

Western Australian Mussel Producers' Association

Strategic Review and Market Assessment of Eco-Labelling Opportunities and Value Adding Products

March 2008

CON O'BRIEN | Management Consultant
OBH Consulting Pty Ltd ABN 42 060 739 488
68 A Robinson Avenue Perth WA 6000 Australia
Telephone +618 9228 0764
Facsimile +618 9228 0765
Mobile 0418 920 530
Email conob@conobrien.com.au

Table of Contents

	Page No.
Executive Summary	3
Introduction and Background	6
Survey Results	
Trade Survey Outcomes	9
Consumer Survey Outcomes	16
Eco-Labeling and Organic Certification	19
Market Analysis	22
Review Outcomes and Recommended Strategies	26
Financial Implications	30
Acknowledgements	32
Appendices	
Appendix I – Details of Licences	
Appendix II – Trade Survey Questionnaire	
Appendix III – Consumer Survey Questionnaire	
Appendix IV – NASAA Fee Schedule for Organic Certification	

Executive Summary

This project was undertaken to identify and evaluate opportunities to develop and expand the market for Western Australian mussels through:

- eco-labelling and organic certification, and
- value-adding to their product, including distinctive branding.

The consultancy brief for eco-labelling nominated the following outcomes:

- A review and assessment of the various definitions and requirements (including audit) of eco-labeling and organic certification in relation to the blue mussel industry.
- To complete a market/consumer survey of increased profitability (if any) associated with organic certification and/or eco-labeling of the blue mussel. This would relate to a comparison of market prices and also a literature review of previous studies which have looked at consumer preference and preparedness to pay more for organic or “eco-labelled” products.
- To assess the likelihood of the Cockburn Sound blue mussel supply chain ability meeting eco-labeling and/or organic certification criteria, and to assess what process changes (if any) would be required to meet such criteria.
- To complete a cost benefit analysis of the costs of meeting such criteria and the likelihood of increased profitability for the product.

The consultancy brief for value adding nominated the following outcomes:

- Complete market research to identify which value-added mussel products are likely to achieve consumer/retail acceptance and their respective price points.
- Complete cost benefit analysis of development of such value-added products, and the scale that would be financially viable.
- Develop a regional branding and marketing strategy for the value-added products.

As a result of the research and analysis undertaken during this project, the consultants have made the following findings:

1. The local market for mussels has the capacity to accept more product than is currently the case and there are opportunities to increase the price paid at retail level.
2. Resources should be concentrated at expanding the local market rather than developing export markets (whether interstate or international) or on process value adding.
3. The focus should be on product value adding through branding and differentiation – specifically local, fresh and organic.
4. The aim of the local producers must be to expand product volume and price.
5. To achieve these objectives there must be effective coordination of promotion, marketing and distribution. We believe this can be best achieved through the development of a cooperative structure.

The recommended strategies to support these findings are:

Industry Structure and Rationalisation.

Recommended Strategy:

The producer groups in Cockburn Sound/Warnbro should consider establishment of a producer co-operative which could involve –

Co-ordination of branding and organic certification for producers,
Promotion and marketing of branded product,
Distribution of product.

Target Market(s) for Western Australian Mussels.

Recommended Strategy:

Promotional resources should be concentrated on the Western Australian market and interstate/overseas development should not be considered until the industry has exhausted its local potential.

Environmental Labelling and Organic Certification.

Recommended Strategies:

Environmental Management System –

The producers should combine to develop an Environmental Management Plan (EMP) leading to an Environmental Management System (EMS) for the industry. This may involve separate projects for Cockburn/Warnbro and the Great Southern producers, but could be facilitated in each case by ACWA.

Organic Certification –

The producers in each of the two growing areas (Cockburn/Warnbro and Great Southern) should seek organic certification for their products. The National Association of Sustainable Agriculture Australia (NASAA) have undertaken a certification programme for Port Phillip Mussels in Victoria, and could be a potential candidate for the certification role.

Safe Quality Food –

SQF certification through the Safe Quality Food Institute should be investigated as an industry-wide option.

Regional Branding of Western Australian Mussels.

Recommended Strategies:

Cockburn/Warnbro Sound mussel producers should agree on a suitable regional brand name for their product.

Options may include:

Cape Peron Mussels,

Garden Island Mussels, or

Buchanan Bay Mussels.

Great Southern mussel producers should agree on a suitable regional brand name for their product (possibly "Great Southern").

Value Adding through Processing.

Recommended Strategy:

Value adding through processing should not be pursued except through an alliance with a processor (or processors) to add value to mussels through cleaning/de-bearding and possibly vacuum packing.

Market Promotion.

Recommended Strategies:

The marketing focus should be on "fresh", "local" and "healthy" and this should be combined with a strong re-branding campaign.

Regular demonstrations for preparation and cooking of mussels and/or point of sale informational materials should be developed and scheduled in conjunction with major seafood retailers. These could be combined with Mussel Fest and regular (promotional) surveys using branded bags.

Pricing.

Recommended Strategy:

The establishment of a producer co-operative will allow "single desk" negotiation of prices. If this is combined with an effective branding and promotional campaign it is likely that retailers, in particular, will accept an upward revision of prices for the local product.

Introduction and Background

The Western Australian Mussel Producers' Association (WAMPA), with the support of the Aquaculture Council of Western Australia (ACWA), Department of Fisheries Seafood Quality Management Initiative (SFQMI), Minister of Fisheries' Aquaculture Development Council and the Industry Development Unit have commissioned this strategic review to identify and evaluate opportunities to develop and expand the market for Western Australian mussels through:

- eco-labelling and organic certification, and
- value-adding to their product, including distinctive branding.

Eco-Labeling –

There has been considerable discussion within the seafood industry about using the "Clean/Green" record of Australian seafood production as a marketing tool. This has become more relevant in the light of the exponential growth of the "organic" markets and decisions by large international supermarkets (Wal-Mart, ASDA) to preferentially source products with "eco-labels". Certification in various forms (e.g., Queensland initiative to develop logo to show compliance with EPBC Act, MSC certification of the Western Rock Lobster Industry, the Clean Green initiative for the Southern Rock Lobster industry, organic certification for selected mussel producers) has been achieved in Australia.

This study examined the various eco-labelling options available to the Cockburn Sound mussel farmers, assessed the implementation cost of such labelling and examined what profitability may be associated with such activity.

The consultancy brief for eco-labelling nominated the following outcomes:

- A review and assessment of the various definitions and requirements (including audit) of eco-labeling and organic certification in relation to the blue mussel industry.
- To complete a market/consumer survey of increased profitability (if any) associated with organic certification and/or eco-labeling of the blue mussel. This would relate to a comparison of market prices and also a literature review of previous studies which have looked at consumer preference and preparedness to pay more for organic or "eco-labelled" products.
- To assess the likelihood of the Cockburn Sound blue mussel supply chain ability meeting eco-labeling and/or organic certification criteria, and to assess what process changes (if any) would be required to meet such criteria.
- To complete a cost benefit analysis of the costs of meeting such criteria and the likelihood of increased profitability for the product.

Value Adding –

The consultancy brief for value adding specified the following:

The Western Australian blue mussel industry currently produces 1000 tonne p.a., with potential capacity to increase to 5000 tonne p.a. if the existing market can be expanded or new markets developed. With only a 6-day shelf life for unprocessed mussels, there is limited opportunity to develop new markets in the mature, and highly competitive chilled, live mussel market, locally, interstate or overseas. The brief assumed that a value added product that met market needs would offer the only opportunity for business growth.

The country of origin debate on food products has identified that West Australian consumers will look for, and pay more, for products that are labelled Western Australian. Currently there are significant quantities of imported mussel products in use in this State and the rest of Australia.

The consultancy brief for value adding nominated the following outcomes:

- Complete market research to identify which value-added mussel products are likely to achieve consumer/retail acceptance and their respective price points.
- Complete cost benefit analysis of development of such value-added products, and the scale that would be financially viable.
- Develop a regional branding and marketing strategy for the value-added products.

Industry Background –

In Western Australia the current licenced mussel sites are:

Cockburn Sound –		
Southern Flats	8 licences (10 sites) covering approximately 50 hectares,	
Kwinana Grain Terminal	8 licences covering approximately 57 hectares,	
Garden Island	1 licence covering approximately 24 hectares,	
Warnbro Sound	3 licences covering approximately 12 hectares,	
South Coast –		
King George Sound	6 licences covering approximately 79 hectares,	
Wilson Inlet, Denmark	2 licences covering 16 hectares.	

A full schedule of licenced mussel farming properties in Western Australia is attached at Appendix I.

In the Cockburn/Warnbro area, there are a number of different licence holders, some of whom have combined as consortia. In effect, there are four (loose) groups of producers:

Consortium	Southern Flats (hectares)	Kwinana Grain Terminal (hectares)	Warnbro Sound (hectares)	Total (hectares)
Blue Lagoon	22	24	11	57
WA Mussel Co-op	22	26	1	49
Southern Flat Mussels	4	5		9
Sea Resources	2	2		4
	+ 24 off Garden Is			24
Total hectares	50 + 24	57	12	143

At present, the leases in Warnbro Sound are not being farmed and the total annual production from Cockburn is estimated at around 800 tonne. At \$2 per kilogram, this would indicate that total annual industry revenues are around \$1.6 million, which is probably insufficient for the participants to undertake any major promotional campaign.

The underlying objective of this review is to identify strategies which will allow the industry to increase the size of its market (and consequently its production) while improving the demand for its product (and hence the price).

The following simple table illustrates the impact of improvements in market volume and prices on the gross value of mussel production:

Production (Tonnes)	Projected Gross Annual Value of Mussel Production (\$ Million)				
	At average price of: \$2.00/Kg	\$2.50/Kg	\$3.00/Kg	\$3.50/Kg	\$4.00/Kg
800	1.6	2.0	2.4	2.8	3.2
1,500	3.0	3.75	4.5	5.25	6.0
2,000	4.0	5.0	6.0	7.0	8.0
3,000	6.0	7.5	9.0	10.5	12.0
4,000	8.0	10.0	12.0	14.0	16.0
5,000	10.0	12.5	15.0	17.5	20.0

The industry has a significant seasonal factor. Local (Cockburn Sound) mussels are generally unavailable (or are too small) during the spawning and early growth periods from January to April.

The “new season” product which begins to move into the market in late April, early May is usually initially quite small. The meat content gradually increases through the year and peaks around November/December.

The production process involves establishment and maintenance of lines, seeding (culling) of lines and harvesting. Much of the production is labour-intensive, using basic, but well-equipped, barges and other vessels, but the recent construction of a dedicated, motorised barge by one of the producer groups (Blue Lagoon) has the potential to increase and accelerate local production significantly and to expand facilities into Warnbro Sound.

Survey Results

Face-to-face interviews were conducted with industry buyers (retailers, wholesalers/ distributors, processors and hospitality operators) and with consumers. These interviews were undertaken using standard questionnaires in each case (see Appendix II and Appendix III) to ensure uniformity of data. Additional comments were sought from participants and the interviews generally involved a free flow of information and, in some cases, advice for the industry.

Trade Survey Outcomes

Table T1 Numbers interviewed

a. Retailers	8
b. Wholesaler/distributors	4
c. Processors	2
d. Hospitality Operators	8

Frequency of Purchase

Table T2a Frequency of purchase: Retailer

Daily	62%
3 times/week	38%
% who sold mussels	100%

Table T2b Frequency of purchase: Wholesaler/Distributor

Daily	100%
% who sold mussels	100%

Table T2c Frequency of purchase: Processor

Daily	100%
% who sold mussels	100%

Table T2d Frequency of purchase: Hospitality

Daily	62%
3-4 times/week	12%
1/week	25%
% who sold mussels	100%

Source of Product

Table T3a Source of product: Retailer

Local WA	SA	Other Aus	NZ	Other O/seas
100%	100%	12%	62%	

Table T3b Source of product: Wholesaler/Distributor

Local WA	SA	Other Aus	NZ	Other O/seas
100%	100%		75% (meat)	

Table T3c Source of product: Processor

Local WA	SA	Other Aus	NZ	Other O/seas
100%	100%			

Table T3d Source of product: Hospitality

Local WA	SA	Other Aus	NZ	Other O/seas
100%	100%			

Type of Fresh Mussels

Table T4a Do you buy fresh mussels? Retailer

Yes	100%
-----	------

Cleaned	Uncleaned	De-bearded	Vacuum packed	Mussel meat
	100%	100% when SA	When SA	62%

Table T4b Do you buy fresh mussels? Wholesaler/Distributor

Yes	100%
-----	------

Cleaned	Uncleaned	De-bearded	Vacuum packed	Mussel meat
	100%	100% when SA	When SA	75%

Table T4c Do you buy fresh mussels? Processor

Yes	100%
-----	------

Cleaned	Uncleaned	De-bearded	Vacuum packed	Mussel meat
	100%	100% when SA	When SA	

Table T4d Do you buy fresh mussels? Hospitality

Yes	100%
-----	------

Cleaned	Uncleaned	De-bearded	Vacuum packed	Mussel meat
	100%	100% when SA	When SA	

Type of Processed Mussels

Table T5a Do you buy processed mussels? Retailer

Yes	25%
-----	-----

Frozen vacuum packed	
Cooked & packaged for micro-waving/ reheating – mussels only	
Cooked & packaged for micro-waving/ reheating – with added sauce(s)	25%
Other	

Table T5b Do you buy processed mussels? Wholesaler/Distributor

Yes	25%
-----	-----

Frozen vacuum packed	
Cooked & packaged for micro-waving/ reheating – mussels only	25%
Cooked & packaged for micro-waving/ reheating – with added sauce(s)	
Other	

Table T5c Do you buy processed mussels? Processor

Yes	50%
-----	-----

Frozen vacuum packed	
Cooked & packaged for micro-waving/ reheating – mussels only	50%
Cooked & packaged for micro-waving/ reheating – with added sauce(s)	
Other	

Table T5c Do you buy processed mussels? Hospitality

Yes	
No	100%

Value Adding and Environment – All Respondents

Table T6 If local mussels were available in the following product forms, would you be likely to purchase or to increase your current purchase?

Cleaned and “de-bearded”	27%
Fresh vacuum packed	14%
Frozen vacuum packed	9%
Mussel flesh	27%
Cooked & packaged for micro-waving/reheating - mussels only	23%
Cooked & packaged for micro-waving/reheating – with added sauce	4%
Provided with “point-of-sale” materials	18%
Provided with regular demonstrations for preparation/cooking	23%

Table T7 Do you have an environmental/quality certification or accreditation?

Yes	50%
No	

If Yes, which: SQF

Table T8 Are you aware of any of the following environmental/quality labels?

Organic certification	
Safe Quality Food (SQF)	28%
MSC	28%
Clean & Green	
Environmental Management Systems (EMS)	
ISO 4000	14%
Any others?	

Table T9 How important is/will be environmental/quality labelling/packaging of seafood – particularly mussels?

Moderately becoming very	77%
Slightly	23%

Note: The survey involved only 22 parties, 17 of whom believed that this was a moderate/becoming significant issue. All but one of the other 5 parties were hospitality operators.

Responses by Trade Type

1. Retailers:

Eight retailers were interviewed. All sold mussels.

Frequency:	5 purchased daily, 3 purchased 3 times a week
Origin:	All 8 retailers purchased local mussels, All 8 purchased South Australian mussels, 1 retailer (Kailis) purchased Victorian, 5 purchased NZ greenlip mussels. South Australian mussels generally were only bought when local were not available (seasonal factors/local shortage). Although SA mussels are bigger and come cleaned and debearded, retailers indicated that customers have a preference for fresh local produce. NZ mussels were generally frozen meat although 2 retailers bought frozen on the half shell.
Fresh Mussels:	All bought fresh mussels
Processed Mussels:	All 8 bought cleaned debearded SA when local not available. For 3 retailers this was the only processed product bought. 5 bought NZ mussel meat – 3 of these were also wholesalers/distributors. 2 bought NZ product cooked and packaged for reheating.
Local processing:	7 retailers said they would buy local processed product if available. Catalano is not interested in buying but is interested in processing.
Value-added product:	5 said cleaned and debearded, 4 said fresh vacuum packed 3 said frozen vacuum packed 7 said mussel flesh 5 said cooked – mussels only 2 said cooked with sauce 5 thought point of sale/demos would increase sales
Environmental/quality accreditation:	ISO, SQF and mandatory health and safety standards Awareness of labels SQF(2) MSC (2)
Labelling:	Although not seen as a major issue currently, all agree it will become an issue in the future.

2. Wholesalers/Distributors

Four wholesalers/distributors of mussels were interviewed.

Frequency:	All purchased mussels daily
Origin:	All bought WA and SA, 3 bought NZ meat, 1 bought cooked. In only one case was price an issue. WA cheaper than SA.
Processed product:	All four would buy mussel flesh. Only one would buy cooked with sauce.
Environmental/quality accreditation and labelling:	Three out of four were aware of labelling as a factor in distribution. All agreed on increasing importance of environmental issues.

3. Processors

Two processors were surveyed, each of whom purchases daily.

Both WA and SA mussels are purchased. Sealanes also buys cooked and mussel meat from NZ.

Sealanes would buy processed WA.

Both were aware of environmental issues.

4. Hospitality Operators

Eight restaurateurs/hoteliere were interviewed, all of whom sold mussels.

Frequency:	5 purchased daily, 1 purchased 3 to 4 times a week, 2 purchased once a week. Those buying once a week did not feature mussels on the menu on a daily basis and mussels were served as an ingredient rather than as a main feature. The others served mussels on a daily basis and freshness is a key marketing feature.
Origin:	All bought WA mussels by preference and only bought SA when local mussels were unavailable or too small. None bought NZ. Although SA mussels are bigger and come cleaned and debearded customers have a clear preference for fresh local produce.
Fresh Mussels:	All purchased fresh mussels.
Processed Mussels:	There was no interest in any form of processed mussels. Being clean and debearded was viewed as a marginal benefit for which they would be reluctant to pay a premium price.
Environmental/quality accreditation and labelling:	Mandatory health and safety standards apply. Little awareness of labels although all believed environmental and quality issues will be increasingly important in the future.

Conclusions Arising from the Trade Survey

Mussels are nowhere near reaching their market potential.

Fresh and local are key marketing opportunities. Local branding and promotion is essential. West Australians are very supportive of local products. Wholesalers/distributors believe they will sell whatever local product becomes available. There is a need to create a specific demand for WA mussels not mussels in general.

Processed product, other than mussel flesh, is of limited appeal.

Cleaned debearded is "nice to have" but not an impediment to local product. Retailers would pay up to \$14/kg for mussel flesh. A "ready to eat with sauce product" like Bantry Bay would not be cost effective at this stage.

Environmental issues must be addressed as the consumer is becoming increasingly aware of sustainability and origin of product.

Major retailers, in particular, believe that local mussels are significantly underpriced. Fresh mussels are by far the cheapest product at most seafood retail outlets. However, for local producers to increase prices, the process needs to be accompanied by distinct branding and an effective promotional campaign.

As part of the review, a separate survey of retail prices for "fresh" mussels was undertaken in August and September/October. In July/August 2007, local (Cockburn Sound) mussels were priced around \$3.99 to \$4.99 per kilo. New Zealand ("Green lip") mussels tended to be around \$1 per kilo more expensive and South Australian mussels were selling for \$6 or \$7 per kilo.

By September, retail prices for local mussels had risen noticeably. Comparative prices in local retailers were:

		\$ per Kg
Kailis - Leederville	Local	5.95
	NZ Green lip	6.95
Seafood Fresh Innaloo	Local ("Garden Island Mussels")	6.99
	NZ Green lip	5.99
Festival Fish Markets – North Perth	Local	5.95
Swish & Chips – Mt. Lawley	Local	8.00
Boatshed Markets – Cottesloe	Local ("Garden Island Mussels")	5.95
Seafresh - Claremont	Local ("Blue Lagoon")	6.90
Sealanes – Fremantle	Local	5.95
	Kinkawooka ("Boston Bay") (N.B., Cleaned and de-bearded)	7.95
Gosnells Railway Markets	Local	5.95
	Mussel Flesh (NZ)	15.00

Consumer Survey Outcomes

Consumer surveys were undertaken at a number of major shopping centres and seafood outlets, including Mosman Park, Cottesloe, Garden City, Innaloo and Claremont. A total of 102 consumers were interviewed using the standard questionnaire at Appendix II.

Among consumers surveyed, 42% stated that they never buy mussels. These “non-buyers” responded to the questions as follows:

Table C1 Why do you never buy mussels?

Never tried them	30%
Do not like them	23%
Freshness/contamination concerns	23%
Do not know how to cook them	10%
Too expensive	7%
Too much trouble	3%
Allergic	1%

Table C2 Would you consider purchasing mussels if you could buy them as follows?

Shelled (Mussel flesh or half shell)	14%
Cleaned, debearded and ready to cook/reheat	23%
Cleaned, debearded and ready to cook/reheat with sauce perhaps a “meal ready” or “heat and eat” form	7%
Would not buy any form of processed mussel	50%

Table C3 Do you buy any other pre-prepared/meal-ready seafood dishes?

Yes	No
23% (canned fish)	77%

Table C4 What do you think is the usual price of mussels per kilogram?

\$5 to \$6	13%
\$8 to \$10	17%
\$15 to \$20	17%
\$20+	10%
No opinion	43%

Table C5 Do you have a preference for products with quality/environment-friendly labelling? (E.g., organic fruit/eggs, free range chicken)

Free Range	27%
Organic	0%
Free Range and Organic	33%

Mount Barker was the only recognised label (by 33% of the respondents who never bought mussels).

Table C6 How important is/will be environmental/quality labelling/packaging of seafood – particularly mussels?

Moderately becoming very	47%
Slightly becoming moderately	27%
Not at all	13%

The mussel buyers made up 58% of the respondents. These consumers all indicated that they purchased mussels at retail. There were no respondents to the question about purchases in restaurants.

Table C7 Do you buy mussels?

At Retail –	58%	% of survey population
Daily	0%	
Weekly	7%	4%
Fortnightly	14%	8%
Monthly	24%	14%
4-6 times/year	38%	22%
Less than 4 times/yr	17%	10%

Column 2 is the percentage of mussel buyers. Column 3 is the percentage of the survey population

Table C8 Purchase Preference?

	% of mussel buyers	% of survey population
Local	100%	58%
Local only	74%	43%
Local & SA	19%	11%
Local & NZ	7%	4%

Table C9 What is the reason you only purchase local mussels? (Local only buyers)

Support Local Product	68%
Freshness	45%
Taste	35%

Note: Percentages greater than 100 because people gave multiple reasons.

Of those who purchased Local and SA, 50% (4) only bought SA when local not available. 25% bought for convenience (cleaned and debearded) and 25% had no preference.

Table C10 If local mussels were available in the following product forms, would you be likely to purchase or to increase your current purchase?

Shelled (Mussel flesh or half shell)	17%
Cleaned, debearded and ready to cook/reheat	31%
Cleaned, debearded and ready to cook/reheat with sauce perhaps a "meal ready" or "heat and eat" form	0%

Table C11 Do you buy any other pre-prepared/meal-ready seafood dishes?

Yes	No
30% (canned fish)	70%

Table C12 What do you think is the usual price of mussels per kilogram?

\$5 to \$6	43%
\$7 to \$10	29%
\$11 to \$14	7%
\$15 to \$20	7%
\$20+	2%
No opinion	12%

Table C13 Do you have a preference for products with quality/environment-friendly labelling? (E.g., organic fruit/eggs, free range chicken)

Free Range	45%
Organic	0%
Free Range and Organic	33%

Mount Barker was the only recognised label (by 19% of the respondents who **never** bought mussels).

Table C14 How important is/will be environmental/quality labelling/packaging of seafood – particularly mussels?

Already Very	19%
Moderately becoming very	40%
Other becoming very	12%
Slightly becoming moderately	21%

Conclusions Arising from the Consumer Survey

Of the 43 respondents (42%) who stated that they never buy mussels, only 24% stated that they didn't like them or were allergic to them. The remainder had either never tried them (30%), has freshness/contamination concerns (23%), didn't know how to cook them (10%) or thought they were too expensive (7%) or too much trouble (3%). It is likely that a promotional campaign stressing –

- Value for money (cheapest seafood available),
- Methods of cooking (simplicity),
- Freshness and safety (caught in the morning – in your pot tonight), and
- Health factors (Omega 3)

would capture a number of the “doubters”.

Only 13% of non-buyers and 43% of mussel buyers could indicate the retail price of mussels. The remainder either didn't know (43% and 12% respectively) or over-stated the current price.

This does support some retailers' views that there is scope for an increase in prices of local mussels, provided other factors are also included in a promotional campaign.

The survey also appears to support the premise that consumers prefer “local” mussels and, to a lesser degree, that value adding through additional processing is probably not going to be a major factor in the short term. The focus should be on the four promotional factors identified above.

Eco-Labeling and Organic Certification

The analysis of options for eco-labelling and organic certification of W.A. mussels involved Internet searches, a review of available literature, contacts with certifying bodies and discussions with parties who have obtained various certifications (including retailers, distributors and processors).

Environmental Labelling

There are many different voluntary environmental performance labels and declarations. The International Organization for Standardisation (ISO) has identified three broad types of voluntary labels, with eco-labelling fitting under the Type I designation.

Voluntary Environmental Performance Labelling -- ISO Definitions

Type I -- A voluntary, multiple-criteria based, third party program that awards a license that authorizes the use of environmental labels on products indicating overall environmental preferability of a product within a particular product category based on life cycle considerations.

Type II--Informative self declaration claims.

Type III—Voluntary programs that provide quantified environmental data on a product, under pre set categories set by a qualified third party based on life cycle assessment, and verified by that or another qualified third party.

Type III programs tend to focus on quantified environmental data such as carbon emissions or energy consumption and as such are not seen as relevant to the aquaculture industry.

There are no Type I labels (and hence eco-labels) for the seafood industry, wild harvest or aquaculture.

Type II labels, because they are self declaration claims, do not generally carry the same weight as Types I and III. Examples of Type II labels include Environmental Management Schemes (EMS) and perhaps compliance with the EPBC Act.

Between Types I and II there are a number of internationally recognised labels that are much more stringent than Type II but do not meet the "life cycle" requirement of Type I. These are sometimes referred to as Type I (hybrid). The best known of these are the Marine Stewardship Council and the Best Aquaculture Practices (BAP) program offered by the Aquaculture Certification Council (ACC) in the USA. The MSC program is not applicable to aquaculture and the ACC program is currently restricted to prawn hatcheries and processing plants.

Summary:

Eco-Labeling –

The practical option for the WA mussel industry for environmental labelling is to investigate implementing an EMS. Although this may lack the market power of (e.g.) MSC it is evident from the surveys carried out during this project and from international evidence that consumers and retailers are becoming increasingly aware of environmental factors.

Tesco (UK), Wal-Mart (US/UK) and Carrefour (France) are examples of retailers promoting environmentally sound practices.

Implementing an EMS could also pave the way for Type I or Type II (hybrid) certification as and when such programs become available.

Organic Certification -

The Organic Certification Directory (OCD) lists 468 certifying bodies worldwide, 7 of which are based in Australia.

The Australian certifying bodies are:

National Association of Sustainable Agriculture Australia (NASAA). www.nasaa.com.au

Australian Certified Organic Pty Ltd (ACO) www.australianorganic.com.au

OGA Certified Organic Pty Ltd (OGA) www.organicgrowers.org.au

Organic Food Chain Pty Ltd (OFC) www.organicfoodchain.com.au

Bio-Dynamic Research Institute (BDRI) www.demeter.org.au

Safe Food Queensland (SFQ) www.safefood.qld.gov.au

Tasmanian Organic-Dynamic Producers (TOP) www.tasorganicdynamic.com.au

Each of these organisations has developed its own standards. NASAA has certified over 100 businesses in Western Australia and, although none of these are related to aquaculture, they have certified the Aussie Blue Mussel Company in Port Phillip Bay.

Initial market research suggests that consumers are prepared to pay a premium for organic products and NASAA certification should be investigated in the light of the results from the project's market surveys.

Safe Quality Food -

The Safe Quality Food Institute (SQFI) was originally formed in WA and has since moved to Arlington in the USA. It offers two certification programs: SQF1000 for food producers and SQF2000 for food processors. They have certified over 1,500 companies world wide with around 1,100 in Australia, 368 of which are located in WA.

They have certified some leading brands such as Mount Barker Chicken, Vasse Felix, Wescobee, Catalano Seafoods and Kinkawooka Mussels.

As with environmental awareness, consumers (and retailers) are becoming increasingly aware and concerned about issues related to food safety. This trend is very likely to continue.

Findings and Recommendations:

1. The producers should combine to develop an Environmental Management Plan (EMP) leading to an Environmental Management System (EMS) for the industry. This may involve separate projects for Cockburn/Warnbro and the Great Southern producers, but could be facilitated in each case by ACWA and/or Seafood Services Australia (SSA).

Given that an environmental Code of Practice (COP) has already been developed by local producers, the implementation of an EMS should be relatively simple based on the work carried out during that process and the electronic templates owned by ACWA and SSA.

2. The producers in each of the two growing areas (Cockburn/Warnbro and Great Southern) should seek organic certification for their products. The National Association of Sustainable Agriculture Australia (NASAA), which have undertaken a certification programme for Port Phillip Mussels in Victoria, could be a potential candidate for the certification role.

Costs of initial certification vary with specific circumstances. However, the NASAA fee schedule attached at Appendix III indicates that initial costs (for first and second inspections) are unlikely to exceed \$5,000 (for the Combined Cockburn Sound producers) and ongoing costs (annual fees) for maintenance of certification would be 1% of annual sales, with a cap of \$7,000 p.a.. This would indicate that the producers should approach this on a regional basis rather than as individual organisations.

3. SQF certification is potentially significant for seafood products. Catalano Seafoods (as a processor and distributor) and Kinkawooka (as a producer) have SQF certification.

Market Analysis

1. Distribution Chains

Product is currently sold completely fresh. Local producers harvest, bag and distribute to wholesalers, retailers and hospitality outlets.

Most, although not all, of the distribution to restaurants and hotels is via wholesaler/distributors (Kailis, Catalano, Festival), all of whom also have retail operations.

It appears that most of the product from the Great Southern area is distributed locally by the producers. Retailers and other parties included in the Trade Survey were unaware of their existence.

Critically, distribution tends to take place on the same day as harvesting. Mussels harvested in the morning are bagged and usually delivered to clients on the same day, thus ensuring freshness of product.

Although some direct sales take place to the larger chains (particularly IGA stores), most distribution to these outlets is through wholesalers/distributors.

2. Target Markets

There are three potential markets for Western Australian mussels: local, interstate and overseas.

The interstate market is relatively well serviced by local producers in each State and prices tend to be similar (or lower) than those achieved in Perth. Apart from the South Australian producers, Kinkawooka, interstate product is not common in Perth. Many retail outlets only stock Kinkawooka mussels when local produce is unavailable or too small.

Overseas markets, particularly in South East and East Asia, are potential buyers of Western Australian mussels, but freight costs and local distribution factors are likely to limit the opportunities in the short term.

In discussions with Grant Hunt (Austrade Tokyo), demand in Japan for good quality mussels is showing signs of increasing. Traditionally this market has been serviced by Korea, but the current popularity and growth of Belgian beer halls, which sell bowls of mussels, and Italian restaurants, has encouraged Canadian producers into the market.

The Canadian product is vacuum packed, part cooked and blanched or frozen. It is imported in sea freight containers (12 to 15 tonne capacity) at prices around US\$3 per kilogram including cartage and freight.

At these prices and, given the processing requirements, it would be uneconomical for Western Australian producers to enter the market.

Although prices in South East Asia tend to be higher than Japan, the demand is for fresh mussels, which would involve air freight, again making the local product uneconomical.

Distributors and larger retailers in the local market have indicated that there is scope to absorb a significant increase in production. At least one organisation would like 2,000 tonne per annum and most others believe that effective consumer promotion would allow them to increase their retail sales considerably.

With the potential to expand the local market and, possibly, to achieve higher prices, it is evident that the industry's short and medium term focus should be on restructuring to meet local requirements and promoting to expand consumer awareness.

This view is consolidated by the strong support for local produce among consumers. Table C9 indicates that 68% of mussel buyers surveyed purchase WA mussels because they have a desire to support local product.

In effect, all promotional resources should be concentrated on the Western Australian market and interstate/overseas development should not be considered until the industry has exhausted its local potential.

3. Value Adding

Currently, most if not all local mussels are sold completely fresh. That is, they are harvested, bagged and distributed to retailers or hospitality outlets.

The opportunities for value-adding include:

- Cleaning,
- De-bearding,
- Vacuum packing,
- Blanching,
- Cooking,
- Freezing,
- Packaging with Added Sauces,
- Mussel flesh.

Kinkawooka (Boston Bay Mussels) are currently achieving higher retail prices through the provision of cleaned/de-bearded mussels (claimed to be "live, pot-ready" mussels) than local product. A number of retailers claimed that higher prices were often obtained because the meat content of South Australian mussels was believed to be higher on average than for local mussels.

However, the survey indicated that the concept of "fresh" was a major factor in consumer purchase (Table C9), a view supported by most retailers who claimed that they only bought cleaned/de-bearded (South Australian) mussels when local (fresh) product was unavailable.

The current "Buy West, Eat Best" campaign, an initiative of the WA Department of Agriculture, (http://www.agric.wa.gov.au/content/foods/buywest_index.htm) is strongly supportive of the fresh food concept.

There may be opportunities to differentiate local mussels – selling them in fresh, live form and also providing a cleaned/de-bearded product at a higher price. However, the survey results are inconclusive on this option.

There is some (not universal) support from both trade respondents and consumers for value-adding in the following forms:

- Cleaned and de-bearded,
- Vacuum packed (ready to cook or microwave).

There was no support from hospitality operators for anything other than fresh (uncleaned) mussels.

There appeared to be little or no support for added sauce or cooked or frozen mussels.

The capital and labour costs of value adding are significant and the surveys indicate that the return from such investment is very uncertain. Although cleaning/de-bearding and vacuum packing may generate an extra \$1 to \$2 on the retail price, the very positive response to the “fresh” concept from virtually all parties is seen as a more significant factor.

There are three other potential value adding factors which became clear from the surveys:

Eco-labelling and/or organic certification;
Recognisable branding of the local product; and
Regular demonstrations for preparation/cooking and point of sale materials (at retail outlets).

These issues are dealt with separately below.

4. Environmental Labelling and Organic Certification

Among trade respondents, 77% indicated that these issues would become very important in the future, although few saw them as major issues at present.

Consumers, in response to the question: *How important is/will be environmental/quality labelling/packaging of seafood – particularly mussels?*, indicated as follows:

Non-mussel buyers:

Moderately becoming very	47%
Slightly becoming moderately	27%
Not at all	13%

Mussel buyers:

Already Very	19%
Moderately becoming very	40%
Other becoming very	12%
Slightly becoming moderately	21%

The phrase “organic produce” is rapidly becoming significant as a consumer preference.

The “Eco-Labelling and Organic Certification” section of this report dealt with options in detail. There are three concepts which the local industry should consider –

- Development of an industry-wide Environmental Management Plan/Environmental Management System;
- Achieving organic certification;
- Achieving Safe Quality Food (SQF) certification.

Regardless of whether these programmes result in an immediate improvement in the value of mussels sold by local producers, it is probable that, if one or more are not introduced, there will be a decline in the price at which local mussels can be sold.

5. Local Product Branding

Most seafood producers in Australia and internationally are focusing on specific branding for their products. This includes Australian mussel producers: Kinkawooka are now branded as “Boston Bay” and Port Phillip mussels as “Aussie Blue Mussels”.

International producers have been branding their products for some time (“Bantry Bay” and “Mulroy Bay” from Ireland are two successful examples).

Local retailers are attempting to give Cockburn Sound mussels indicative terms (“Garden Island”) or in one case using the producer’s name (“Blue Lagoon”). All retailers surveyed were of the opinion that appropriate local branding will, in conjunction with other promotional factors, increase demand for Western Australian blue mussels.

Without limiting the options for rebranding of Cockburn Sound mussels, possibilities could include:

Cape Peron Mussels,
Garden Island Mussels, or
Buchanan Bay Mussels.

The chosen brand name could apply equally to mussels grown in the Warnbro leases.

The term “Cockburn Sound” carries “industrial” connotations and is therefore not appropriate for the local market.

Mussels from the South Coast should be branded separately (perhaps “Great Southern”) to distinguish the product from mussels from Cockburn Sound and Warnbro.

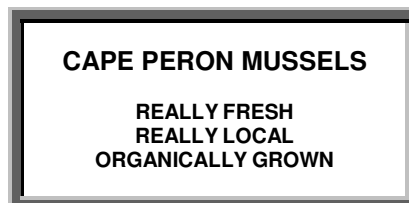
6. Promotions

Five of the 8 retailers surveyed believed that regular demonstrations for preparation and cooking of mussels and/or point of sale informational materials would increase the sale of local mussels.

One retailer (Seafood Fresh, Innaloo) strongly recommended promotional activities including free, branded bags containing informational and promotional material, together with a consumer survey form (possibly using “push polling” formats). By agreement between retailer and producer, consumers returning completed surveys to the store, within a nominated period, would receive a significant discount off their local mussel purchase.

There is little doubt that targeted promotional activities – “MusselFest”, Point of Sale (POS) information, cooking demonstrations and other processes – do affect demand (and, subsequently, price) for foodstuffs. This can be particularly effective when combined with a regional branding programme for the product.

Promotion can be combined with rebranding and organic certification. The inclusion of a small sign when delivering mussels to be displayed with the product would be inexpensive but could carry a powerful message to potential consumers. An example of such a sign could be:



Promotional activities need not be excessively expensive and media involvement can sometimes be obtained with a few well-directed press releases possibly developed in conjunction with distributors and retailers.

Review Outcomes and Recommended Strategies

The key findings of our review are as follows:

1. The local market for mussels has the capacity to accept more product than is currently the case and there are opportunities to increase the price paid at retail level.
2. Resources should be concentrated at expanding the local market rather than developing export markets (whether interstate or international) or on process value adding.
3. The focus should be on product value adding through branding and differentiation – specifically local, fresh and organic.
4. The aim of the local producers must be to expand product volume and price.
5. To achieve these objectives there must be effective coordination of promotion, marketing and distribution. We believe this can be best achieved through the development of a cooperative structure.

These findings have been identified throughout the report. The proposed strategies listed below summarise our recommendations and are designed to address the outcomes nominated for this review.

Issue 1:

Industry Structure and Rationalisation.

Recommended Strategy:

The producer groups in Cockburn Sound/Warnbro should consider establishment of a producer co-operative which could involve –

Co-ordination of branding and organic certification for producers,
Promotion and marketing of branded product,
Distribution of product.

The producers would sell their entire product to the co-operative at current wholesale prices which would be set by agreement with all parties. The co-operative would then seek to achieve the best possible return from customers. The surplus would be used to (a) meet the co-operative's costs of marketing and distribution and (b) returned to producers based on the quantities provided.

We recommend that the producers arrange a workshop to discuss this concept and to determine whether or not they (or some of them) wished to proceed with a co-operative structure.

Once the co-operative is running effectively, mussel producers on the South Coast could be invited to join the group.

Rationale:

It is essential that the producers work together to develop a regional strategy which will address the issues identified below. The development of a co-operative arrangement may help to rationalise certification, branding, promotional and distribution costs and allow industry-wide savings which can be applied to further promotion of local mussels.

Issue 2:

Target Market(s) for Western Australian Mussels.

Recommended Strategy:

Promotional resources should be concentrated on the Western Australian market and interstate/overseas development should not be considered until the industry has exhausted its local potential.

Rationale:

There appears to be considerable scope for expansion of product in the local market and opportunities to improve the per kilogram price of WA mussels. Alternatively, interstate and overseas markets are currently well-served, highly competitive in price and, in most cases, would involve additional processing and significant freight costs for local producers.

Issue 3:

Environmental Labelling and Organic Certification.

Recommended Strategies:

Environmental Management System –

The producers should combine to develop an Environmental Management Plan (EMP) leading to an Environmental Management System (EMS) for the industry. This may involve separate projects for Cockburn/Warnbro and the Great Southern producers, but could be facilitated in each case by ACWA.

Organic Certification –

The producers in each of the two growing areas (Cockburn/Warnbro and Great Southern) should seek organic certification for their products. The National Association of Sustainable Agriculture Australia (NASAA) have undertaken a certification programme for Port Phillip Mussels in Victoria, and could be a potential candidate for the certification role.

Safe Quality Food –

SQF certification through the Safe Quality Food Institute should be investigated as an industry-wide option.

Rationale:

Effective and recognisable labelling and certification is becoming a significant factor in value adding for fresh food. It is also a very cost-effective way to add value to product and is likely to become more so in the future.

Full scale eco-labelling is both expensive and, at present, unavailable to aquaculture operations.

Issue 4:

Regional Branding of Western Australian Mussels.

Recommended Strategies:

Cockburn/Warnbro Sound mussel producers should agree on a suitable regional brand name for their product.

Options may include:

Cape Peron Mussels,
Garden Island Mussels, or
Buchanan Bay Mussels.

Great Southern mussel producers should agree on a suitable regional brand name for their product (possibly "Great Southern").

Rationale:

The term "Cockburn Sound" carries "industrial" connotations and is therefore not appropriate for the local market. Local retailers surveyed believe that appropriate local branding will, in conjunction with other promotional factors, increase demand for Western Australian mussels.

Issue 5:

Value Adding through Processing.

Recommended Strategy:

Value adding through processing should not be pursued except through an alliance with a processor (or processors) to add value to mussels through cleaning/de-bearding and possibly vacuum packing.

Rationale:

The capital and labour costs of value adding are significant and the surveys indicate that the return from such investment is very uncertain. Although cleaning/de-bearding and vacuum packing may generate an extra \$1 to \$2 on the retail price, the very positive response to the "fresh" concept from virtually all parties is seen as a more significant factor in expanding the local market.

Issue 6:

Market Promotion.

Recommended Strategies:

The marketing focus should be on "fresh", "local" and "healthy" and this should be combined with a strong re-branding campaign.

Regular demonstrations for preparation and cooking of mussels and/or point of sale informational materials should be developed and scheduled in conjunction with major seafood retailers. These could be combined with Musselfest and regular (promotional) surveys using branded bags.

Rationale:

Consumers need to be educated about the benefits of fresh mussels and methods of preparation and cooking.

Issue 7:

Pricing.

Recommended Strategy:

The establishment of a producer co-operative will allow "single desk" negotiation of prices. If this is combined with an effective branding and promotional campaign it is likely that retailers, in particular, will accept an upward revision of prices for the local product.

Rationale:

Prices for mussels are considerably lower than for any other form of fresh seafood. An increase of just 50 cents per kilogram would add \$400,000 per annum to the gross value of mussel production for the Cockburn Sound producers at current production levels.

Financial Implications

The financial costs of the recommendations identified in the preceding section are projected as follows (all amounts are exclusive of GST):

Issue 1 – Industry Structure

Cost of initial producer workshop \$4,000
Funding may be available through FRDC or ADC.

Establishment of Co-operative structure \$35,000
Funding support may be available through Minister for Regional Development (WARIS) or through FRDC and/or the WA Fisheries Industry Council.

Operations of the Co-operative – Costs are unknown at this stage and will depend on the extent to which the organisation is empowered and managed. However, there are likely to be savings to individual producers through the Co-operative's marketing and distribution activities.

Costs relating to branding, certification and promotion are shown below.

Issue 2 – Focus on Local Market

No specific costs for adopting this strategy, although proposed promotional and other costs are identified below.

Issue 3 – Environmental Labelling and Organic Certification

Preparation of EMP and, subsequently, EMS – approximately \$20,000.
Funding support may be available through FRDC and/or NAC.

Organic Certification – If undertaken through NASAA (see Appendix IV), initial survey costs are projected at \$15,000, with annual costs not exceeding \$8,000.

Issue 4 – Regional Branding

This process would involve a producers' workshop, development of name and branding concepts and structure, creative brand identity options and design components. Total cost is projected at \$20,000.

Issue 5 – Value Adding through Processing

Recommendation that this does not take place – cost Nil.

Issue 6 – Market Promotion

Should the Co-operative structure be adopted, these costs would be incurred by the organisation.

A reasonable budget would be of the order of \$50,000 per annum.

Issue 7 – Pricing

Costs are covered in preceding strategies (labelling, branding and promotion).

Total projected costs of recommendations are:

Initial establishment costs, including the establishment of a Co-operative agency:

Co-operative development and structure	\$39,000
EMS and Organic Certification	\$35,000
Regional Branding	\$20,000.

Annual costs:

Co-operative management and operations	Unknown, but with some savings to producers
EMS and Organic Certification	\$8,000
Market Promotion	\$50,000.

Some of the initial costs may be supported through funding agencies, but most costs would need to be met through an increase in quantity and/or value of product sold. As indicated earlier and as shown in the table at page 8, the impact of an increase of 50 cents in current wholesale prices at current production levels would produce \$400,000 per annum in increased revenue.

If production can be increased from 800 tonnes to 1,500 tonnes at current prices, the revenue impact would be \$1.4 million.

The financial feasibility of these recommendations will depend on the efficiency and effectiveness of the Co-operative structure and on its ability to promote local mussels to Western Australian consumers.

Acknowledgements

The authors of this report would like to acknowledge the assistance and advice of all retailers and consumers who participated in the surveys and those producers who provided valuable input to our understanding of the industry.

We would also like to acknowledge the following agencies and individuals who provided advice and assistance during the preparation of the report:

WA Mussel Producer Association Members – Glenn Dibbin, Brendon Dryden, David Hilton, Scott Davies, Geoff Peck and Chris Bleach.

Dan Machin, Executive Officer, Aquaculture Council of WA;

Richard Stevens, R&D Manager, WA Fishing Industry Council.

Don Nicholls, Manager, WA Seafood Quality Management Initiative (SQMI)

Janet Howieson, Department of Fisheries

Nick Tabart, National Association of Sustainable Aquaculture Australia (NASAA);

Paul Catalano, CEO, Catalano Seafoods;

Louis Lynch, Sea Fresh Innaloo;

Theo Kailis, Kailis Brothers;

Steve Nel, Aquaculture Development Council

Simon Bennison, CEO, National Aquaculture Council;

Peter Pendoley, Challenger TAFE;

Dr. Brad Plunkett, W.A. Department of Agriculture and Food;

Global Ecolabelling Network (GEN);

Seafood Services Australia;

Sarah Brown, The Australian Guide to Aquaculture and Fisheries Ecolabelling;

The Organic Certification Directory;

Australian Quarantine and Inspection Service.

APPENDIX I
DETAILS OF LICENCES

Licence No.	Name	Area (hectares)	Location
IDCA1388	ALBANY MUSSELS PTY LTD	5.62 + 5.62	King George Sound, Albany
IDCA1363	B & J CONNORS	4.677	Kwinana Grain Terminal
IDCA1390	CC BLEACH T/A GARDEN ISLAND AQUACULTURE	2.077	Kwinana Grain Terminal & NE of Garden Is. (2 sites)
IDCA1571	CC BLEACH T/A GARDEN ISLAND AQUACULTURE	2.00	Southern Flats
IDCA1364	CC BLEACH & BD CONNORS	4.581	Kwinana Grain Terminal
IDCA1564	CC BLEACH & BD CONNORS	4.124	Southern Flats
IDCA1381	CC BLEACH & BD CONNORS	1.00	Warnbro
IDCA1522	G & N PECK T/A OCEAN WEST MUSSELS	5.50	Warnbro
IDCA1560	G & N PECK, RW & LF TOWNSEND & A PECK	11.076	Southern Flats (2 sites)
IDCA1367	G & N PECK, RW & LF TOWNSEND & A PECK	12.057	Kwinana Grain Terminal
IDCA1563	GLENN & CRAIG DIBBIN	11.09	Southern Flats
IDCA1349	G & C DIBBIN – AUST. MUSSEL FARMING INT.	5.50	Warnbro
IDCA1366	G & C DIBBIN – AUST. MUSSEL FARMING INT.	11.631	Kwinana Grain Terminal
IDCA1561	MUSSELS WA PTY LTD	11.096	Southern Flats (2 sites)
IDCA1365	MUSSELS WA PTY LTD	15.012	Kwinana Grain Terminal
IDCA1583	R A & J E LUCAS - SOUTHERN OCEAN MUSSELS	14.06	King George Sound, Albany
IDCA1368	SOUTHERN FLATS MUSSELS PTY LTD	4.58	Kwinana Grain Terminal
IDCA1565	SOUTHERN FLATS MUSSELS PTY LTD	4.093	Southern Flats
IDCA1613	XAVIER LAUNAY	12.00	Wilson Inlet, Denmark
IDCA1584	WILLIAM JOHN WATSON	11.24	King George Sound, Albany
IDCA1582	ANTHONY JOHNSON	14.0487	King George Sound, Albany
IDCA1579	LINDSAY MICHAEL	14.06	King George Sound, Albany
IDCA1586	GARETH JAMES	4.00	Wilson Inlet, Denmark
IDCA1375	GARETH JAMES	14.04	King George Sound, Albany
IDCA1562	B & J CONNORS	4.235	Southern Flats
IDCA1621	SEA RESOURCES PTY LTD	2.05	Kwinana Grain Terminal
IDCA1622	SEA RESOURCES PTY LTD	2.00	Southern Flats
IDCA1623	SEA RESOURCES PTY LTD	23.57	Off Garden Is.

APPENDIX II

TRADE SURVEY QUESTIONNAIRE

WA Mussels Trade Questionnaire (WA)

Name	
Organisation	
Contact	

1. Are you a:

Retailer	
Wholesaler/distributor	
Hospitality Operator	
Processor	

2. Do you buy mussels?

Never		Go to Q. 3
What frequency		
Is there a seasonal factor?		Go to Q. 5

Comments:.....

“Never” Only Section: Please complete Q. 3 & 4 and then go to Q. 11.

3. If you never buy mussels, why not?

.....

4. Would you consider purchasing mussels if you could buy them:

(You may select multiple options)

Cleaned and “de-bearded”	
Fresh vacuum packed	
Frozen vacuum packed	
Mussel flesh	
Cooked & packaged for micro-waving/reheating - mussels only	
Cooked & packaged for micro-waving/reheating – with added sauce	
Provided with “point-of-sale” materials	
Provided with regular demonstrations for preparation/cooking	

Buyer only Section:

5. Do you buy:

Local W.A.	South Aus	Other Aus	NZ	Other O/seas

6. If not local W.A., why do you prefer imported interstate/overseas mussels?

.....

7. If local W.A., why do you prefer over imported?

.....

8. Do you buy fresh mussels?

Yes	
No	

If Yes, are they:

(You may select multiple options)

Cleaned	Uncleaned	De-bearded	Vacuum packed	Mussel meat

9. Do you buy processed mussels?

Yes	
No	

If Yes, are they:

(You may select multiple options)

Frozen vacuum packed	
Cooked & packaged for micro-waving/ reheating – mussels only	
Cooked & packaged for micro-waving/ reheating – with added sauce(s)	
Other	

10. If local mussels were available in the following product forms, would you be likely to purchase or to increase your current purchase:

Cleaned and "de-bearded"	
Fresh vacuum packed	
Frozen vacuum packed	
Mussel flesh	
Cooked & packaged for micro-waving/reheating - mussels only	
Cooked & packaged for micro-waving/reheating – with added sauce	
Provided with "point-of-sale" materials	
Provided with regular demonstrations for preparation/cooking	

All Respondents:

11. Do you have an environmental/quality certification or accreditation?

Yes	
No	

If Yes, which:

12. Are you aware of any of the following environmental/quality labels?

Organic certification	
Safe Quality Food (SQF)	
MSC	
Clean & Green	
Environmental Management Systems (EMS)	
ISO 4000	
Any others?	

13. How important is/will be environmental/quality labelling/packaging of seafood?

	Very	Moderately	Slightly	Not at all
At present				
In the future				

14. Do you have any other comments?

.....

.....

.....

.....

.....

.....

.....

.....

Thank you for your assistance.

APPENDIX III

CONSUMER SURVEY QUESTIONNAIRE

WA Mussels Consumer Questionnaire (WA)

Name	
Sex M/F	

15. Do you buy mussels?

Never		Go to Q. 2
What frequency		Go to Q. 4

Comments:.....

“Never” Only Section: Please complete Q. 2 & 3 and then go to Q. 10.

16. If you never buy mussels, why not?

.....

17. Would you consider purchasing mussels if you could buy them:

- Shelled (Mussel flesh or half shell)
- Cleaned and ready to cook/reheat
- Cleaned and ready to cook/reheat with sauce

Buyer Section:

18. Do you have a preference for:

Local W.A.	South Aus	Other Aus	NZ	Other O/seas

19. If not local W.A., why do you prefer imported interstate/overseas mussels?

.....

20. If local W.A., why do you prefer over imported?

.....

21. Do you buy fresh mussels?

Yes	
No	

If Yes, are they:

(You may select multiple options)

Fresh	Cleaned & Debearded	Vacuum packed

22. Other than fresh mussels do you buy mussels that are?

- Shelled (Mussel flesh or half shell)
- Cleaned and ready to cook/reheat
- Cleaned and ready to cook/reheat with sauce

23. If local mussels were available in the following product forms, would you be likely to purchase or to increase your current purchase:

- Shelled (Mussel flesh or half shell)
- Cleaned and ready to cook/reheat
- Cleaned and ready to cook/reheat with sauce

All Respondents:

24. Do you buy any other pre-prepared seafood dishes? If so which:

.....
.....

25. What is the usual price of mussels per kilogram?

.....
.....

26. Do you have a preference for products with quality/environment friendly labelling e.g. organic fruit/eggs or free range chickens?

.....
.....

27. Are there any such labels you look for? If so which:

.....
.....

28. How important is/will be environmental/quality labelling/packaging of seafood – particularly mussels?

	Very	Moderately	Slightly	Not at all
At present				
In the future				

29. Do you have any other comments?

.....
.....
.....
.....
.....
.....
.....
.....

Thank you for your assistance.

APPENDIX IV

NASAA FEE SCHEDULE FOR ORGANIC CERTIFICATION

NASAA FEE SCHEDULE

ALL FEES ARE INCLUSIVE OF GOODS & SERVICES TAX (where applicable)

PO Box 768, Stirling SA 5152 ABN 85 003 260 348 T +61 8 8370 8455 F: +61 8 8370 8381 W: www.nasaa.com.au E: enquiries@nasaa.com.au

TYPE	LICENCE	APPLICATION COSTS	ANNUAL FEE (quarterly payment options available)
<p>PRODUCER (Precertification)</p> <p>DEFINITIONS:</p> <p>"GROUP" A group of at least 5 Local Producers located within a 50km radius organised by a Co-ordinator</p> <p>"STANDARD" A producer turning over organic sales above \$40K pa</p>	<p>PRE-CERTIFICATION</p>	<p>INITIAL INSPECTION: Initial Inspection includes:</p> <ul style="list-style-type: none"> one pesticide/ residue test, certification costs inspection costs* <p>* plus \$55 supplement per group member when NASAA has to bring in a non-local inspector</p> <p>LOCAL PRODUCER IN GROUP*</p> <ul style="list-style-type: none"> turnover below \$20K: \$330 turnover \$20-40K: \$385 <p>LOCAL PRODUCER NOT IN GROUP</p> <ul style="list-style-type: none"> turnover below \$20K: : \$495 turnover between \$20-40K: \$550 <p>STANDARD PRODUCER: \$627</p> <p>SECOND INSPECTION: Reinspection includes:</p> <ul style="list-style-type: none"> certification costs inspector travel/accomm* if in normal NASAA scheduling** <p>* group charges apply as above. ** If inspection required at applicant's time, a travel cost contribution may be required.</p> <p>LOCAL PRODUCER IN GROUP:</p> <ul style="list-style-type: none"> turnover below \$20K: \$330 turnover \$20-40K: \$385 <p>LOCAL PRODUCER NOT IN GROUP:</p> <ul style="list-style-type: none"> turnover below \$20K: : \$495 turnover between \$20-40K: \$550 <p>STANDARD PRODUCER: \$627</p> <hr/> <p>PRODUCER (RANGELAND) AND (LANDLESS) INITIAL INSPECTION:</p> <ul style="list-style-type: none"> Application Fee: \$275 Initial Inspection Deposit: \$750 (may be increased if operation complex or distant) Balance of Inspection Fee including assessment and tests (if required) <p>SECOND INSPECTION:</p> <ul style="list-style-type: none"> Inspection at cost 	<p>Nil</p>
<p>PRODUCER (Upgrade from precertification to label use)</p>	<p>CERTIFICATION FOR LABEL USE</p>	<p>PRODUCER (RANGELAND) AND (LANDLESS) INITIAL INSPECTION:</p> <ul style="list-style-type: none"> Application Fee: \$275 Initial Inspection Deposit: \$750 (may be increased if operation complex or distant) Balance of Inspection Fee including assessment and tests (if required) <p>SECOND INSPECTION:</p> <ul style="list-style-type: none"> Inspection at cost 	<p>LOCAL PRODUCER IN GROUP* Turnover below \$20K: \$330 Turnover below \$40K: \$385 * plus \$55 supplement per group member when NASAA has to bring in a non-local inspector Annual reinspection covered by Annual Fee</p> <p>LOCAL PRODUCER NOT IN GROUP:</p> <ul style="list-style-type: none"> turnover below \$20K: : \$495 turnover between \$20-40K: \$550 <p>Annual reinspection covered by Annual Fee</p> <p>STANDARD PRODUCER: \$627 Annual Fee plus 1% Levy on gross organic sales under NASAA/USNOP/JAS certification above threshold of \$40,000. (Levy capped at \$7,000 + GST) Annual reinspection covered by Annual Fee Additional fees for fast tracking, new acreage, new products and testing</p> <hr/> <p>PRODUCER (RANGELAND) AND (LANDLESS) Annual Fee plus 0.5% Levy on gross organic sales under NASAA/USNOP/JAS certification above threshold of \$40,000. (Levy capped at \$7,000 + GST) plus Annual Inspection Costs</p>

NASAA FEE SCHEDULE

ALL FEES ARE INCLUSIVE OF GOODS & SERVICES TAX (where applicable)

PO Box 768, Stirling SA 5152 ABN 85 003 260 348 T +61 8 8370 8455 F: +61 8 8370 8381 W: www.nasaa.com.au E: enquiries@nasaa.com.au

PROCESSOR, PACKER	CERTIFICATION FOR LABEL USE	<ul style="list-style-type: none"> Application Fee: \$275 Initial Inspection Deposit: \$500 (may be increased if operation complex or distant) Balance of Inspection Fee including assessment and tests (if required) 	<ul style="list-style-type: none"> \$627 Annual Fee Plus Additional Flat Licensing Fee on gross organic sales under NASAA/USNOP/JAS certification <table border="0"> <tr> <td>Up to \$80K</td> <td>Nil</td> </tr> <tr> <td>\$80-100K</td> <td>\$125 + GST</td> </tr> <tr> <td>\$101-150K</td> <td>\$250 + GST</td> </tr> <tr> <td>\$151-250K</td> <td>\$500 + GST</td> </tr> <tr> <td>\$251-350K</td> <td>\$1000 + GST</td> </tr> <tr> <td>\$351-500K</td> <td>\$1500 + GST</td> </tr> <tr> <td>\$501-750K</td> <td>\$2500 + GST</td> </tr> <tr> <td>\$751-1000K</td> <td>\$4000 + GST</td> </tr> <tr> <td>\$1000-1200K</td> <td>\$6000 + GST</td> </tr> <tr> <td>\$1201 and above</td> <td>\$7000 + GST</td> </tr> </table> Annual reinspection payable by operator 	Up to \$80K	Nil	\$80-100K	\$125 + GST	\$101-150K	\$250 + GST	\$151-250K	\$500 + GST	\$251-350K	\$1000 + GST	\$351-500K	\$1500 + GST	\$501-750K	\$2500 + GST	\$751-1000K	\$4000 + GST	\$1000-1200K	\$6000 + GST	\$1201 and above	\$7000 + GST
Up to \$80K	Nil																						
\$80-100K	\$125 + GST																						
\$101-150K	\$250 + GST																						
\$151-250K	\$500 + GST																						
\$251-350K	\$1000 + GST																						
\$351-500K	\$1500 + GST																						
\$501-750K	\$2500 + GST																						
\$751-1000K	\$4000 + GST																						
\$1000-1200K	\$6000 + GST																						
\$1201 and above	\$7000 + GST																						
INPUT MANUFACTURER (eg farm inputs composts etc)	CERTIFICATION FOR LABEL USE	<ul style="list-style-type: none"> See processor, packer above 	<ul style="list-style-type: none"> \$891 Annual Fee + \$77 Annual Product Fee per second and subsequent product Reinspection (initially on annual basis; may be increased to every 2/3 years subject to NASAA assessment) payable by operator 																				
INPUT MANUFACTURER (small seedlings) operations only)	CERTIFICATION FOR LABEL USE	<ul style="list-style-type: none"> See processor, packer above 	<ul style="list-style-type: none"> \$627 Annual Fee Annual reinspection payable by operator 																				
TRADER/MARKET OWNER	CERTIFICATION FOR LABEL USE	<ul style="list-style-type: none"> TRADER: Application and Inspection Fee for One site: \$495, Additional Shop Sites \$250 (within 10km); MARKET OWNER: Application and Inspection of Head Office: \$605, Market Sites: inspection 	<ul style="list-style-type: none"> TRADER: \$495 Annual Fee Additional Shop Sites within 10km: \$250 Annual reinspection covered by Annual Fee MARKET OWNER: \$605 Annual Fee Annual reinspection of Head Office covered by Annual Fee Annual reinspection of Market Sites payable by operator 																				
LOCAL TRADER/HANDLER DEFINITION: "LOCAL TRADER/PROCESSOR/HANDLER" Organic Sales Turnover less than \$80K pa	CERTIFICATION FOR LABEL USE	<ul style="list-style-type: none"> Application and Inspection Fee: \$385 May be included as part of a Local Group where Local Group fees would then apply 	<ul style="list-style-type: none"> LOCAL TRADER/HANDLER: \$385 Annual Fee Annual reinspection covered by Annual Fee 																				
WHOLESALE, EXPORTER, IMPORTER, CONTRACT PACKER, TRANSPORTER	CERTIFICATION	<ul style="list-style-type: none"> See processor, packer above 	<ul style="list-style-type: none"> \$627 Annual Fee Annual reinspection payable by operator 																				
INTERNATIONAL	CERTIFICATION FOR LABEL USE	<ul style="list-style-type: none"> Application Fee: AUD\$250* Inspection Deposit payable in full prior to inspection (comprising all travel overheads plus AUD\$850* per day for estimated number of inspection days and AUD\$450* per day for estimated number of travel and report-writing days.) Post-Inspection Fee payable with NASAA Contract (fees for any tests required and NASAA review fee based on AUD\$120/hour and adjustments, if any, for travel, inspection or report-writing costs) * Reduced inspection day rate of \$550 applies if inspector is resident in the country of the operator. 	<ul style="list-style-type: none"> AUD \$570* Annual Fee+AUD\$50* (where operator has multiple sublicense contracts); Annual reinspection payable by operator No additional levy payable 																				
SUBLICENSE	SUBLICENSEE CONTRACT	<ul style="list-style-type: none"> Initial Inspection 	<ul style="list-style-type: none"> Annual Fee \$55 Annual reinspection payable by operator 																				
JAS/USNOP (for NASAA Operator)	USE OF JAS/NOP LABEL (for NASAA operator)	<ul style="list-style-type: none"> Application Fee \$275 Initial Inspection 	<ul style="list-style-type: none"> \$627 Annual Fee Annual reinspection payable by operator Operators certified by NASAA with add-on JAS/NOP certification are levied under their NASAA certification – see above for applicable rates 																				

NASAA FEE SCHEDULE

ALL FEES ARE INCLUSIVE OF GOODS & SERVICES TAX (where applicable)

PO Box 768, Stirling SA 5152 ABN 85 003 260 348 T +61 8 8370 8455 F: +61 8 8370 8381 W: www.nasaa.com.au E: enquiries@nasaa.com.au

JAS/USNOP (for non-NASAA operator)	USE OF JAS/NOP LABEL (for non-NASAA operator)	<ul style="list-style-type: none"> Application Fee \$275 Initial Inspection 	<ul style="list-style-type: none"> \$1155 Annual Fee Annual reinspection payable by operator
---	---	---	--

TRANSFERS TO NASAA

PRODUCER TRANSFERS TO NASAA FROM ANOTHER AQIS CERTIFIER	PRE-CERTIFICATION/ CERTIFICATION FOR LABEL USE (minimum 12 months required in precertification)	<ul style="list-style-type: none"> Data Processing Fee: \$55 OGA operators seeking transfer to NASAA may require an inspection of their operation at cost prior to certification transfer 	Fees for producer precertification and label use as above
NON-PRODUCER TRANSFERS TO NASAA CERTIFICATION	CERTIFICATION FOR LABEL USE	<ul style="list-style-type: none"> Data Processing Fee: \$55 OGA operators seeking transfer to NASAA may require an inspection of their operation at cost prior to certification transfer 	Fees for relevant category as above

NOTES AND PAYMENT TERMS:

- Strictly 30 days unless otherwise stated on invoice;
- Application Fees, Annual Fees and Levy Payments are non refundable. Advance payments or deposits for inspections are generally refundable if application is cancelled prior to inspection.
- Annual Fee is payable in full on 1 July or quarterly at operator option (with additional \$55 admin fee)
- After first year of certification all Australia-resident operators have the option of paying their Annual Fee (and producers their Levy, if payable) on a quarterly basis in four equal instalments. The following terms apply:
 - A non-refundable Admin Fee of \$55 applies and is payable with first quarter fees;
 - Option to pay quarterly not available unless it is exercised by 31 July or paid by 28 August, which is an absolute deadline;
 - Penalty Fee (6%) if Annual or quarterly Declaration not made and paid by due date;
 - Not available to operators in first year;
 - Option to pay quarterly is not automatic and NASAA reserves the right to decline an application to pay quarterly;

4. Payment Schedule

Invoice Date	Payable by (30 days)	Date when Penalty Fee and sanctions applied (60 days)
1 July	30 July	28 August
1 October	30 October	28 November
1 January	30 January	28 February
1 April	30 April	28 May

- Licensing Levy, if payable, is charged in full on 1 January or quarterly at operator option (for producer operators who are eligible and exercise the option by the due date).
- Goods & Services Tax not applicable to overseas operations

OTHER FEES:

STANDARDS		DEFERRED CERTIFICATION		PRODUCT LISTING	
Download from Web Hard Copy	Free \$50.00	Producer All others	\$82.50 \$165	Download from Web Full list (by Mail/fax) Single Product	Free \$27.50 \$11
MEMBERSHIP (optional) For Licensees For Non-Licensees For Licensees under 26 For Non-Licensees under 26	\$55 \$99 \$27.50 \$49.50	TESTS Soil Tissue Heavy Metal (1) Heavy Metal (2) Heavy Metal (3) Heavy Metal (8)	\$88 \$110 \$44 \$66 \$77 \$121	NEW ACREAGE Same/contiguous title New title	\$110 Inspection at cost
SUBSCRIBERSHIP Annual Fee	\$44	FAST TRACK FEE Priority turnaround: usually 2-4 weeks from receipt of Handling Plan to issuance of NASAA Contract. Higher inspection costs may apply.	\$330	ASSESSMENT FEE For assessment of inspection report and/or product acceptance assessment	\$132/per hour
EXPORT CERTIFICATE Certified Operator Non-Certified Operator Additional Charge for non-supply certification certificate etc	\$50* \$80* \$40*	LISTINGS ON WEB Consultants/Advisers Listing Listing of Products compatible with Standards	\$154 \$220	PENALTY FEE LOST DOCUMENTS JAS TRAINING	6% initially, and per monthly statement thereafter \$33 \$500 + direct costs + GST (if applicable)
OVERSEAS IMPORTER LICENCE ADMIN FEE	\$275	IFOAM SEAL	\$55		

- * Goods & Services Tax not applicable to Export Certificates