

# **Collaborative Processing Facility - Visit to Brussels Seafood Fair and collaborative clusters**

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AUSTRALIAN  
SEAFOOD  
COOPERATIVE  
RESEARCH CENTRE

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<b>PROJECT NO: Brussels Seafood Fair and Collaboration Study</b>
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### **OBJECTIVES OF RESEARCH TRAVEL GRANT**

The objectives of this grant were to:

1. Enhance the knowledge of collaborative clusters by undertaking selected study tours of exemplar locations and industries in order to enhance the outcomes of the Collaborative Processing Project in Australia.
2. Get a greater understanding of current seafood industry trends in processing, packaging, marketing and distribution through visiting the Brussels Seafood Fair.

### **NON TECHNICAL SUMMARY:**

The Collaborate Seafood Processing Facility project (Collaborative Project) being undertaken by the Seafood CRC and Cleanseas was investigating the feasibility of building a best-of-breed collaborative processing cluster in Australia in order to deliver a seafood basket to customers from a single, efficient and productive facility. As part of the Collaborative Project, various case studies were undertaken by WHK to demonstrate to participants the possible outcomes and benefits of developing a collaborative cluster. These case studies included the seafood cluster in Grimsby in the UK and the tulip industry in the Netherlands.

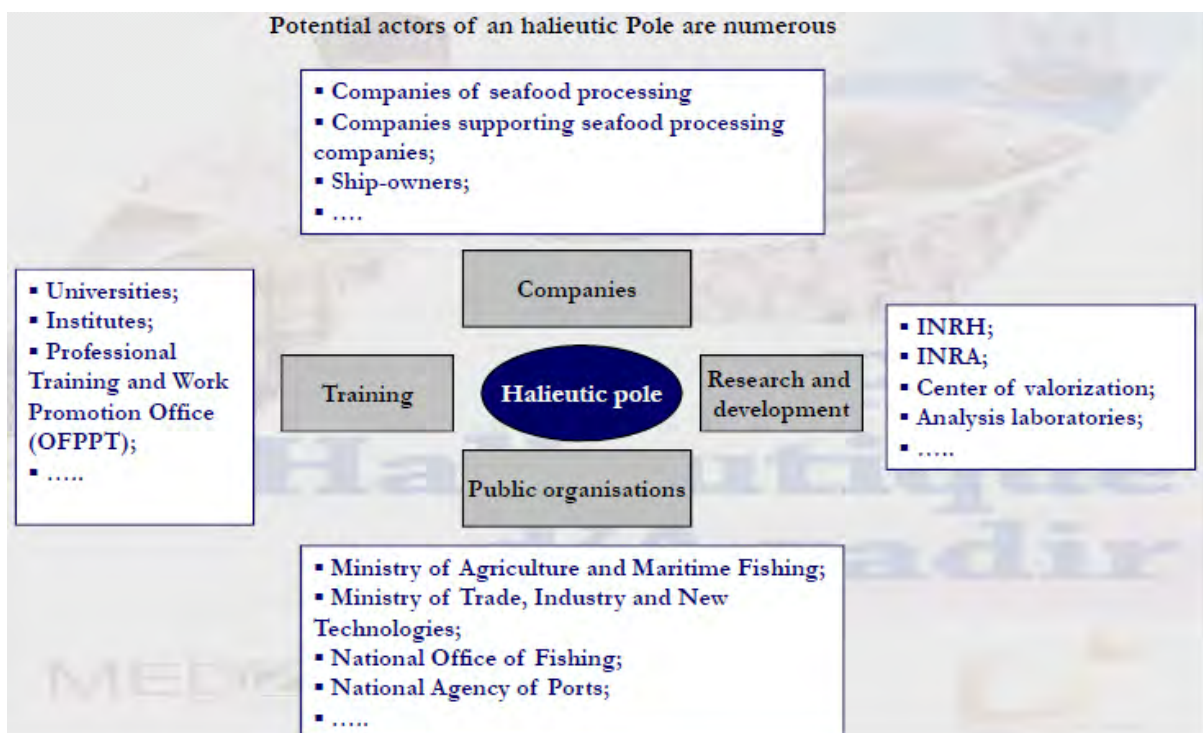
The visit was to begin with Master Classes presented by the Grimsby Institute in Grimsby, as well as industry tours of different locations around Grimsby to gain further understanding of how the effective development of the seafood collaborative cluster developed around Grimsby. Unfortunately, due to the volcanic eruption in Iceland grounding aircraft, this leg of the study was not able to be undertaken.

Fortunately, at the Brussels Seafood Fair there were representatives of the Grimsby Cluster had their own stand. Andrew Farquhar undertook a video interview with a representative of the cluster, who held a position on the local government council and was responsible for supporting the development of the cluster through ensuring any roadblocks from government were addressed, through Grimsby regional promotion nationally and internationally, and assisting industry in any way which was within their resources to grow within the region. Key learning from the approach taken in Grimsby were:

- **Industry Led.** The collaborative cluster was initially set up because of decline within the seafood industry in the region with the flow on financial and social effects being felt in the region. Whilst government and educational institutions assisted in the development of the cluster, it was led primarily by the private sector who had a major driver for change, being reduced returns.
- **Common Vision.** There was a shared vision within most areas of the community in Grimsby as to the future on the establishment of the collaborative cluster. This has extended now to a shared view as to the importance of the collaborative cluster for the overall strength of the seafood industry in Grimsby.
- **Driver for Change and Innovation.** The major decline in the industry in the region some years ago as a result of changing consumer preferences was a major catalyst for change.

At the Brussels Seafood Fair, we saw many new and innovative products which demonstrated the potential for value added processing within Australia. In addition, conversations with various processors and marketers also underlined the potential for value adding within the industry from a collaborative cluster in Australia.

At the Moroccan area of the Brussels Seafood Fair was a display promoting a new industry park being developed at Parc Haliopolis in Agadir, Morocco. This government sponsored project aims at processing 512,587 tonnes of seafood, which is over three times the total industry volume in Australia. The park is designed to have 44 hectares of processing space, 29 hectares of logistics, 26 hectares of supporting infrastructure, and 15 hectares of services and employing 20,250 people. The park is located with easy access to the port, airport and arterial highways. The intent of this project is to grow the productive capacity in Morocco through creating a Halieutic Pole for various actors in the seafood industry to drive best-of-breed production, distribution and marketing.



Whilst using different terminology, this is creating a collaborative cluster by in relationships, support and infrastructure from the ground up. Government support included tax incentives, assistance in training, assistance to companies relocating and access to the seafood resource. Whilst the park was not fully occupied, work was underway on the infrastructure and companies have also begun to relocate (according to the professor who was on the stand).

The scale of this project is immense when compared to processing projects underway in Australia. The population nearby in Europe and Africa can support such large projects. This demonstrated the competition in the marketplace globally for low cost of processing seafood facilities who will increasingly impact the Australian producers and processors if there is not a change in processing efficiency and market innovation in Australia.

Andrew also visited the tulip farming, processing and marketing collaborative cluster in the Netherlands. Key learnings from this visit were:

- **Marketing and Marketplace.** The Netherlands has the largest marketplace for flowers in the world. The markets are impressive in their set up, with standardised logistics throughout the markets including trolleys, rail tracks for moving flowers and standardised packaging so that set volumes flow through the system. The markets operate on a 'Dutch Auction', with the price going down until it is accepted by the first buyer. This is a very efficient manner of auction, and allows large volumes to be bought and sold quickly.
- **Logistics.** The main markets are very close to Skopje Airport, allowing flowers to be flown in and out easily. Many of the markets for flowers are a long way from the Netherlands, however the productivity of the processes that are used means that flowers are price competitive in distant markets. (One of the highest demand periods for the industry in the Netherlands is in Easter period in the USA, which is traditionally 'wedding season'). Standardised logistics can be seen even in the fields, where standard sized crates are used for storage and moving of bulbs.
- **Innovation.** Many farmers had small plots where they were experimenting with new breeds. It was unclear if this was supported by educational institutes, large corporates or the farmers themselves.
- **Management.** The markets are run by large farmer co-operatives, so there is ownership of the supply chain by the producers. Specialist expertise is used in the running of the flower processing and the management of the market places.

The last visit was to Boulogne-sur-Mer in France on the English Channel. This seafood collaborative cluster processes 360,000 tonnes of seafood every year, twice the production of Australia of all seafood.

Boulogne-sur-Mer is a town of approximately 40,000 people which has developed excellence in the seafood industry. We were hosted by the town Chamber of Commerce, with support of the regional government. Located in the port area was

the hub of the cluster. Only 30,000 tonnes of the fish processed was landed at Boulogne-sur-Mer from trawlers, with the remainder transported in by sea, road and air from other parts of Europe and the world.

Logistics companies, technical education, research establishments, a market and processors were all co-located in the collaborative cluster. Key learning included:

- **Government support.** France has a chain of 76 official Collaborative Clusters in industries as diverse as seafood and aircraft manufacture. The level of government support for these clusters is high, with support dollars flowing from central, regional and local governments in support of the clusters. As Boulogne-sur-Mer is also in the regions, it attracts EU funding as well as the funding from other sources. This funding goes into subsidising services, relocation and operations, as well as research and development and skills programmes.
- **Collaboration.** It was impressive to see the level of collaboration between businesses. One contract processor we visited had daily interaction whilst walking around which led to further business for his facility, whilst improving his quality from direct feedback from customers and logisticians. The proximity of all the operators and services made this interaction easy and effective.

## OUTCOMES ACHIEVED TO DATE

### OUTPUTS DEVELOPED AS RESULT OF TRAVEL GRANT:

The primary benefit from this grant was to improve knowledge of collaborative clusters in general, and specifically in the seafood sector, to assist in the development of a collaborative facility in Australia.

### BACKGROUND AND NEED

The need was to improve the knowledge of collaborative clusters by undertaking selected study tours of exemplar locations and industries in order to enhance the outcomes of the Collaborative Processing Project in Australia.

In addition, there was a need to ensure the latest ideas were included as the project developed, a greater understanding of current seafood industry trends in processing, packaging, marketing and distribution through visiting the Brussels Seafood Fair.

### RESULTS

### EXTENSION ACTIVITIES

Ideas from the visit have been considered as part of the development of the Collaborative Seafood Processing Facility project. In addition, WHK have been working with others in the seafood industry, including the Mures family in Tasmania, and the knowledge gained on this study trip has been transferred where appropriate to assist these businesses to develop.

### **PROJECT OUTCOMES (THAT INITIATED CHANGE IN INDUSTRY)**

There have been no major project outcomes that initiated change in industry as a result of this project.

### **SUMMARY OF CHANGE IN INDUSTRY (WHAT IMMEDIATE CHANGES ARE EXPECTED FOR THE BUSINESS)?**

Nil

### **WHAT FUTURE AND ONGOING CHANGES ARE EXPECTED?**

Over time, the knowledge gained can be transferred to other industry operators and development of collaborative clusters can be encouraged.

### **HOW WILL YOU COMMUNICATE AND SHARE WHAT YOU LEARNT WITH OTHER CRC MEMBERS?**

We have proposed a seminar series with Enterprise Connect. In addition, we will write an article for the Tasmanian Seafood news.

### **FURTHER ACTION REQUIRED IN REGARDS TO COMMERCIALISATION? (IP PROTECTION, LICENSING, SALES, REVENUE ETC)**

Nil

### **LESSONS LEARNED AND RECOMMENDED IMPROVEMENTS?**

See above.

### **ACKNOWLEDGEMENTS**

Bob Fleming was instrumental in getting this visit to happen and in espousing the value of the visit.

Roy Palmer organised the visit to Boulogne-sur-Mer, which was a very informative component of the visit. This should be included in any future visits the Seafood CRC organise to Brussels Seafood Fair.

### **APPENDIX (IF APPLICABLE)**