



GERALDTON
FISHERMEN'S
CO-OPERATIVE

Rock Lobster Exporters

the BROLOS Catcher

April 12, 2017

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CHINA TOUR 2017

13th-22nd August



After two incredible trips last year, GFC takes to the skies again this August for our 2017 China Tour. Once again we will follow your lobster on its journey from WA all the way to our Chinese customers.

This year's trip features all the best parts of the previous two trips, along with new faces, new activities, and brand new locations! GFC's China Tours focus on exposing our members to the lobster supply chain within China while giving you a first-hand understanding of what your company is doing to create and return value to members. As we journey through China you will learn everything you have ever wanted to know about the world's largest and most lucrative seafood market.

The 2017 GFC China Tour will be our largest ever, travelling through 5 of China's megacities over 10 action-packed days. GFC's China Tours are a fantastic opportunity to forge new friendships with your fellow GFC members from up and down the WA coast. This year's trip departs Perth on Sunday 13th August and returns on Tuesday 22nd August. It is sure to be another fantastic experience, so join us as we explore your market in China!

Continued on page 4.

Market Update

The market has remained relatively unchanged since the last update, with prices remaining on their seasonal lows.

Demand over Qingming (which was on the 4th April) was, as expected, extremely low. Volumes shipped last week were similarly small as a result.

As shown in the historical charts from the last Catcher articles, we would expect demand (and therefore export volumes) to increase in the coming weeks as we get closer to the higher demand month of May. How this may translate into price is difficult to predict and will be heavily dependent on the total volume of fishermen landings.

We have included the Market Calendar again (on page 7) as a refresher of what's on the horizon for the rest of this year.



GFC Leads Efforts for Direct Trade to China



Since the most recent China import tariff reduction in January this year, GFC has sold approximately 80 tonne of Brolos live lobster through direct channels to importers, food service and even directly to restaurants.

With the tariff currently at 6% and a VAT of 13%, direct trade is still a difficult proposition, and it's likely that unfettered direct trade will only become possible once the tariff hits zero in January 2019. Meanwhile, GFC is leading efforts to normalise trade with China, to de-risk the current restricted arrangements, to diversify the trade and to tap new markets within China.

Despite the remaining high cost of direct trade, we are starting to see new opportunities as a result of reduced transit times, improved quality and survival and the ability to sell to new clients closer to the consumer. Using third-party aggregators, we have developed efficient means of delivering as little as one 8kg carton of live lobster direct to high-end restaurants. Clients are able to place an online order for any grade and any amount, with guaranteed next day delivery. GFC is currently selling small quantities on a daily basis to end-users in Beijing, Shanghai and Guangzhou. We are also starting to see some interest from importers in 2nd and 3rd tier cities away from the coast, in areas not traditionally well serviced by the current indirect trade routes. The link at the left shows your Brolos product being unpacked in a Shanghai restaurant, where it went straight into the display aquariums for sale over the weekend.

This video provides what we believe is a window into the future of your industry, a future that GFC is actively pursuing on your behalf. GFC has taken a strategic view of direct trade opportunities: Ever since the China-Australia Free Trade Agreement was signed, we've been gradually building our knowledge,

resources, infrastructure and partnerships within China, exploring all avenues in this rapidly evolving market. GFC is very well placed to take advantage of the emerging opportunities within the world's largest and most rapidly changing seafood marketplace.



[CLICK HERE TO WATCH VIDEO](#)

A Day in the Life of a Brolos Fisherman

All of our market research tells us that consumers want to know more about you, the fisherman, and the environment you work in each and every day. What could be more exotic to a Beijing office worker, gazing out their window through the endless smog, than to imagine heading out of Fremantle fishing boat harbor on a cray boat through the early morning mist towards the Rottnest lighthouse? Or waking up at the Abrolhos and stepping onto your boat in front of your shack and carefully picking your way through some of the most beautiful coral reef in the world? Feeding dolphins off Jurien, sharks off Kalbarri, or a "pet" albatross off Geraldton? When a consumer buys a Brolos lobster, they are buying much more than a meal: they're buying a slice of Australian life, and a part of a dream.

We need you, GFC members, to help us sell that dream to Chinese consumers.

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A Day in the Life of a Brolos Fisherman (cont.)



This
Could
Be
You!

Here's how you can help GFC to help you!

Send in your best photos and video footage of a day in the life of a *Brolos* fisherman. Heading out for a day's fishing into a red-soaked sky? Send it in! Go-pro footage of an octopus raiding your pots? Send it in! Your kids playing with a seal, or getting a king-fish to jump through hoops for a feed? Send it in! A cack-box overflowing with the best pot pull this season? Send it in! Doing it tough in some heavy weather? Send that in too! Sharks, dolphins, whales, sunrises, storms, fish and lobsters: your workplace is a wonderland that can help us to promote your product to China and to the world!

A lot of seafood companies talk about "Pot to Plate" value chains, but everything we have seen in China involves third-party traders just buying and selling someone else's live product. That's not what consumers want. As a co-operative, only GFC has the ability to truly deliver on the Pot to Plate promise,

creating a genuine connection between the consumer and the fisherman, a connection that the consumer values. While GFC has professionally shot photos and video archives, there's something special about real pictures and footage collected by our members that will help create that critical connection with GFC's customers, your customers, as we move into direct e-commerce trade over the coming months and years.

Each fortnight, we'll feature the best photo or video in the Brolos Catcher. More importantly, all material will be pushed out through our social media channels across China: (yep, you'll be famous). Your reward will be the knowledge that you are helping your company to develop new and exciting market opportunities. And, we'll throw in a couple of Christmas hampers for the best photo and best video of the season, as judged by the number of views in China (i.e. you'll be super-famous!).

So please raid your archives and get your smart-phones out: let's showcase our amazing fishery and our amazing Co-operative to consumers across China!

How to Send Your Photos & Videos

The easiest way to send us your photos and videos is by email or MMS.

You can send them to Matt Harrison at matthewh@brolos.com.au or 0439 104 766. Please only send one photo or video per email or MMS, with a maximum file size of 5mb.

If you have any problems please give Matt a call on (08) 9435 8935.

By providing Geraldton Fishermen's Co-operative with photographs and videos taken by you, you give permission for that material to be used in any publication or electronic media (e.g. video, Internet, Web site) or other form of promotion in perpetuity without remuneration or further consent.

China Tour 2017 Itinerary

Day 1 & 2 - Guangzhou: After our daylong journey from Perth we will arrive in GFC's Chinese home, Guangzhou. We will settle into our five-star-hotel and get to know our fellow travellers while we enjoy our very first taste of authentic Cantonese cuisine.

After a good night's rest it's time to head out and explore the city. We will visit the astonishing Huangsha Wet (Seafood) market, a dry market, then we will head into central Guangzhou to visit GFC's China Office. In the evening we will meet with representatives from Australia's Department of Foreign Affairs and Trade, and Austrade, for a semi-formal dinner.

Day 3 - Shenzhen: Today we jump on the bus and head south to the harbour town of Yantian to enjoy an astonishing seafood lunch. We will then visit with SF Express, GFC's transport and logistics partner in China, and stay overnight in Shenzhen.



Day 4 - Quanzhou: An exciting day as we board a 350km/hr bullet train and travel to the seaside city of Quanzhou. There we will meet with one of GFC's largest customers and see your lobster unpacked after its long journey from WA.

Day 5, 6 & 7 - Shanghai: We board a brief flight directly to one of the world's largest and most dynamic cities, Shanghai. From the Airport we will head directly into Pudong, Shanghai's new city, to visit a hypermarket and see some of the world's finest quality seafood sold to the Chinese consumer in an ultra-high-tech retail environment. We then head to the world famous Bund,



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check into our hotel and meet with one of GFC's marketing and brand partners for dinner.

The next morning will see us visiting GFC's Shanghai distribution hub and we have a full day of interaction planned with your Co-op's B2C customers. This may prove to be one of the most fun days of the tour!

Day 6 brings another tour highlight as we spend the day exploring the Shanghai International Fisheries and Seafood Exhibition, one of the world's largest seafood expos! We will also visit Shanghai's brand new seafood wet market.

Day 8, 9 & 10 - Beijing: Once again we are on the move as we head to China's capital city, Beijing. After travelling past the Forbidden City and Tiananmen Square we will check into our hotel and prepare for an evening function with Australian Government representatives.

We will rise, bright and early, for our final full day in China.

Today we see the sights! We'll head out of the city and trek along the Great Wall of

China, one of the modern wonders of the world. We will then gather for an informal farewell dinner to celebrate a successful trip!

On Day 10 we will board our morning flight and make our way back to WA.



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Key Information

When are we going? Depart Perth Sunday 13th August. Return Tuesday 22nd August.

Where are we going? Guangzhou, Shenzhen, Quanzhou, Shanghai, Beijing

What will it cost? Twin Share (Economy Class) - \$5,600p.p.
Single Traveller (Economy Class) - \$6,500p.p.
Twin Share (Business Class) - \$9,600p.p.
Single Traveller (Business Class) - \$10,500p.p.

What is included? All international and domestic flights, accommodation in 5-star hotels, all meals, tour guides, bullet train fare, local transport, interpreters, China visa, travel insurance, and all attraction entry fees.

RSVP Friday 28 April 2017

Can I extend my trip? Absolutely! The GFC team will help you to make any additional travel arrangements you'd like.

Places on the trip are strictly limited. Get in quickly to reserve your place. To register your interest in the tour please [click here](#). For any questions or queries please call Matt Harrison on (08) 9435 8935 or email matthewh@brolos.com.au

We look forward to having you join us on another amazing GFC China Tour!



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Market Calendar 2017

DATE	EVENT / FESTIVAL	EXPECTED IMPACT
Jan 28, 2017 (Holiday: Jan 27-Feb 2)	Chinese New Year China & Taiwan 2016 Year of the Monkey	Two-weeks either side of the CNY sees a dramatic increase in demand for lobster in these markets. Demand is such that all lobster grades are popular at this time. Although Taiwan also celebrates CNY, demand and prices from China dominate.
Apr 14-17, 2017	Easter Holiday Australia & Japan	A peak period of sales leading up to the Easter holiday for domestic retailers and Japan, although demand generally not as strong as that experienced during Christmas. These markets are now just a few % of annual sales, so the overall effect is minor.
April 4, 2017 (Holiday: Apr 2-4)	Qing Ming: Tomb Sweeping Festival China & Taiwan	People return to their hometowns to pay respect to their deceased relatives. High value seafood is not on the menu, and demand generally suffers for at least a week either side of this festival.
April 29-May 7, 2017	Golden Week Japan	A week of public holidays and special days in Japan. Aside from Christmas period this is the next major celebration in Japan. Live lobster demand increases in the lead up. A-size is preferred, but some D, E & F sizes are used as table centrepieces.
May 1, 2017 (Holiday: Apr 29- May 1)	May Day AKA Workers' Day China & Taiwan	One to two weeks leading up to this festival, the demand increases in the Chinese market experience higher demand for product. This upswing can be short lived, although the market generally returns to levels above the early April low.
May 14, 2017	Mothers' Day China, Taiwan, Japan & USA	A small upturn in demand usually occurs a week out from Mothers' Day. A noticeable increase in tail consumption is expected in the USA.
May 30, 2017 (Holiday: May 28 -30)	Dragon Boat Festival China, Taiwan	Lots of dragon boat racing and eating traditional Chinese rice dumplings. This festival has had a negligible effect on demand, although recent research conducted by GFC shows that eating lobsters definitely improves the strength and stamina of paddlers.
Aug 22-Sep 19, 2017	Ghost Month, inc. Festival of the Hungry Ghost China & Taiwan Ghost Day: Sep 5	An inauspicious period, as the name suggests! The Hungry Ghost festival or Yu Lan, is held on the 15th night of the 7th lunar month. The 15th day is called "Ghost Day". The Gates of Hell are opened and the lost and hungry ghosts of hell are free to roam the living world. The Chinese have some taboos during the Chinese Ghost Month, including no weddings, and so this period is typified by weak demand. Small grades (used for wedding banquets) are expected to be the least popular. Prices will depend on fishing pressure.
Sep 23, 2017	Autumn Equinox Day Japan	Graves are visited to honour one's ancestors and remember the dead during the week (Ohigan) of the Equinox Day. Chinese demand has overshadowed any noticeable effect in recent years.
Oct 4, 2017	Mid-Autumn Festival China Note: Mid-Autumn Festival falls within Golden Week in 2017	The Mid-Autumn Festival is held on the 15th day of the eighth month in the Chinese calendar, which is in September or early October in the Gregorian calendar. It is a date that parallels the autumnal equinox of the solar calendar. Record high prices have been achieved during this period in recent years, but this period appears extremely sensitive to supply from WA and other species.
Oct 1-8, 2017	Golden Week inc. National Day China	One of China's major holiday periods. Most people enjoy a 7 day vacation with recent practice including many factories closing for 2 weeks. Many Chinese travel and consumption levels of seafood increase. Demand for larger grades has been strong in the lead up, but smaller grades can be undercut by the abundance of Mexican lobster during this period. Demand usually decreases sharply following Golden Week.
Dec 25 2017 - Jan 1 2018	Christmas & Western New Year Australia, China, Japan, Western Europe	Australian local demand for live and frozen lobster products builds from early December. Large retailers complete purchases by mid-month. Demand from Western Europe for chilled A through D grades has not kept up with China, and has all but stopped now. Japanese interest in A grade, in particular Red-A, is relatively strong.



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Marine Store

More member specials in-store!

Whatever happened to the shower bucket??

Traditionally used in fishermen's camps up and down the coast and especially at the Abrolhos Islands, the shower bucket is alive and well!! Still made by Co-op storemen and available at your store NOW!



GFC Members receive 10% off this and all Marine Store purchases, and we can ship to you nearest depot. Check them out in store or email us for pricing marinestoresales@brolos.com.au

Greg Gundlach Marine Store Manager

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