

## Consistent quality sets the price and better profits

Offering consistent quality for more months of the year enables growers to set their price and improve profit, as shown in a recent Seafood CRC study on the oyster supply chain.

Seafood CRC project 2008 / 777: Australian Oyster Industry Supply Chain Analysis.

This study aimed at estimating volumes of oysters moving through the supply chain to different markets and providing financial margin information at transaction points. This analysis was done for the first time in many years and was undertaken so that growers could be aware of the margin taken along varying supply chain paths.

General observations of the oyster supply chain in 2009 include:

- **Growers:** A large number of mostly small businesses act independently of one another in marketing (and production).  
There is little scope for oyster grower or grower collectives to supply product directly to chain retailers as they can not compete with the total seafood offer that selected wholesalers (often referred to as category or approved suppliers) can offer.  
Growers are best to form collaborative groups to supply the mid chain.
- **Mid chain** (wholesalers/specialist oyster wholesalers/shucking/distribution):  
Highly competitive sector, involving a large number of small turnover businesses. The mid chain in turn supplies a very broad range and large number of end user segments in a complex supply chain.  
'Specialist oyster shucking' businesses will have difficulty competing with large businesses where oysters are a component of a total seafood offer to end users.
- **End user** (chains, restaurants, etc): Highly competitive and prefer to buy from selected seafood wholesalers who sell a 'total seafood offer'.
- **Oysters:** Regarded by the mid-chain and some end users as an essential but comparatively unprofitable product which is often used as a loss leader.

Current and forecast supply chain volumes and typical margins at points in the supply chains are included in the full final report, which can be downloaded from the Members section of the Seafood CRC website ([www.seafoodcrc.com](http://www.seafoodcrc.com)) for members; alternatively non-members can purchase it from the Seafood CRC bookshop.

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