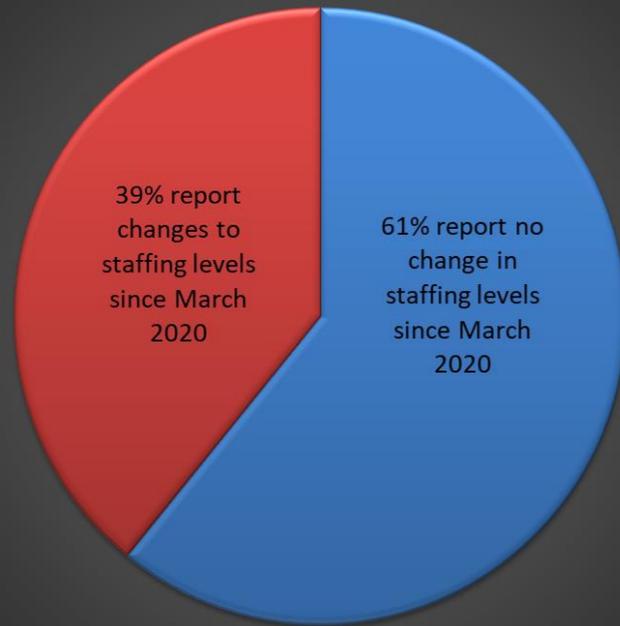
National (n=48)



- 31% reported changes to staffing levels since March 2020
- Of those that reported changing staff levels:
  - ~50% have lost staff
  - ~50% have recruited

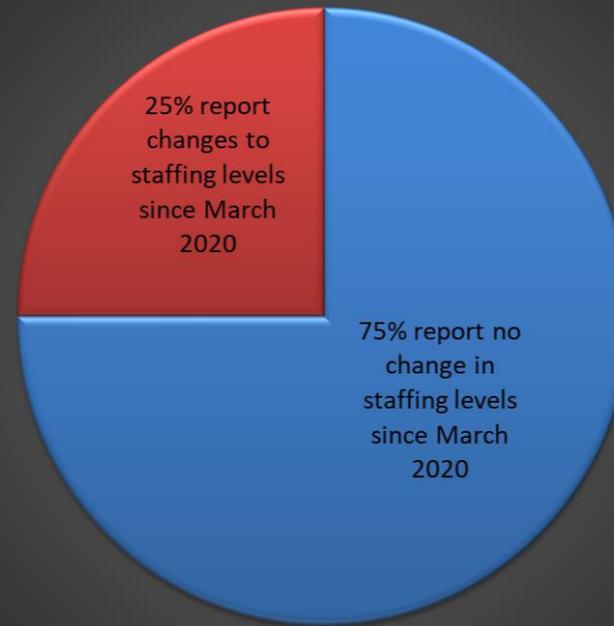
# STAFFING LEVELS

NSW (n=23)



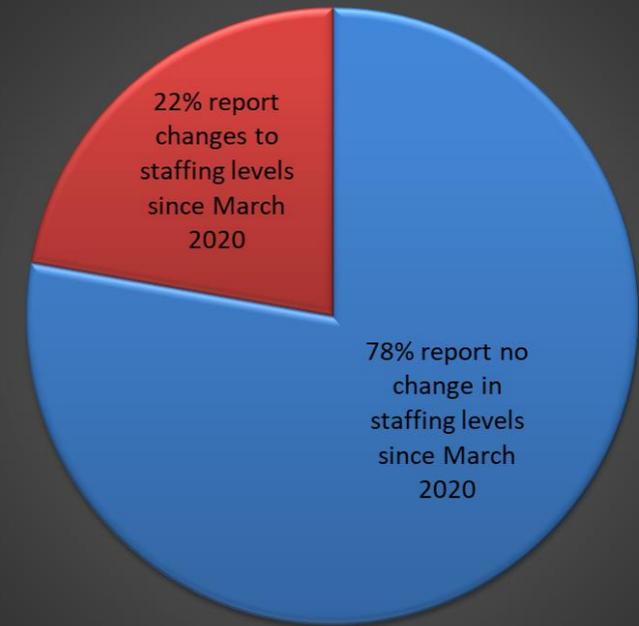
39% reported changes to staffing levels since March 2020

SA (n=16)



25% reported changes to staffing levels since March 2020

TAS (n=9)



22% reported changes to staffing levels since March 2020

## ACCESS TO ADEQUATE STAFF & TRAINING NEEDS

National (n=48)



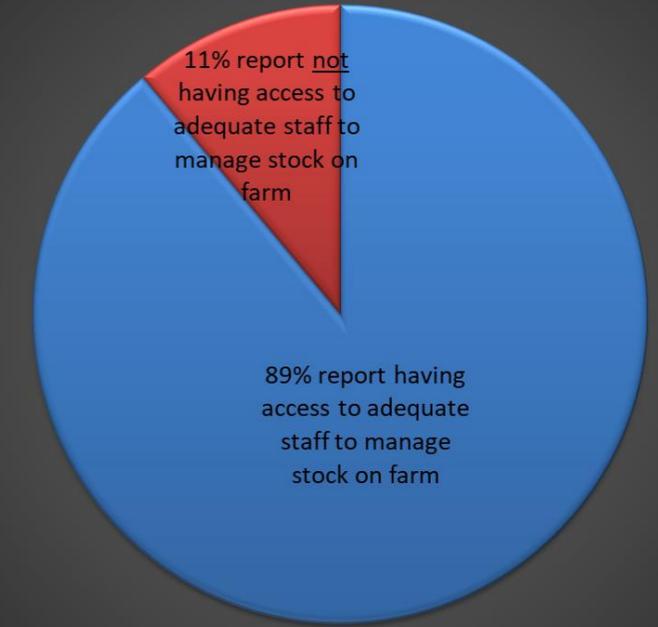
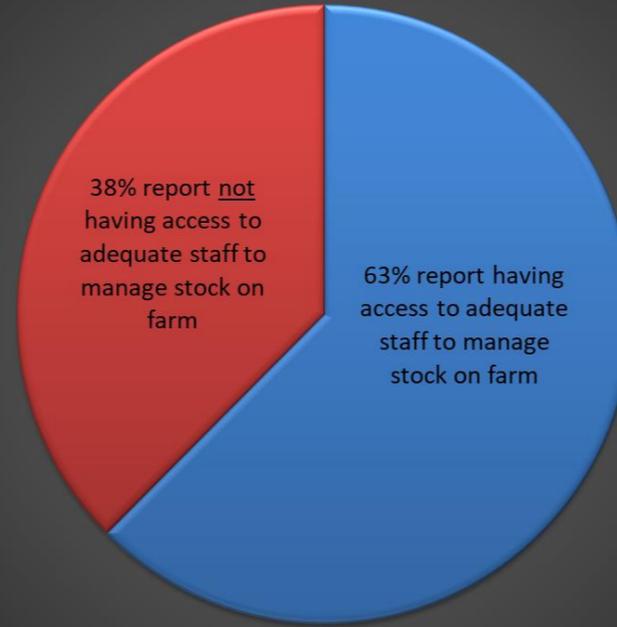
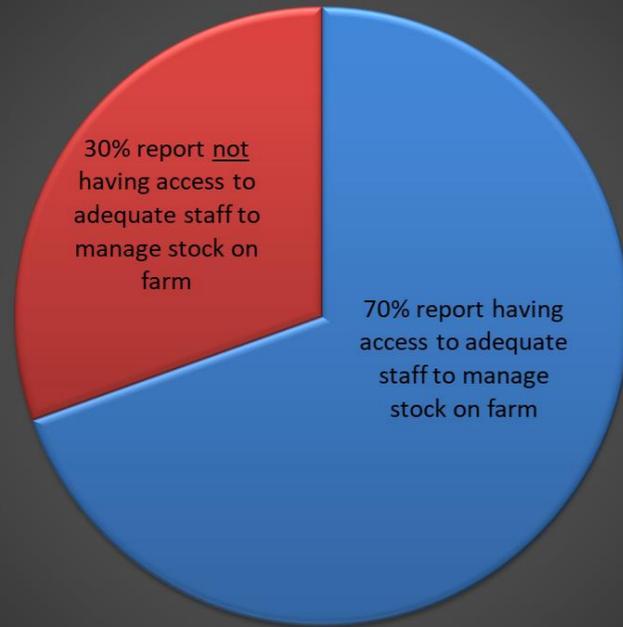
- 29% report not having access to adequate staff to manage stock on farm
- Training needs identified include:
  - Exemption 38 tickets
  - Forklift licences

# ACCESS TO ADEQUATE STAFF & TRAINING NEEDS

NSW (n=23)

SA (n=16)

TAS (n=9)



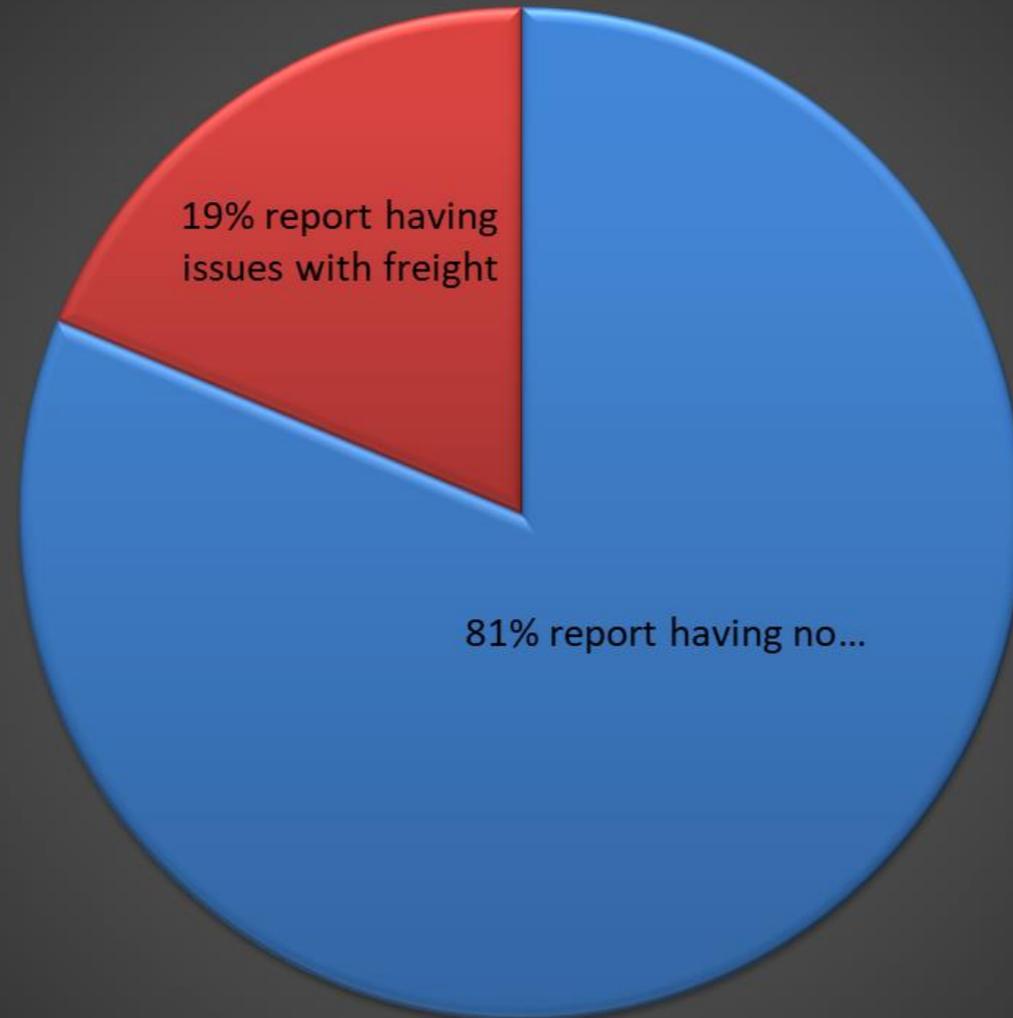
30% report not having access to adequate staff to manage stock on farm

38% report not having access to adequate staff to manage stock on farm

11% report not having access to adequate staff to manage stock on farm

# FREIGHT

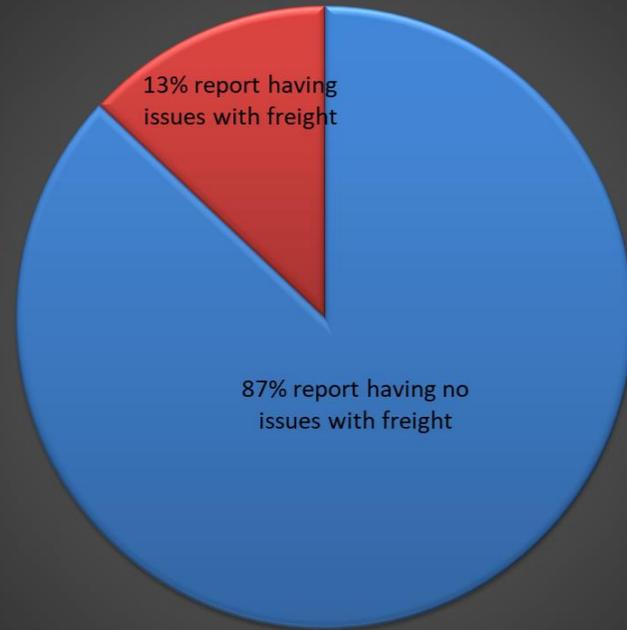
National (n=48)



- 19% report having issues with freight
- These relate to locality and are largely state specific (see next page)
- Freight issues cited are not necessarily a result of the Covid-19 pandemic

# FREIGHT

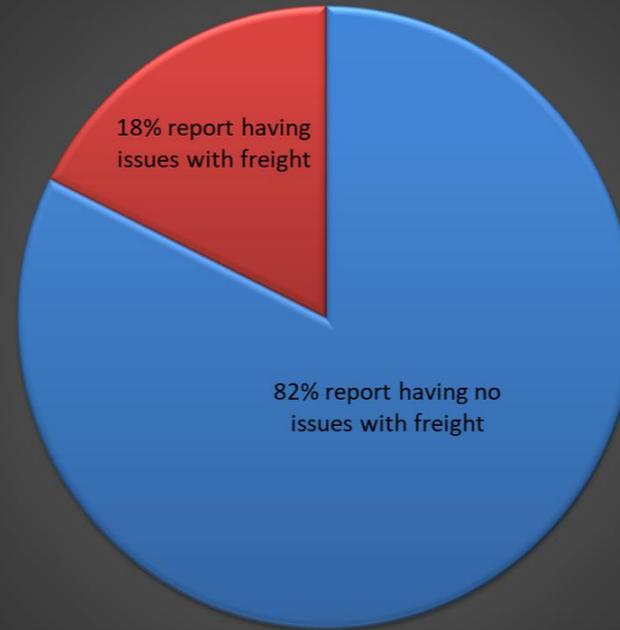
NSW (n=23)



13% report having issues with freight:

- Slow delivery times
- Limited options

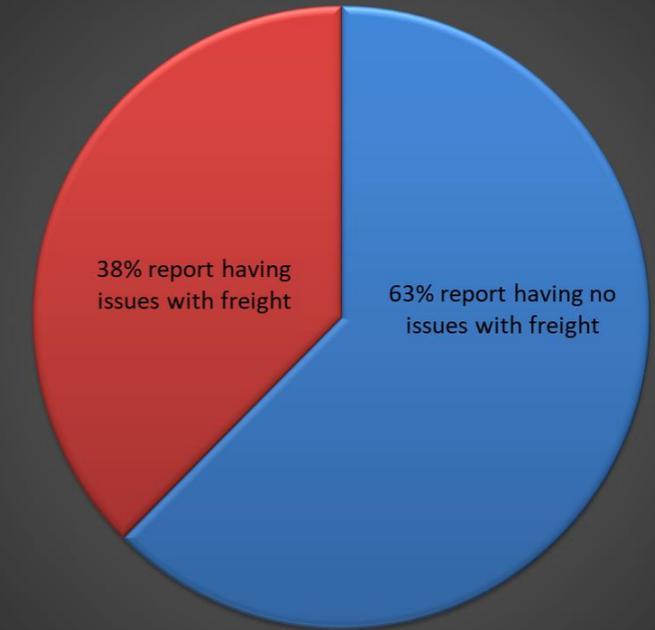
SA (n=17)



18% report having issues with freight:

- No overnight interstate service
- Additional costs & delays
- Mostly non-refrigerated

TAS (n=8)



38% report having issues with freight:

- Increased cost due to reduced transport options
- Unreliable delivery
- Restricted flight capacity for export markets
- High cost to export freight

# LABOUR & FREIGHT– SUMMARY

## NATIONAL:

- Average increase in labour requirements of +15% since March '20
- 23% have not accessed Job-Keeper for other Government support programs
- 31% report a change in staffing levels since March '20, with an equal number of farms recruiting & losing staff. FTE's in / out are also balanced.
- 19% report having issues with freight, many of which pre-date Covid

## NEW SOUTH WALES:

- Average increase in labour requirements of +16% since March '20
- 35% have not accessed Job-Keeper for other Government support programs
- 39% report a change in staffing levels since March '20
- 30% report not having access to adequate staff to manage stock
- 13% report having issues with freight

## SOUTH AUSTRALIA:

- Average increase in labour requirements of +20% since March '20
- 12% have not accessed Job-Keeper for other Government support programs
- 25% report a change in staffing levels since March '20
- 38% report not having access to adequate staff to manage stock
- 18% report having issues with freight

## TASMANIA:

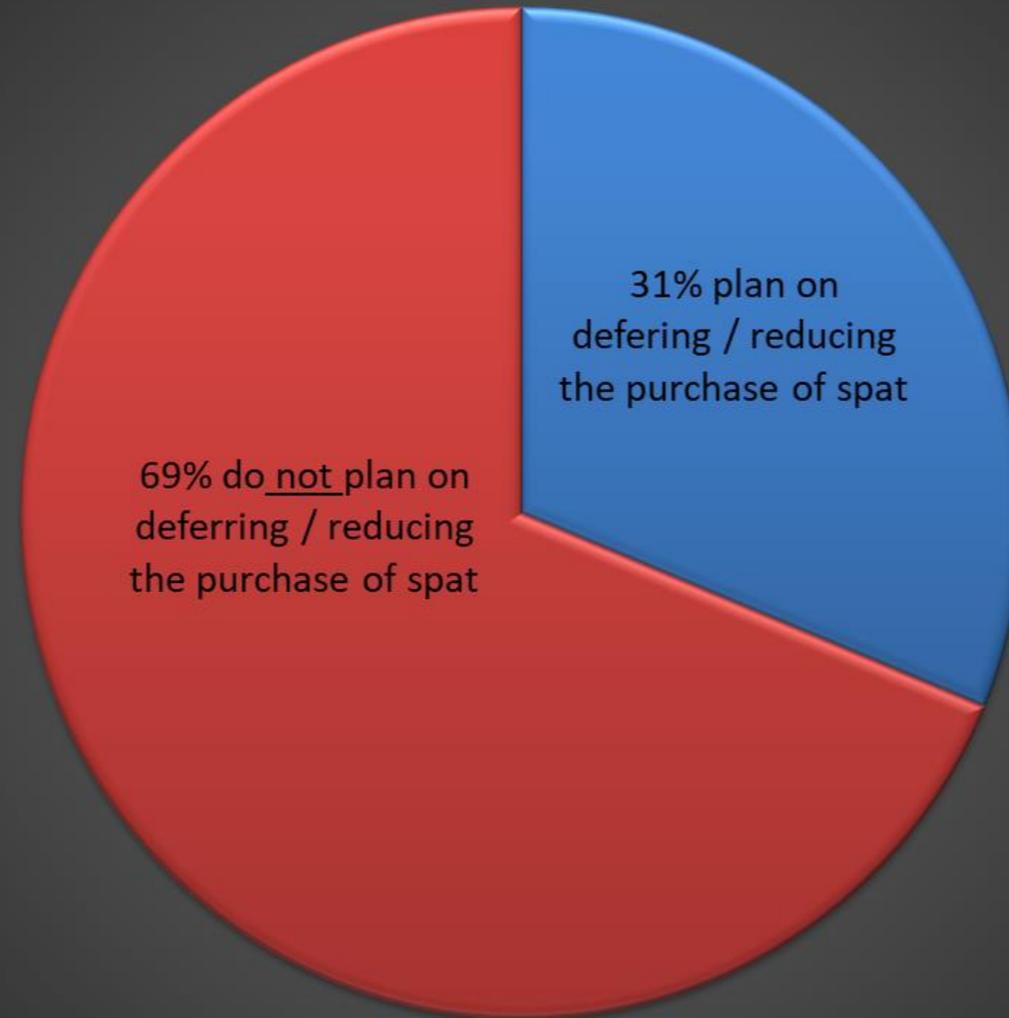
- Average increase in labour requirements of +7% since March '20
- 11% have not accessed Job-Keeper for other Government support programs
- 22% report a change in staffing levels since March '20
- 11% report not having access to adequate staff to manage stock
- 38% report having issues with freight



SPAT

## PURCHASING SPAT (HATCHERY / WILD-CAUGHT)

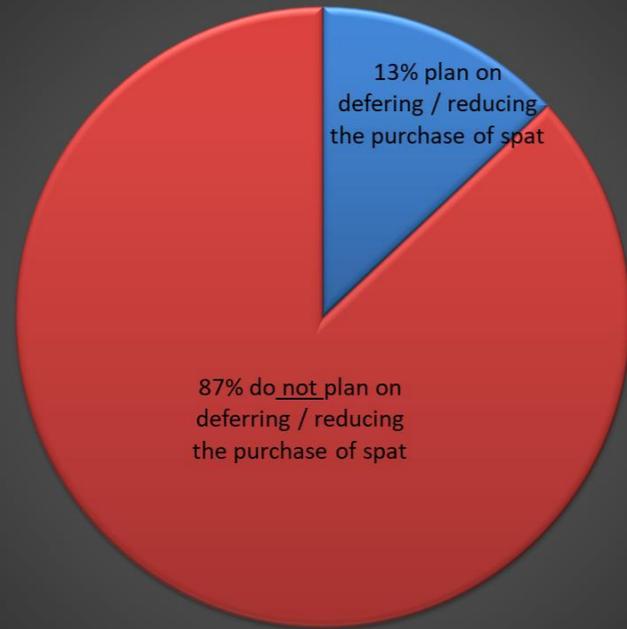
National (n=48)



- 31% plan on deferring or reducing the purchase of spat
- Of those deferring or reducing the purchase of spat, the reasons cited include,
  - Cash-flow (66%)
  - Concerns about market recovery & farmgate price (60%)
  - Insufficient lease space (47%)
  - Insufficient cultivation gear (27%)
  - Labour requirements (13%)

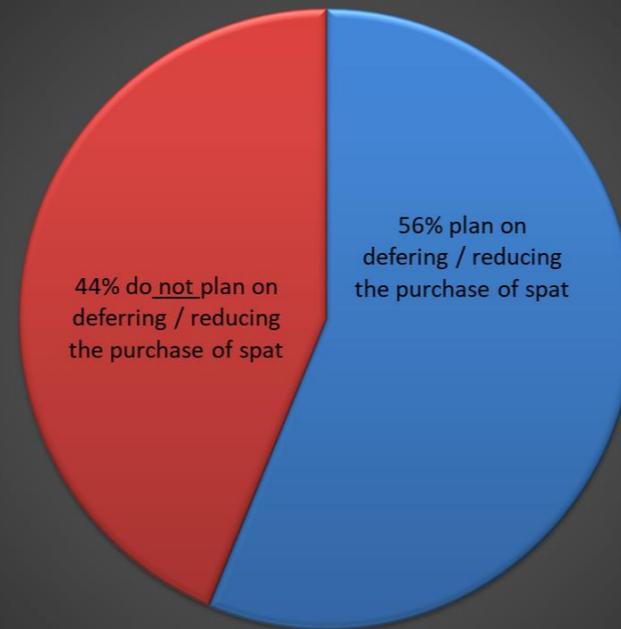
# PURCHASING SPAT (HATCHERY / WILD-CAUGHT)

NSW (n=23)



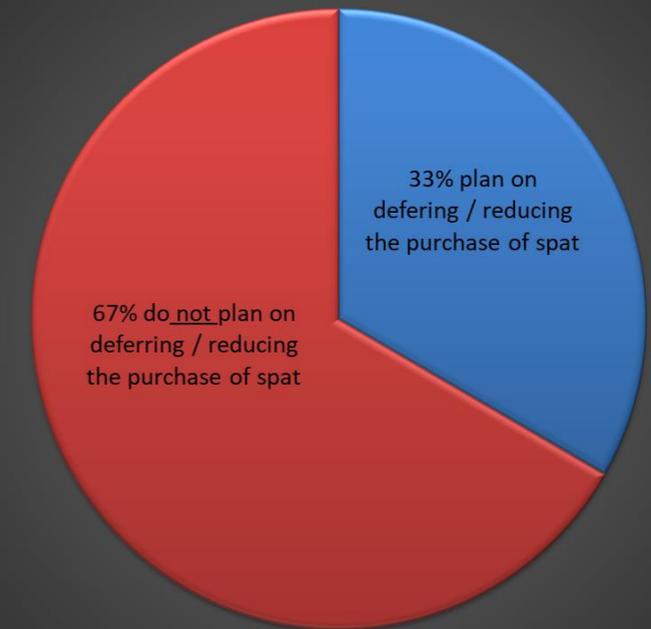
13% plan on deferring or reducing the purchase of spat

SA (n=16)



56% plan on deferring or reducing the purchase of spat

TAS (n=9)



33% plan on deferring or reducing the purchase of spat

# SPAT – SUMMARY

## **NATIONAL:**

- 31% plan on deferring / reducing purchase of spat
- Large variability across states
- Primary reasons include cash-flow, concerns about market recovery & insufficient lease space

## **NEW SOUTH WALES:**

- 13% plan on deferring / reducing purchase of spat

## **SOUTH AUSTRALIA:**

- 56% plan on deferring / reducing purchase of spat

## **TASMANIA:**

- 33% plan on deferring / reducing purchase of spat



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