



GERALDTON
FISHERMEN'S
CO-OPERATIVE

Rock Lobster Exporters

the BROLOS Catcher

January 23, 2018

Issue No. 154

From the Chair



In a recent edition of the Brolos Catcher, GFC announced a guaranteed minimum Loyalty Bonus payment of \$5/kg for catch supplied from 1st October through to the end of the season 14th January 2018. Having now finalised our analysis of this period, I'm pleased to advise that the Loyalty Bonus has now increased to the total of \$5.50/kg, this payment along with the previously announced \$7/kg Loyalty Bonus for kilos delivered for the period July 1st to September 30th will be paid after the pay cycle of the 28th February. This is inclusive of \$0.50/kg bonus shares, unless you have the full complement of 40,000 shares, in which case you will receive the entire payment as cash. The higher than expected bonus arises mostly from improvements related to our new Welshpool facility, and we continue to experience improved product quality, excellent export survival, and lower costs as a result of our investments throughout the supply chain.

On behalf of the board, I would like to officially welcome Allyn Wasley who will replace the retiring independent director David Moroney on the Board effective from 26th of January. I would like to take the opportunity to thank David Moroney for his significant contribution over a number of years and we wish him the best for his future endeavours.

Allyn has extensive experience working in a producer owned co-operative, having been a senior executive with Co-operative Bulk Handling Limited (CBH) for 15 years. During this time he held the position of General Manager Strategy and Business Development and prior to that he was the Chief Financial Officer. In his last roll at CBH, he was directly involved in the key strategies to re-align the business to being grain grower focused and the acquisition of a range of strategic grain processing assets.

While at CBH, Allyn was a director on a range of joint venture subsidiary companies over the past 10 years, which were based in Australia and South-East Asia. Most recently Allyn has been focused on providing strategic guidance and coaching to business owners, and supporting the development of the technology company, Bombora Wave Power, as its Chief Financial Officer.

We have already commenced the induction and orientation process and the board is looking forward to gaining value and insight into Allyn's extensive cooperative skills and corporate experience.

Basil Lenzo, Chairman

GFC Website has arrived – www.brolos.com.au

GFC is pleased to announce that our new website is live. The website has had full facelift with all new visual content and slick new design. Jump online now to check out some of the great features which include the brilliant “day in the life of a brolos fishermen” video and the new and improved interactive Beach Price page. The website is also available on mobile devices with all things brolos waiting at your finger tips.

Click the images below to take you to the home page:



Keep an eye out for
regular updates
and feature pages!

brolos.com.au

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Market Update

We're now a week into the new season and, as reported in the last update, we are less than a month away from Chinese New Year which falls on the 16th of February. Fishermen landings in the first week of the season were solid and consistent except for the few bad weather days in the first few days of the season.

Demand has been gradually growing however the growth in supply from WA has been greater than the growth in demand ahead of Chinese New Year, which has kept prices in check. Our expectation is that consumption will continue to grow as we get closer to Chinese New Year, however we are hearing that there are large stocks "in the pipeline" in China, meaning that buyers have been buying and storing product in anticipation of this increased demand. This is a trend that we have seen more and more in recent years as Chinese buyers continue to build larger storage capacity. The result is increased supply pressure when demand is good.



Recent border restrictions have once again caused delays and extended export times. However despite these challenges, we continue to experience record high quality and survival into China. In addition, our efforts in developing direct sales channels have provided alternative options for customers and we have seen an increase in sales direct to several cities.

The strengthening Australian dollar is currently 8% higher than the same time last year, making it harder for exporters generally.

However the good news is that we are now into the 12th lunar month which is always a higher consumption period with more lucky days than the previous odd numbered 11th lunar month. The other good news is that import tariff for our lobsters dropped to just 3% on the first of January as the next round of tariff reductions under the China Australia Free Trade Agreement. This time next year the tariff will be eliminated altogether. As mentioned earlier GFC has been selling more and more direct into China as a result of both the drop in tariffs and GFC's work over the last few years to build a sustainable supply chain in China.

As always we will continue to work hard on all fronts to capture the short, medium and long term value for our members ensuring profits remain in our fishermen's pockets rather than that of foreign investment or margin taking industry participants.

2018/19 Pre-Season Meeting Wrap-up

During the first 2 weeks of January GFC hit the road and conducted its annual round of Pre-Season meetings. The six meetings were held in Jurien, Fremantle, Lancelin, Geraldton, Kalbarri and Dongara and attended by 275 of our fishermen, investors, their partners and families.

The meetings were a fantastic opportunity to keep GFC members informed with up-to-date information about the fishery, our markets and what GFC is doing to return value to its members in the short, medium and long term. Thanks to everybody who took the time to attend the meetings.

If you were unable to attend we encourage you to get along to one of GFC's fishermen BBQ's which kick off next month, keep an eye out for dates and locations in the next Brolos Catcher.



Eddy Fernandes and John Faria give GFC the thumbs up at the Fremantle Meeting



GFC's R&D manager Joel Durell talks all things basket lids with Kalbarri fisherman Glen Brown



GM Operation, Glen Davidson address the crowd in Jurien



GERALDTON
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Marine Store

More member specials in-store!

BLUE OIL ABSORBING PADS



These pads are excellent for cleaning up oil spills. Many fishermen and boat owners have them floating in the bilge as they only absorb oil and not water.

**GFC Marine Store
has plenty in stock
NOW!!**

HAVE YOU GOT YOUR HIPPO'S??



The Hippo Moisture Absorber is a fantastic absorber. It sucks the moisture from the air and is great for absorbing moisture from around your very expensive electronics.

You can see the moisture collect in the container over time.

While your boat is in the water, or on the hardstand, the Hippo continues to offer protection from moist salty air.

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