



# INDIGENOUS BRANDING IN THE FISHING AND SEAFOOD INDUSTRY

## - Economic Creation and Capture

FRDC PROJECT 2020/121

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## Glossary and Abbreviations

ACNC	Australian Charities and Not-for-profits Commission
AICD	Australian Institute of Company Directors
ASSN	Incorporated Association
B2B	Business-to-business (B2B) is a form of commercial transaction between a business (enterprise) such as a fisher, and a seafood wholesaler or retailer. Business-to-business refers to transactions conducted between businesses on the same supply chain, rather than between a business and individual consumer (i.e., the end customer).
B2C	Business-to-consumer (B2C) is a form of commercial transaction between a business (enterprise) such as a fisher, and a seafood consumer (i.e., the end customer in the supply chain).
BRCGS	A global supply chain assurance system
CAEPR	Centre for Aboriginal Economic Policy Research, at Australian National University
Credence	Attributes of products that are unobservable through search or experience. Some consumers are willing to pay a premium for their provision, for example, organic certification, Indigenous harvest.
FTE	Full time equivalent employee
FMCG	Fast moving consumer goods
GDP	Gross Domestic Product
GI	A Geographic Indicator is a name that identifies a product as originating in a country, region, or locality where a particular quality, reputation or other characteristic of the product is essentially attributable to that geographic origin.
Governance	Determines who has power, who makes decisions, how other players make their voice heard and how account is rendered. (Institute for Governance, United Nations).
HACCP	Hazard Analysis Critical Control Point certification
HGT	Headed, gutted, tail off seafood product
ICIP	Indigenous Cultural and Intellectual Property
ILSC	Indigenous Land and Sea Corporation. The ILSC, under Federal Government legislation and funding, assists Indigenous people with the acquisition and management of land, salt water and fresh water so they can achieve economic, environmental, social, and cultural benefits.
ILUA	Indigenous Land Use Agreement
IMF	International Monetary Fund, GDP current prices, IMF World Economic Outlook (WEO) April 2023
Indigenous	In the Australian context Indigenous refers to a person who is an Aboriginal and/or Torres Strait Islander person (per Indigenous Business Australia). In this review the word also refers to first nations people in other countries.
Iwi	A Māori community of people, or a tribal nation
JV	Joint Venture
MSC	Marine Stewardship Council, a global fishery and seafood supply chain certification organisation

NAIDOC	National Aborigines and Islanders Day Observance Committee
NFP	Not-for-profit enterprise
NGO	Non-government organisation
OK	USA state of Oklahoma
ONHIR	Office of Navajo and Hopi Indian Relocation, an agency of the US Government
ORIC	Office of the Registrar of Indigenous Corporations in Australia
PNW	Pacific Northwest of the USA, including SW Canada based around Puget Sound
QMP	Quality Management Program certification system
RIRDC	Rural Industries R&D Corporation, now called Agri Futures
ROI	Return on investment
RTE	Ready to eat food products, typically presented as retorted foods in a pouch, can or tray
SBT	Southern Bluefin Tuna
TACC	Total Allowable Commercial Catch
TGA	Therapeutic Goods Administration
USDA	Department of Agriculture of the United States of America
WIPO	World Intellectual Property Organisation

## EXECUTIVE SUMMARY

This project was commissioned by the Indigenous Reference Group (IRG), an advisory committee to the Fisheries Research and Development Corporation (FRDC). The report provides professional advice to the IRG regarding the potential for economic impacts from branding by Australian and international Indigenous seafood enterprises in commercial markets.

This executive summary comprises three parts:

1. Research framework and limitations,
2. Issues and drivers for Indigenous seafood branding,
3. Conclusions from case studies and review.

### 1. Research Framework and Limitations

The research was commissioned in mid-2021, during the Covid-19 pandemic, an intervention that delayed and reduced confidential enterprise discussions as target company executives always had other pressures and priorities.

The project objectives are to

1. Identify and engage Indigenous enterprises that manage seafood brands,
2. Draw conclusions about economic impacts of Indigenous food/seafood brands,
3. Document and report the economic impacts on and potential for Australian Indigenous food/seafood brands,
4. Document which stages of the supply chain accrue the economic benefit from food/seafood branding.

An initial global desktop scan revealed great diversity of Indigenous food/seafood brands, entities, and brand motivations. A closer focus on active food/seafood brands in Australia, New Zealand, Canada, and the USA created a list of enterprises for detailed analysis, including confidential discussions, where possible.

The number of scanned enterprises (including single and multi-enterprise corporate groups) with Indigenous heritage and or brands assessed in detail is as follows:

	Enterprises or Groups Scanned	Brands Scanned	Enterprises Assessed in Detail
<b>Australia</b>	28	30	<b>13</b>
Seafood	6	6	5
Other foods	22	24	8
<b>New Zealand</b>	14	20	<b>7</b>
<b>North America</b>	13	19	<b>4</b>
<b>Total</b>	<b>55</b>	<b>69</b>	<b>24</b>

The initial scan revealed hundreds of enterprises locally and overseas that are of interest to the project team. The target cases and methodology chosen for detailed analysis were assessed and prioritised across five main criteria:

- The technical meaning of words (e.g., for-profit, for purpose, brand value) and relevant Indigenous fair-trade protocols,
- The huge diversity and number of relevant Indigenous food/seafood brand cases and consequent potential learnings for the IRG,
- The level of Indigenous operations and ownership of the commercial enterprise and food/seafood brand,
- The maturity of the brand and the related scope to reveal trends in the research regarding the evolution of Indigenous brands,
- The depth of data available for each case from primary and secondary sources, to optimise the learnings that IRG seeks.

The bulk of case material is drawn from accessible jurisdictions - it is much more difficult to identify and access microeconomic (i.e., enterprise specific) enterprise level data in English related to Indigenous food and seafood brands in Japan and Sweden, than it is in North America and New Zealand.

From the initial desk research, the project team found Indigenous food branding to be diverse and complex, compounded by international complexity and experience. There is no quick answer to each question in the Terms of Reference, and so the report pathway must reflect on pertinent technical matters that impact the flow of economic benefits from Indigenous brands. The following headings summarise these matters before presenting overall conclusions.

## 2. Issues and Drivers for Indigenous Seafood Branding

### *Do Indigenous communities create brands to make money?*

Yes and no, is the conclusion from this review. This key initial question arose repeatedly as the research progressed across multiple local and overseas enterprises.

In general, brands are created to boost sales and economic value; a brand can be a very attractive asset for an enterprise to hold and operate both For-Profit, or For-Purpose (i.e. not-for-profit). But some Indigenous enterprises do not aspire to accrue economic gain from their product or service brand. And if they do, economic gain may not be pursued until many years after brand creation and launch. In several larger food businesses, the managers have chosen not to include their obvious indigeneity and cultural heritage in their brand identity and values.

The research reveals that Indigenous brands are often launched and used in a suite of community and governance assets that an enterprise may initially deploy, for example, as a banner to attract and engage community members, proponents, investors, and agencies. Note that this brand may also arise as Indigenous communities transition from customary fishery production on country, to commercial fishing activity, subject to local legislative changes.

Detailed assessment of the 24 case enterprises reveals that Indigenous food branding builds **economic value**, internally for the community (e.g., as local employment), as well as externally from products and services sold for profit in commercial markets. Some branded New Zealand seafood lines enjoy sales prices 10-20% above unbranded comparable lines, but such premiums are very market specific, and due to a range of brand package values including sustainability, food safety, convenience, precision harvesting, Indigenous heritage, etc. Therefore, it is not possible to accurately quantify nor attribute the price gain arising directly from Indigenous branding.

Most cases also confirm that **non-economic value** (i.e., social, and cultural) flows are increased and consolidated due to brand ownership, for both internal community members and external stakeholders (e.g., supply chain partners, customers, and consumers). The Indigenous culture expressed by community in its economic brand is therefore a long-term investment which may subsequently be used to leverage the scale and scope of related economic returns.

This study has focussed on economic benefits from Indigenous branding. Over the longer term, a well-run Indigenous business will create direct economic return as profit, regardless of Indigenous branding. It is also clear that indirect use of Indigenous cultural branding may boost these economic returns in markets where the consumer values and trusts that Indigenous branding.

The research identified many nonIndigenous enterprises that appear to blackwash their food products and services. This is most common when the brand is tied to a product or service offered to high turnover consumer or online mass markets. The bulk of these enterprises are obviously structured to make commercial returns. The research reveals that global consumers are increasingly aware of and negatively disposed to brands that lack integrity, including via blackwashing. This cohort of enterprises has largely been excluded from this project.

#### *Does an Indigenous governance structure impact economic benefit streams?*

Yes, the review concludes that the governance structure of an Indigenous enterprise has a significant impact on how much economic benefit is created, how quickly it arises, and how such benefits are reinvested as capital or community benefits.

In New Zealand specific national legislation enables Indigenous Iwi (i.e., community) enterprises to reinvest any financial surplus in community, social and cultural development without having to first pay income tax or other regulatory imposts. Over time, such legislation active across many Indigenous enterprises accrues relatively large macroeconomic (i.e., economy wide) benefits directly to communities, and indirectly to industries, to regional economies, and to the national economy. This is evident in the strong financial positions of the seven mature Iwi reviewed in this study, including some businesses that are among the largest in New Zealand. These economic incentives are not available to privately owned enterprises, either Indigenous or not.

In Canada and the USA, the review finds a more complex range of legislated investment and taxation subsidies related to Indigenous enterprises. Fine impacts are beyond the scope of this study, but two case examples demonstrate the point:

- Since 2009 the US Government (ONHIR) has funded the purchase, development, and operations of a 60,000-acre (24,281 ha) demonstration ranch in Arizona to build the capacity of registered Navajo ranchers in branded beef production. Since 2011 a large nonIndigenous US food company has contracted to buy and market these cattle under an Indigenous beef brand. Much of this branded beef is resold in casinos and resorts owned and managed by Navajo and other Native American enterprises. The governance structure enables supply chain integration of Indigenous production and branding.
- In 2021 the Canadian Government contributed C\$500 million to Mi'kmaq Indigenous coastal tribes in Nova Scotia so they could purchase a 50% share of Clearwater Seafoods Ltd, a large Canadian global seafood company and major Canadian quota holder based in Nova Scotia. The precursor for the purchase was agreement between tribes to formalise their governance and economic interests into a single legal entity that coinvested with Premium Brands (a large north American food company) that purchased the other 50%.

Both North American cases have been enabled by specific national legislation related to governance of registered Indigenous enterprises. All three cases (Māori iwi, Navajo ranchers, and Mi'kmaq fishers) demonstrate how, over time, the governance structure of the Indigenous enterprise enabled investment or financial incentives to boost the scale of economic benefit streams to Indigenous people.

Australian Indigenous business are very immature compared to overseas brands assessed in this study. The role of ORIC (Office of the Registrar of Indigenous Corporations) and related Indigenous legislation, treaties, and incentives is less mature in Australia, compared to overseas cases cited. Today Australian Indigenous corporations can incorporate for-profit or not-for-profit. They can also register as a charity, subject to registration criteria. In the last decade the ILSC (Indigenous Land and Sea Corporation, a commonwealth agency) has supported the governance structures of (and coinvested with) many Indigenous enterprises and private investors to achieve Indigenous economic, environmental, social and cultural benefits.

#### *Do Indigenous provenance and supply chain integrity matter to economic value?*

Yes, they matter greatly. Enterprise governance structures create a legal entity that will hold economic value on behalf of Indigenous communities and individuals. Governance authority under law enables that enterprise to project its market offer and pricing power along its supply chains to customers, and therefore to optimise returns and economic benefits. It also allows the enterprise to prosecute those who infringe its rights to these benefits.

Australia has numerous unique indigenous plant and animal species, many now produced commercially in volume overseas (e.g., Lemon myrtle, Kakadu plum). Trademarking, branding, and labelling are essential to ensure proprietary control over related economic benefits. Two cases are discussed in more detail in the report - Barramundi (an Australian Indigenous word for Asian sea bass) sold from US aquaculture ventures in overseas, and Australian Indigenous art.

Various Australian and international trade protocols have been established to underpin Indigenous product and service integrity. In parallel with the negotiation of the Nagoya Protocol in 2010, Australia has developed and launched *Supply Nation* as a national database and agency currently supporting over 3,700 verified Indigenous businesses in their chosen markets. One statistic reveals the economic impact of this database - for every \$ of revenue they create, Certified Indigenous businesses generate \$4.41 of social and community return.

More recently the Australian Government has embedded global Geographical Indicator (GI) technology into its new Australia-UK Free Trade Agreement (2022) thereby committing to make all reasonable efforts to join the multilateral *Hague Agreement on Designs*. This step will facilitate access to design protection for Indigenous fashion, decorative, and industrial designers in international markets.

### 3. Conclusions from case studies and review

Twenty-four Indigenous brand case studies were assessed in technical detail against two questions, as required by the IRG Terms of Reference.

#### *What is the economic impact on commercial sales from the Indigenous brand?*

The following table summarises the responses across the assessed case studies. Brands are most frequently used to boost economic impacts through increases in sales volume, rather than sales prices or margins.

Across all 24 cases assessed, sales volume gains are approximately twice as common as sales price or sales margin impacts. As illustrated in red, some enterprises use their brands as community banners or other social reasons and do not currently employ brands to leverage sales prices or sales margins to boost economic returns. In other cases, the impact is uncertain and/or there is insufficient data, possibly due to the immaturity of the enterprise and brand.

Brand maturity has a large positive impact on economic benefit flows. Typically, an enterprise starts with a volume strategy and matures to a price and margin strategy as customers and consumers build trust in their product. This evolutionary pathway is evident for the mature brands (e.g., *Moana New Zealand*) where global sales volumes continue to rise and margin gains above 10% occur.

However, market experts in these companies caution that linking Indigeneity to margin gain is fraught – margins are driven by many complex brand and product attributes including Indigeneity, convenience, sustainability, etc. Marketers also note that it costs more to identify and add new values to a brand (e.g., Indigenous heritage). Higher costs reduce overall sales margins and economic benefits.

Volume gain is mandatory for viability for a new business. Rising volume above a breakeven point, will leverage margins as fixed costs fall per unit of production. But the main conclusion is that Indigenous (or nonIndigenous) enterprises should not expect rising production volume or an Indigenous brand, to create margin gain. Indigenous enterprises must ensure alignment of all brand attributes with their Indigenous values and commercial ethics, purpose, business objectives, and consumers' preferences before sustained sales margin gain can occur.

*What is the economic impact on commercial sales from the Indigenous brand?*

Location	Indigenous Enterprise	Product / Service	Main Brands	Market Segment	Volume Gain	Price Gain	Margin Gain
Australia	1. Coles Ltd – Indigenous Food Fund	Bush food	<i>Outback Spirit</i>	Retail + Online	Yes	Uncertain	Uncertain
WA	2. Noongar Land Enterprise	Sheep meats, honey	<i>Kookerjeri, Ngooka</i>	Retail proposed	Yes	Uncertain	Uncertain
Qld	3. Western Kangoulu Ltd	Beef	<i>Blackfella Beef</i>	Retail proposed	No data	No	No
WA	4. First Nation Foods Partnership	Remote grocery distribution	<i>First Nation Foods</i>	Wholesale + Retail	Yes	No	Uncertain
SA	5. Nunga Produce Partnership	Fresh herbs	<i>Matjarra</i>	Retail + Food Service	Yes	Uncertain	No data
NT/WA	6. Nth Aust. Aboriginal Kakadu Plum Alliance	Kakadu plum	<i>NAAKPA</i>	Ingredient + Retail + Food Service	No data	No data	No data
SA	7. Fleurieu Milk Company	Dairy food - yoghurt	<i>Fleurieu Milk Co.</i>	Retail + Food Service	Yes	Yes	Yes
SA	8. Australian Native Food Company	Food, cosmetics	<i>Aust. Native Food Co.</i>	Retail + Online	Yes	Uncertain	Uncertain
WA	9. Tidal Moon – Blue Ocean JV	Therapeutic products	<i>Blue Ocean Health</i>	Retail proposed	Uncertain	Uncertain	Uncertain
SA	10. Goolwa Pipi Co – KutiCo.	Seafood – Pipi	<i>GPCo., Kuti Shack</i>	Retail + Online	Yes	Yes	Yes
Tas	11. Ocean Blue Diving	Seafood - Abalone, Periwinkle	<i>Ocean Blue Diving</i>	Retail + Food Service	Yes	Yes	Uncertain
SA	12. Wanna Mar – Stehr Tuna	Seafood – Southern Bluefin Tuna	<i>Wanna Mar</i>	Wholesale + Retail	No data	No data	No data
Australia	13. Zenadth Kes Fisheries	Seafood – tropical wildcatch	<i>Zenadth Kes</i>	Wholesale + Retail	No data	No data	No data
NZ	14. Moana New Zealand & subsidiaries	Seafood	<i>Moana New Zealand, Sealord</i>	Retail + Online + Food Service	Yes	Yes	Yes
NZ	15. Ngāti Porou Trust & subsidiaries	Seafood and investments	<i>Real Fresh, Ahia</i>	Retail + Online + Food Service	Yes	No	No
NZ	16. Ngāi Tahu Trust & subsidiaries	Seafood and investments	<i>Tahu, Sanford</i>	Retail + Online + Food Service	Yes	Yes	Yes
NZ	17. Okains Bay Seafood	Seafood and investments	<i>Okains Bay Longline Fishing</i>	Retail + Online	Uncertain	Uncertain	Uncertain
NZ	18. Whakatōhea Trust & subsidiaries	Seafood and investments	<i>Open Ocean</i>	Retail + Online	Uncertain	Uncertain	Uncertain
NZ	19. Chatham Islands Food Co.	Seafood and artisanal foods	<i>CIFCo, Chatham Blue</i>	Retail + Online + Food Service	Uncertain	Uncertain	Uncertain
NZ	20. Te Awanui Huka Pak Ltd & subsidiaries	Kiwifruit and investments	<i>Seeka</i>	Retail + Online	Uncertain	Uncertain	Uncertain
USA	21. Quapaw Nation & subsidiaries	Beef, coffee, and investments	<i>Quapaw, O-Gah-Pah</i>	Retail + Online + Food Service	Yes	Yes	Yes
USA	22. Labatt – Native American Beef Program	Beef	<i>Native American Beef</i>	Retail + Online + Food Service	Yes	Yes	Uncertain
Canada	23. Suquamish Nation & subsidiaries	Seafood and investments	<i>Suquamish, Tokém</i>	Retail + Online + Food Service	No	No	No
Canada	24. Clearwater Seafoods & subsidiaries	Seafood	<i>Clearwater</i>	Retail + Online + Food Service	No data	No data	No data



One unforeseen conclusion from the research is that some Indigenous owned and operated enterprises may intentionally not link their Indigenous cultural heritage to their trade or consumer market brand. Overseas case studies in particular show that indigeneity may be covert or subliminal (especially for online sales) but may also not be evident in the brand definition, brand value, brand promise, brand identity, brand differentiation, or brand messaging.

The most mature overseas Indigenous community enterprises have also corporatised their businesses. They have formed consolidated corporate groups -many Indigenous enterprises as an separate operating units under a family brand. They have also integrated along supply chains (acquired interest in or control of all parts of the supply chain) to add economic scale, reduce unit costs, and boost trade market power. Some (e.g., Native American ranchers) also capture the target consumer of beef by owning the casino or food service outlet at the end of their chain. In Australia the recent creation of Indigenous fishing businesses (Zenadth Kes Fisheries in the Torres Strait, and Aboriginal Sea Company in Darwin) are examples of quota and brand consolidation to build supply chain scale and drive economic gains in volume, price, and margins.

*What is the economic impact on supply chain activities from an Indigenous brand?*

The following table summarises the level of economic benefits derived (as determined by the project team) from Indigenous brands and supply chains involving 12 classes of beneficiaries. The data is drawn from the 24 case studies.

AUSTRALIA Beneficiaries	Economic Benefit Score		
	High	Moderate	Negligible
Local owners	13	0	0
Employees & crew	12	1	0
Farmers & fishers	11	1	1
Indigenous communities	10	3	0
Traditional owners of land	9	2	2
Chain partners & researchers	2	10	0
National consumers	0	10	3
Local consumers	0	9	4
Agencies & regulators	0	7	6
Export consumers	0	4	9
National owners	1	0	12
Overseas owners	1	0	12

High scores correlate to higher levels of economic benefit received. Thirteen of the 24 case studies score Local owners as High-level beneficiaries.

This research concludes that local Indigenous enterprise owners, their Indigenous and nonIndigenous employees, and their communities are the main economic beneficiaries from sales volume, sales price, and sales margin growth.

These economic impacts flow, in turn, as profits, dividends, distributions, and wages, directly and indirectly, to their Indigenous communities to drive development and invest in services.

The Traditional Owners of these enterprises benefit economically as the custodians of assets that accrue increased economic value over time, on behalf of their communities.

## A. FINDINGS AND CONCLUSIONS

The following discussion presents the findings and conclusions from this economic review of Indigenous food/seafood branding.

The project team found it immediately evident on commencement of the project, that in-depth conclusions cannot be drawn from a casual review of the 24 Indigenous brand case studies assessed. There is great diversity in the cases studied, as intended, and a simplistic assessment will not provide the learnings the IRG seeks. The conclusions are presented below in two parts:

### 1. ECONOMIC IMPACT ON SALES VOLUME, PRICE, MARGIN

The IRG seeks responses to Question 1, and its three parts:

**Question 1. What is the economic impact on commercial sales from the Indigenous brand?**

- Does the Indigenous brand increase the volume of sales for the product, to new or existing markets?
- Does the Indigenous brand increase the market price of the product, compared to an equivalent nonIndigenous branded product?
- Does the Indigenous brand increase the sales margin of the product, compared to an equivalent nonIndigenous branded product?

The project team has responded to each question for each case study with one of four answers - Yes, No, Uncertain, or No data. Figure 1 on the next page details the responses, findings, and conclusions across the 24 food and seafood case studies assessed in detail.

This “Yes” response data and branded product ranges are summarised as follows:

“Yes” Responses to Question 1	Australia	New Zealand	North America	All Enterprises
<b>Sales Volume</b>	62% (8/13)	43% (3/7)	50% (2/4)	<b>54%</b> <b>(13/24)</b>
<b>Sales Price</b>	23% (3/13)	29% (2/7)	50% (2/4)	<b>29%</b> <b>(7/24)</b>
<b>Sales Margin</b>	15% (2/13)	29% (2/7)	25% (1/4)	<b>21%</b> <b>(5/24)</b>
<b>Branded products and services</b>	Seafood (pipi, abalone, periwinkle, Southern bluefin tuna, sea cucumber, tropical wildcatch), bush foods, fresh produce, sheep meats, honey, grass fed beef, grocery and dry goods, herbs, native ingredients, dairy food, cosmetic and therapeutic products.	Seafood (abalone and pāua, rock lobster, oysters, hoki, gem fish, blue moki, salmon, trevally, blue cod, mussel, sole, flounder, ling, sea perch, groper, blue nose, skate, dogfish, shark, trumpeter, sea urchin), dairy food, horticulture, forestry, property and tourism, financial investments.	Seafood (salmon, Pacific oysters, Manila clams, geoduck, halibut, herring, smelt, rockfish, flounder), cattle and bison meat, vegetables, herbs, coffee, tea, honey, bakery products, rice, pulses, grains, sauces, olive oil, wine, vinegar, oils, plant medicines, skin care products.	

Figure 1. Conclusions re Economic Impacts on sales from Indigenous brands

Indigenous Enterprise	Product / Service	Main Brands	Brands	Base - Market	Market Segment	Volume gain	Price gain	Margin gain
<b>AUSTRALIA</b>								
1. Coles Ltd – Indigenous Food Fund	Bush food	<i>Outback Spirit</i>	2002	National – Australia	Retail + Online	Yes	Uncertain	Uncertain
2. Noongar Land Enterprise	Sheep meats, honey	<i>Kookerjeri, Ngooka</i>	Proposed	WA – Australia	Retail proposed	Yes	Uncertain	Uncertain
3. Western Kangoulou Ltd	Beef	<i>Blackfella Beef</i>	Proposed	QLD – Australia	Retail proposed	No data	No	No
4. First Nation Foods Partnership	Remote grocery distribution	<i>First Nation Foods</i>	2018	WA – Western Aust.	Wholesale, retail	Yes	No	Uncertain
5. Nunga Produce Partnership	Fresh herbs	<i>Matjarra</i>	2005	SA – Australia	Retail, FS	Yes	Uncertain	No data
6. Nth Aust. Aboriginal Kakadu Plum Alliance	Kakadu plum	<i>NAAKPA</i>	Proposed	WA + NT – Australia	Manufact, Retail, FS	No data	No data	No data
7. Fleurieu Milk Company	Dairy food - yoghurt	<i>Fleurieu Milk Co.</i>	2004	SA – Aust. + export	Retail + FS	Yes	Yes	Yes
8. Australian Native Food Company	Food, cosmetics	<i>Aust. Native Food Co.</i>	2021	SA – Australia	Retail + Online	Yes	Uncertain	Uncertain
9. Tidal Moon	Therapeutic products	<i>Blue Ocean Health</i>	2019	WA – Aust. + export	Retail proposed	Uncertain	Uncertain	Uncertain
10. Goolwa Pipi Co – KutiCo.	Seafood – pipi	<i>GPCo., Kuti Shack</i>	2015, 2018	SA – Aust. + export	Retail + Online	Yes	Yes	Yes
11. Ocean Blue Diving	Seafood - abalone, periwinkle	<i>Ocean Blue Diving</i>	1994	TAS – Australia	Retail + FS	Yes	Yes	Uncertain
12. Wanna Mar – Stehr Tuna	Seafood – Sth bluefin tuna	<i>Wanna Mar</i>	Proposed	SA – Aust. + export	Wholesale, retail	No data	No data	No data
13. Zenadth Kes Fisheries	Seafood – tropical wildcatch	<i>Zenadth Kes</i>	Proposed	NT – Aust. + export	Wholesale + retail	No data	No data	No data
<b>NEW ZEALAND</b>								
1. Moana New Zealand & subsidiaries	Seafood	<i>Moana New Zealand, Sealord</i>	2004, 1960 <sup>#</sup>	NZ – NZ + export	Retail + Online + FS	Yes	Yes	Yes
2. Ngāti Porou Trust & subsidiaries	Seafood and investments	<i>Real Fresh, Ahia</i>	2016	NZ – NZ + export	Retail + Online + FS	Yes	No	No
3. Ngāi Tahu Trust & subsidiaries	Seafood and investments	<i>Tahu, Sanford</i>	2004	NZ – NZ + export	Retail + Online + FS	Yes	Yes	Yes
4. Okains Bay Seafood	Seafood and investments	<i>Okains Bay Longline Fishing</i>	2010	NZ – NZ + export	Retail + Online	Uncertain	Uncertain	Uncertain
5. Whakatōhea Trust & subsidiaries	Seafood and investments	<i>Open Ocean</i>	2019	NZ – NZ + export	Retail + Online	Uncertain	Uncertain	Uncertain
6. Chatham Islands Food Co.	Seafood and artisanal foods	<i>CIFCo, Chatham Blue</i>	2011, 2015	NZ – NZ + export	Retail + Online + FS	Uncertain	Uncertain	Uncertain
7. Te Awanui Huka Pak Ltd & subsidiaries	Kiwifruit and investments	<i>Seeka</i>	1980	NZ, Aust.–NZ + export	Retail + Online	Uncertain	Uncertain	Uncertain
<b>NORTH AMERICA</b>								
1. Quapaw Nation & subsidiaries	Beef, coffee and investments	<i>Quapaw, O-Gah-Pah</i>	2016, 2020 <sup>#</sup>	OK – US Midwest	Retail + Online + FS	Yes	Yes	Yes
2. Suquamish Nation & subsidiaries	Seafood and investments	<i>Suquamish, Tokém</i>	1996, 2015	Puget Sound – PNW	Retail + Online + FS	No	No	No
3. Clearwater Seafoods & subsidiaries	Seafood	<i>Clearwater</i>	1976	Global – Global	Retail + Online + FS	No data	No data	No data
4. Labatt – Native American Beef Program	Beef	<i>Navajo / Native American Beef</i>	2011, 2014	SW USA – SW USA	Retail + Online + FS	Yes	Yes	Uncertain

Notes: Colour key: green "Yes", yellow "Uncertain", red "No", white "No data";

FS = food service market segment;

# Data estimated

It is important to note that adequate data is not always available to draw clear conclusions that respond fully to questions raised in the Terms of Reference. This is increasingly the case as the analysis progresses from sales volume to sales price and sales margin data. The latter are fundamental to commercial competitive advantage and long-term viability and therefore predominantly confidential.

This research has considered the economic impact of Indigenous brands in the context of their respective national economies. The value of the economic contribution of Australia's Indigenous business sector to the national economy is \$2.2-6.6 Bn, or ~0.1-0.4% of Australia's national GDP. This comprises:

- 7,200 self-employed individuals who contributed \$309 m in GDP,
- 1,000- 4,300 enterprises that contributed \$1.5 Bn – \$5.9 Bn in GDP,
- 400 community trusts that contributed \$106 m in GDP.

The relative national Indigenous economic contributions for Australia, New Zealand and Canada using a range of valuation techniques (e.g., cash flow, income, asset base) are as follows:

	Australia	New Zealand	Canada	USA
Indigenous Economic Contribution	A\$2.2-6.6 Bn (2018)	NZ\$43-45 Bn (2013)	C\$31 Bn (2015)	Unknown
Value of National Economy (IMF 2023)	A\$2,463 Bn	NZ\$407 Bn	C\$2,840 Bn	US\$26,855 Bn
Indigenous share of National Economy	0.26%	11%	1.1%	-
% share of world economy (IMF 2023)	1.7%	0.28%	2.0%	23.7%

A further unresolved complexity for economists is estimating the national value of the Indigenous business sector is the level of attribution of value for Indigenous Knowledge.

### CONCLUSION 1: INDIGENOUS BRANDS ARE MOST COMMONLY USED TO INCREASE SALES VOLUMES

The research concludes that Indigenous brands are used by enterprises to increase economic outcomes for the enterprise. These brands are most frequently used to boost economic impacts through increases in sales volume, rather than sales prices or margins. Subject to the jurisdiction, sales volume impacts are approximately twice as common as sales price or sales margin impacts.

The research indicates Australia has a relatively high percentage (62%) of Indigenous branded enterprises where sales volume is the primary driver for economic returns (compared to the sample average of 54%). In addition, Australia has a relatively low percentage of enterprises where sales prices and sales margins are used to generate economic benefits for communities.

This suggests the relative immaturity of Indigenous enterprises and brands in Australia relative to New Zealand and North America, a conclusion that is explored in more detail below.

## CONCLUSION 2: MATURE INDIGENOUS BRANDS CAN BOOST SALES MARGINS

In each of the 24 cases analysed in detail, the enterprise has started with a volume growth strategy. Many have then progressed to price or margin gain strategies. This strategic evolution is logical, reflecting the commercial maturity of a branding strategy across all enterprises (nonIndigenous and Indigenous) to boost margins and returns.

Immature Indigenous brands (as with nonIndigenous brands) have relatively low brand recognition in their chosen consumer market – consumers do not yet recognise, trust, or value them. As a result, their brand offer and supply are akin to a low cost, low margin commodity. The enterprise that owns this commodity brand has limited pricing power against competitors - it can only increase its returns through increased sales volumes which increase market presence, and potentially reduces fixed unit costs (thereby increasing sales margin per unit).

Increasing maturity and consumer trust in a brand over time builds its market power, and with that, the opportunity to increase related sales prices (and hopefully) sales margins without losing customers to competitors. Most of the Australian cases show brands that are in this early volume development stage.

This evolutionary pathway is very evident for the mature New Zealand Iwi brands (e.g., *Moana New Zealand*) where global sales volumes have continued to rise, and margin gains of 10%-23% are documented for some seafood product lines in selected markets sold under that brand. But the New Zealand executives consulted were careful to point out that these margin gains accrue from many sources, not just from the maturity of their trusted Indigenous brand. Brand attributes are critical to margin growth, but it must be remembered that rising sales volume is also a significant contributor to sales margin growth as it reduces the fixed cost (and increases the variable margin) per unit of production.

The pricing and margin power of *Moana New Zealand* (the global seafood brand) has been consolidated and built as a strategy over decades. It comes from many sources including corporate branding (e.g., brand New Zealand), product species branding (Pāua, snapper, oysters), harvest methods that are internationally certified sustainable via “precision fishing” methods, brand messaging online, availability in export supply chains, etc. In Australia a similar domestic economic margin growth impact from mature branding is emerging in the Goolwa Pipi Company case where the fishery is MSC certified.

Teasing out brand correlation with margin growth causation is a fraught challenge. Sales margin data is typically confidential and at the core of competitive advantage for an enterprise - there is no public data available for any cases that would enable the project team to tease out the direct cause or impact of Indigenous branding on sales prices and sales margins.

The case data that is available shows that raising sales prices does not always raise sales margins. Sometimes a strategy to raise prices will also increase production and marketing costs (i.e., promotion) to deliver that strategy. As a result, sales

margins may decrease, at least in the short term until consumers' trust is re-established and leveraged from the increased awareness driven by promotion.

The message from this conclusion is that Indigenous enterprises need to carefully determine if, when and how a branding strategy is to be adopted for their products. The investment in establishing a long-term brand that is margin accretive (i.e., adds to net commercial returns) can be expensive to develop and maintain. Alignment of cultural and enterprise values with branding identity is crucial to long term success and flow of economic benefits. The branding strategy must be built on a platform that has embedded values, aligned with a coherent business plan, production scale, supply chain control, and brand attributes and values that are important to buyers in the defined target market segment.

Enterprises are advised to manage their brands as part of a social and economic strategy to develop and support their community. The tactical use of sales volume, price and margin are applied as necessary depending on the aspirations and maturity of the Indigenous enterprise, its purpose as a not-for-profit or for-profit, the choice of market segment, the availability of capital, and controllable and uncontrollable economic drivers and circumstances.

### **CONCLUSION 3: INDIGENOUS BRANDS MAY BEGIN AS CORPORATE BANNERS WITH LITTLE FOCUS ON IMMEDIATE RETURNS**

The evolutionary pathway of an Indigenous enterprise prescribes its branding and related economic strategy. This is also the case for nonIndigenous enterprises.

Figure 1 above shows three enterprises highlighted in red, where a "No" response was determined for at least two questions. The research finds these enterprises intentionally do not currently use sales prices or sales margins to leverage economic returns. This may change in the future but today and in the near-term they are focussed on volume related strategies. For eight other enterprises (in yellow – "Uncertain" for a least two questions) the desk research could find little direct evidence that the enterprise is driving its economic gains through leverage of its brand by sales price or sales margin.

Red ("No") enterprises are evident in all three jurisdictions assessed. Some red enterprises are quite mature (e.g., Ngāti Porou Trust 2016, and Suquamish Seafoods 1996), while others (e.g., Western Kangoulou Ltd) have recently received native title (2013), incorporated (2015), and then established a corporate and product brand *Blackfella Beef* (2020). The preference for volume strategies is evident across the brand maturity spectrum. Enterprises showing white ("No data") responses have recently been incorporated and their branding strategy is yet to be established and/or revealed.

At first glance this volume based non-leverage strategy (especially for mature enterprises) seems at commercial odds with the objective to create optimum economic flows to community members. Further analysis is prompted.

The mapping of the 24 enterprises (see Chapter C.4) in this study has revealed that legislative change (often by treaty) has typically been the catalyst that enabled and motivated Indigenous enterprise formation and branding (examples include the Noongar Native Title in Western Australia; Waitangi Treaty and Act of

Settlement in NZ; and Navajo Hopi Land Settlement Act in USA). This first step was anchored in recognition of rights to land and waters (*inter alia*) and therefore predisposed early enterprise activity to develop cultural land and country. Western Kangoulou Ltd case in central Qld is now at that point in its evolution; Suquamish Seafoods in Puget Sound, Seattle, USA has for decades been operated intentionally as a small but financially viable seafood “banner” retail business harvesting from cultural waters.

More detailed research finds that the *Suquamish Seafood* brand has been limited and serviced only suburban locals for a decade. It is only in the last year that the Suquamish Nation has established a growth strategy for its seafood business that will relaunch and leverage this brand in local, national, and potentially overseas seafood markets. The project team finds that securing legislative control over cultural lands and waters was critical for the Suquamish Nation community and the fishing venture. However, the competition for development capital in the Squamish Nation meant that their other investments (e.g., golf resorts, casinos, cannabis production and sales) generated relatively higher returns on capital and were more attractive, so the seafood business was starved of development capital. This conclusion is justified - recent media from the Suquamish Nation notes the change in focus to seafood development including an export seafood brand.

For the Western Kangoulou Ltd charity in central Queensland that owns the *Blackfella Beef* brand, the stated strategy has been to generate financial and economic return to improve the social, cultural, and economic wellbeing of the tribal people. However, in the first few years the primary goal of the enterprise is to:

- “Advocate” for and consolidate native title rights under the enterprise and so bring the Western Kangoulou people together to build and endorse their aspirational economic development plan,
- Then implement a strategy that attracts financial and human capital, undertakes research, and builds a business to create economic value for the community.

In this way the Indigenous *Blackfella Beef* brand is a banner or positive rallying point for the aspirations of that Indigenous community on or proximate to its country. The banner brand also sends the message to existing and potential partners, local governments, investors, sponsors, supply chain partners (e.g., labour hire companies), and regulators that the venture is now an enterprise and is commercially focussed over the long term to deliver economic impacts that benefit its Indigenous community.

In the same way, the launch in Australia of Coles *Outback Spirit* brand in 2001 was a clear national banner signal to attract and motivate producers, Indigenous employees, and supply chain partners to support the dedicated certified supply chain and brand that Coles and its partners created.

#### **CONCLUSION 4: BRANDS MAY NOT IDENTIFY, DEFINE OR PROMISE INDIGENEITY**

One of the unique conclusions from this study is that Indigenous owned and operated enterprises may intentionally not link their Indigenous cultural heritage to their trade or consumer market brand.



Case studies show that indigeneity may be covert or subliminal (especially for online sales) but may also not be evident in the brand definition, brand value, brand promise, brand identity, brand differentiation, or brand messaging (see Figure 8 re elements of a modern food brand).

Four Indigenous New Zealand enterprises own and operate brands (see Figure 1) with little evidence (“Uncertain” in yellow) their Indigenous heritage is used to leverage sales volume, prices, or margins. Clearly, they are commercial enterprises (two are proprietary entities and two are community trusts) seeking to maximise commercial returns. But is their Indigenous brand intentionally tuned to drive greater returns through sales volume, prices or margins? An executive from another New Zealand enterprise that owns the *Real Fresh* and *Ahia* brands noted that these brands contribute minimally to brand value for consumers and are not retained to generate significant economic returns.

Further analysis of these four “uncertain” New Zealand brands confirms that none of these enterprises present consumer-facing Indigenous brands (*Okains Bay Longline Fishing*, *Open Ocean*, *Chatham Blue*, *Seeka*). The first three enterprises are 100% owned by Indigenous Māori<sup>1</sup> or Moriori families, and the last is one of the world’s largest Kiwifruit grower-exporters and 6% owned by a Māori Trust. Clearly these are substantial commercial enterprises with sophisticated marketing and branding strategies, (across volume, price, and margin) but branding strategies do not link economically to producer community Indigeneity.

Interviews with Indigenous enterprise owners and executives confirm the fundamental truth that “the customer must trust the brand” for the product purchase to be completed. The customer must believe in the integrity of the Indigenous provenance of the product (e.g., a seafood species) and its brand essence as presented by the Indigenous brand.

Young consumers, in particular, are increasingly sensitive to so called blackwashing that precludes their trust<sup>2</sup> in the product or service. If the customer does not believe in the brand’s Indigenous integrity, and/or if the indigeneity of the product and its source is not materially relevant to the customer, the enterprise should not link indigeneity to the brand. To do so would diminish consumers’ trust and therefore reduce sales volumes, prices, or margins, or all three. Adding an additional brand value (e.g., indigeneity) to the existing brand mix would also likely increase marketing and promotion costs. Strategies to increase economic outcomes for Indigenous communities based on volume, price or margin growth are therefore irrelevant if brand integrity is absent or negligible.

Seafood executives consulted noted that the degree to which food customers trust Indigenous food brands varies considerably across markets. Consumers of New Zealand seafood in Europe, the USA and mainland China place relatively

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<sup>1</sup> The original Moriori families in the Chatham Islands hold a distinct cultural heritage separate from Māori people in New Zealand. This study has adopted the word Māori to represent all the Indigenous people of New Zealand as per the standard evident across the literature.

<sup>2</sup> McKinsey & Co, The Black Unicorn: Changing the game for inclusivity in retail, 17 November 2021 <https://www.mckinsey.com/industries/retail/our-insights/the-black-unicorn-changing-the-game-for-inclusivity-in-retail#/>



greater trust in seafood provenance and Indigeneity than Australian consumer markets do.

The conclusion is that Indigenous owned enterprises often own brands that are nonIndigenous (e.g., Seeka), or are not overtly and directly leveraged through the owners' Indigenous cultural heritage brand (e.g., *Okains Bay Longline Fishing*, *Open Ocean*, *Chatham Blue*).

#### CONCLUSION 5: ENTERPRISE AND CHAIN CONSOLIDATION BOOSTS ECONOMIC IMPACTS TO BENEFICIARIES

Research has revealed sophisticated commercial strategies that enterprises use to leverage Indigenous brands across sales volumes, sales prices, and sales margins. These strategies are mostly evident overseas where the Indigenous enterprises and brands are more mature and valued by their respective target markets than comparable brands are in Australia.

At Crown Settlement all **New Zealand** Iwi were allocated shares in Aotearoa Fisheries Ltd the company known commonly by its national and global brand *Moana New Zealand*. This entity was established via national legislation (Māori Fisheries Settlement 2004) as a Māori only fishing and seafood company. All Iwi shareholders have shareholder access to the benefits of this well-respected international seafood brand.

Each quota owning Iwi is economically incentivised by tax laws to retain its shares in this single large national seafood company that is dedicated to the harvest, processing, and marketing of aggregate fishing quota to commercial advantage under a global brand *Moana New Zealand*. Supply consolidation builds commercial scale from scarce fishery quota into a single cost-efficient enterprise and supply chain controlled by a Māori branded seller to global markets. *Moana New Zealand* is not the only Māori seafood brand, but it is by far the largest.

Other seafood brands owned by Māori are variously dedicated to products (e.g., *Open Ocean* Greenshell farmed mussels), or market niches (*Ahia*), or fresh seafood artisanal brands (*Chatham Island Food Co*), or as a regional retail (*Real Fresh* in the Gisborne area) or premium species brand (*Tahu Oysters*).

The Quapaw Nation in **Oklahoma USA** operates multiple agrifood production (cattle and bison grazing, horticulture, honey) and processing (abattoir) businesses, as well as a steakhouse chain, a large Midwest casino and golf resort, and regional facilities for aged and infant care. The Quapaw Nation manages all businesses employing tribal and nonIndigenous people in skilled roles, on native lands along integrated supply chains it controls.

Its abattoir slaughters a modest 400 of its own cattle or bison per week. The enterprise then builds economic scale by providing abattoir and meat processing services to many nonIndigenous farmers and graziers in the broader Midwest region. The certified and often high-quality value-added aged meat and horticulture products, under Quapaw brands, are then directed to owned restaurants in the casino, the steak house chain, and the aged and infant care facilities. The beef brand is used in Quapaw's own outlets and merchandised by other 3<sup>rd</sup> party retail and food service partners across the Midwest. Quapaw Nation product and brands are therefore integrated along high volume supply

chains to “inhouse” consumers. This enables the Nation to achieve optimum control of sales volume, sales price, and sales margins (within the antitrust and competition laws in the USA).

Another example of integration to optimise sales volume, price and margin is the Labatt Food Service company based in San Antonio, **Texas USA**. Established in 1910, Labatt is now the 10<sup>th</sup> largest US food service and distribution business - it is a very large private nonIndigenous owned enterprise. In 2011 the company established the *Native American Beef* program and brand, initially with local Texas Navajo ranchers on Southwest native lands, but now expanded to include Native American ranchers in Arizona and New Mexico.

In 2009 the USA Government established and continues to part-fund the 60,000-acre (24,281 ha) Padre Mesa Demonstration Ranch in Arizona to support Native American ranchers, build their skills, improve herd genetics, and support their communities to professionalise their ranches and beef production supply chains.

Under the program, Labatt contracts to take all cattle under rancher supply agreements that specify beef quality and livestock certification. Labatt agrees to pay the rancher a farm gate price above the existing market price, as well as a performance bonus (per specifications) if applicable. In 2022 the program was receiving, processing, and marketing around 400-500 cattle per year under the *Native American Beef* brand. This branded Indigenous beef product is distributed by Labatt across its extensive retail and food service networks in the USA. A major beef buyer of beef from Labatt is the Navajo Nation Gaming Enterprise, owner of four casinos that employed 3000 Indigenous and nonIndigenous people in 2021 and had sales over US\$300 million.

The *Native American Beef* brand is visible on all relevant Labatt retail meat products, but less so on food service products. The brand is carried by Labatt across its comprehensive national integrated food supply chain. The brand does generate higher sales volumes, and higher sales prices, but it is unclear that this translates into higher sales margins. Sales margin data is confidential to Labatt and not publicly available.

A review is underway (2022-23) in the US Government to determine if the Demonstration Ranch will continue to be supported as a training centre by government. Labatt have already reported that their long-term investment in the Native American Beef Program is marginally viable. Potential withdrawal of government subsidies to support the training of Native American ranchers may prompt Labatt to review its brand and contract arrangements, including:

- Reducing commercial incentives paid under contracts with ranchers,
- Seeking increased investment by Native American ranchers and communities in the Demonstration Ranch, drawing funds from casino gaming profits,
- Withdrawing the *Native American Beef* brand from the program,
- Selling the brand and program to the ranchers and or third parties.

In **Australia**, two recently established Indigenous fishing businesses (Zenadth Kes Fisheries in the Torres Strait, and Aboriginal Sea Company based in Darwin) are

examples of quota and brand consolidation intended to build productive and supply chain scale, and drive economic gains in volume, price, and margins.

These examples illustrate the challenges in answering Question 2 (Figures 2 - 4) on the following pages. Who and where are the specific beneficiaries of Indigenous branding and impacts on sales volume, sales price, and sales margin?

## 2. ECONOMIC IMPACT AND BENEFICIARIES ALONG SUPPLY CHAIN

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The IRG seeks responses to Question 2, and its three parts:

### Question 2. What is the economic impact on Supply Chain activities from the Indigenous brand?

- a. If there is increased sales volume due to the Indigenous brand, who and where are the economic beneficiaries along the supply chain?
- b. If there is an increased sales price due to the Indigenous brand, who and where are the economic beneficiaries along the supply chain?
- c. If there is an increased sales margin due to the Indigenous brand, who and where are the economic beneficiaries along the supply chain?

Figures 2, 3 and 4 summarise (over several pages below) the findings, and conclusions regarding this question. The research draws conclusions as follows:

### CONCLUSION 6: ECONOMIC BENEFICIARIES FROM AUSTRALIA INDIGENOUS BRANDS

This research finds that Indigenous enterprises potentially create economic benefits for 12 classes of economic beneficiaries.

As noted above Australian Indigenous enterprises and brands are relatively immature compared to Indigenous enterprises in New Zealand and North America. However, the research has identified economic benefits and related beneficiaries. Figure 2 (across multiple pages) presents the data for each enterprise and a summary at the bottom of the figure.

The research concludes that Australian Indigenous owners and their Indigenous and nonIndigenous employees on farms, and in fisheries and enterprises are (or are expected to be) the primary economic beneficiaries from growth in sales volume, sales price, and sales margin.

Economic impacts flow to these beneficiaries, in turn, as profits and distributions to owners and investors, as wages directly to employees and contractors, and indirectly as cash flows into their Indigenous communities to drive development and investment in community welfare services.

The Traditional Owners of these enterprises benefit economically as the custodians of assets (tangible and intangible) that accrue increased economic value over time, and also personally as leaders in new commercial governance structures on behalf of their communities.

Secondary economic beneficiaries include supply chain partners, consumers, and regulators.

## CONCLUSION 7: ECONOMIC BENEFICIARIES FROM MĀORI BRANDS

With compact geography, small home market, and relatively high Māori population, New Zealand's indigenous food brands provide unique insights regarding Indigenous branding strategies and economic impacts on beneficiaries.

The research scanned Māori enterprises that invest in or produce seafood (wild catch and farmed), other foods, forest products, commercial and residential property, tourism and hotels, and financial investments. The assets of these individual corporate groups and private enterprises range from ~NZ\$3 m to \$2.3 Bn. Investments in property and financial assets dominate assessed assets.

Māori food and seafood enterprises are relatively mature (compared to Australian Indigenous enterprises) and related brands are very diverse.

- Some brands are owned by very large NZ corporations that dominate key national industries while others are small Māori family businesses,
- Some brands are overtly Indigenous while others show no evidence of indigeneity or cultural heritage in brand differentiation or messaging,
- Some brands are locally focussed on regional retail food service consumers, or online, while others are national and global export brands operated along sustainable world class supply chains, and
- Some brands are owned, managed, and operated by Indigenous leaders while others are held indirectly as shares in Indigenous corporations employing Indigenous and nonIndigenous leaders and employees.

Food brands fail if related sales volume is too low to cover fixed costs and enable baseline viability. In New Zealand's small home consumer market, enterprise sales volume and related viability is under even greater threat. The larger Māori enterprises are increasingly aggregating and integrating their joint Iwi investment along supply chains to global export markets, for example, in kiwifruit, dairy, and more recently in seafood. All are high volume, low unit cost, sustainable businesses, with high product credence.

Sales margin gain accrues from many elements that make up food or seafood brand identity and ultimate brand value, including sustainability, productivity, precision harvesting, environmental management, Māori branding, etc. But, as noted previously, it is impossible to tease out the economic impact of each element – what is the economic contribution from Māori branding on sales volumes, prices, and margins? The critical issue for overseas consumers is they choose to buy Brand New Zealand because they trust its integrity across all its brand identities, including Māori indigeneity.

Figure 3 summarises the eight classes of economic beneficiaries along the New Zealand supply chains for sample enterprises. Primary beneficiaries of this strategy are the participants and investors along the supply chain and related brands. But for the food and seafood cases analysed in this study, the farmers fishers, employees and crew, Iwi communities, and leaders are the primary beneficiaries of Māori branding. Secondary economic beneficiaries are 3<sup>rd</sup> party investors (e.g., Japan in seafood brands, Vietnam in dairy brands), agencies that coinvest to deliver community support programs, and selected consumers.

## **CONCLUSION 8: NORTH AMERICAN ECONOMIC BENEFICIARIES FROM INDIGENOUS BRANDS**

The scale and scope of the north American Indigenous food brand complex stands in contrast to the New Zealand findings. While there are similarities between north America and Australia (e.g., diversity of branded products offered), Indigenous brands are far more mature in North America than in Australia.

The research scanned Indigenous North American enterprises and brands across wildcatch seafood, cattle & bison meat, vegetables and herbs, coffee and tea, bakery products, rice, pulses, grains, honey, sauces, olive oil, wine and vinegar, massage oils, plant medicines, skin care products, cannabis, tourism, hotel resorts, and casinos. The commercial asset scale of private and corporate enterprise groups ranged from US\$92m for the Quapaw Nation in Oklahoma, to over C\$1 Bn for Clearwater Seafood in Nova Scotia, Canada.

The case enterprises selected for this study offer more publicly available economic data, as well as revealing recent trends in seafood and food branding by Indigenous enterprises.

This research finds that North American food and seafood enterprises range from emerging to very mature (compared to Australia's immature Indigenous enterprises) and related brands are very diverse.

Figure 4 summarises the eight classes of economic beneficiaries along the North American supply chains. The primary economic beneficiaries of the North American cases are universally farmers and fishers, employees and crew, tribal leaders, and communities. Chain partners and researchers benefit in selected cases.

Secondary economic beneficiaries are agencies that coinvest and support the enterprises, regulators, and selected consumers (who benefit from ready availability of branded Indigenous products).

## **CONCLUSION 9: BETTER ALIGNMENT OF INDIGENOUS BRANDS WITH PURPOSE**

This research concludes that the process to develop, launch and market an Indigenous food brand has the capacity to offer attractive and diverse benefits (economic, social, cultural) to an Australian Indigenous enterprise or community.

But one size does not fit all enterprises – there is no silver-bullet failsafe approach to link Indigenous seafood branding to increased flows of economic returns, profits, or community benefits.

The degree of alignment is critical – alignment of the Indigenous branding strategy with its host community, its cohesion and maturity, its supply chain and partners, and the preferences of the target consumer. This is not (and should not be) surprising – cultural and market alignment is also fundamental to nonIndigenous enterprises that seek to extract economic margins from branded seafood that targets consumers in competitive commercial market.

Effective branding to create brand loyalty in any market is complex – it is about image and consumer experience over time, not just today's prices and discounts. Brand loyalty encompasses brand identity, experience, messaging, positioning, differentiation, and promise - that all adds up to brand value (Refer to Figure 8). Brand Value is increased if alignment with producer and supply chain factors is

optimised. The modern consumer increasingly factors the values and motivation of food producers into their personal food purchase choices. In this way consumers seek to build trust in the product offer and its brand value. Added brand trust means less stress in the next purchasing choice. If brand integrity is built, consumers prefer and remain loyal to your offer ahead of your competitors.

An alignment with Indigenous culture and commitment to country are often essential elements of Indigenous brands. Internal community stakeholders should consider if and how these cultural values are embedded in the community and expressed by them, before offering images and experiences underpinned by an Indigenous food brand to external commercial nonIndigenous markets.

Adding Indigeneity and cultural essence to this “image and experience” mix can leverage your brand appeal and economic margin, but only if the consumer trusts your brand. If the consumer is satisfied with the physical attributes of your product (e.g., product format, taste, colour, quality, food safety, nutrition) but thinks your Indigenous brand lacks integrity, you may unintentionally convert their acceptance and potential loyalty into brand disloyalty and long-term consumer rejection. Consumers will reject your product offer and your sales will be reduced.

Food product branding is best considered by Indigenous communities that understand and value their unique cultural heritage, their longer term economic and social aspirations, and have a stable and experienced governance platform (cultural and corporate) to drive their enterprise forward.

An enterprise branding process may be the initial catalyst to bring a community together, and attract initial investment (e.g., ILSC or joint venturers), but it is commercial structure, strategy, skill, and nous that will enable this enterprise brand to underpin a product offer, and then boost sales margins that drive increasing economic benefits for that community over the long term.

The economic viability of an Indigenous enterprises will be enhanced both in scale and longevity if its unique brand is aligned, and trusted by consumers to deliver the value it promises. It needs to present **a holistic bundle of Indigenous provenance attributes to underpin the brand.**

The following chart illustrates three stepped pathways to build economic and cultural alignment in an enterprise that seeks to leverage an Indigenous brand. Appendix 2 provides an economic framework for assessing pathway viability

Development Criteria	Case A. A new joint enterprise being considered by several Indigenous communities	Case B. A mature NFP enterprise jointly owned by several Indigenous communities now launching commercial business	Case C. An Indigenous fisher/farmer seeks to build a profitable branded food business
1. Indigenous cultural heritage	Firstly, Traditional Owners and leaders need to ensure common Indigenous cultural heritage is valued and documented for communities.	A single shared Indigenous cultural heritage has been documented by Traditional Owners and leaders and is valued by all communities.	Investigate, document Indigenous cultural heritage, land and sea country, and traditional knowledge. Consult Traditional Owners.
2. Indigenous community aspirations	Then, agree the social and economic aspirations for all communities to be achieved by the joint enterprise over an agreed timeframe. For example, is it to generate jobs, or cash profits, or both?	All communities contribute to document aspirations, visions, and development priorities for each community and then leaders undertake this process for the collective group.	Consult commercial experts and community, and conduct research to refine the business startup concept, its products and services, markets, and sustainable competitive advantage.
3. Enterprise governance framework	Then, Leaders would consider the optimum governance and enterprise format to meet their aspirations, needs and commercial objectives. Is there a single governance framework? Is it supported and effective?	After five years, a mature governance framework (cultural + corporate Board) is in place. It is actively supported by members across all communities. Several purpose-built NFP enterprises are established.	Develop a 3-5 year Business and Marketing Plan for the new business. Determine human and financial capital required, optimal funding sources, and minimum threshold returns.
4. Commercial business nous	This issue is next to be addressed and resolved. Leaders seek initial financial capital (equity, debt, grants) and human capacity to establish the venture, its competitive advantage and governance structure. They start a formal Business Planning process.	Partners and agencies have long coinvested to provide advice, skills, mentoring and economic pathways to boost commercial capacity. The Board now intends to build a new branded food business for-profit. They consider competitive advantages.	Determine owner's skills relevant to needs. Secure advisors, co-investors, local employees, and chain partners. Consider your sustainable competitive advantage, competitor's responses, and your unique selling point. Establish formal Business Plan.
5. Enterprise capability in commercial markets	Enterprise has not yet assessed its required capability and how to fill gaps. Venture undertakes formal Business Planning process to establish and test enterprise capacity and viability.	A Business Plan with funding has just been agreed for a new commercial enterprise. Local jobs are a high priority. Incorporate the business and hire an experienced CEO/team.	Incorporate the business, and hire team members, mentors, experts and advisors. Prepare to launch products to best advantage and optimise positive cash flow.
6. Branded products and services for consumers	Brand does not yet exist. However, the common cultural heritage agreed may, over time, be adopted as a brand in consumer markets. The timing for brand launch is uncertain, subject to aspirations of leaders and communities.	The Board and Executive team set to work to define their chosen target market/consumer profile. They investigate the pros and cons of launching a brand that integrates Indigenous values.	Consult market experts and TOs to determine Branding Strategy for when, where, how to launch Indigenous brands for food products to consumers for optimal impact.

Figure 2. Conclusions re Economic Beneficiaries in supply chains from Australian Indigenous brands

If there is increased sales volume, price, or margin due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?

Australian Enterprise	Main Brands	Question 1 answers			Question 2 answers - Economic beneficiaries	
		Volume	Price	Margin	Beneficiaries (highlighted in black)	From increases in sales volume, sales price, or sales margin
1. Coles Ltd – Indigenous Food Fund	<i>Outback Spirit</i>	Yes	Uncertain	Uncertain	Local owners	<p>The research finds that <b>sales volume</b> (including product line extensions) has increased significantly since brand launch in 2001. R&amp;D investment in supply has contributed to growth. Data is not available to confirm sales prices or sales margins over the same period.</p> <p>The project team concludes that <b>sales prices</b> for this product category have reflected long-term growth in, and competitiveness of, this market segment. <b>Sales margin gains</b> have been driven by loyalty to the brand, supplier power including national Coles chain, and the rising supply volume that reduces fixed costs per sales unit and boosts farm gate margins. There is insufficient public data to quantify this economic gain, and the shares of economic gains, where captured and by whom, along the supply chain.</p> <p>The <i>Outback Spirit</i> brand in Coles retail and online markets has raised awareness of the bush foods category and drawn greater supply from qualified Indigenous producers. The main direct economic beneficiaries of this transition over two decades are:</p> <ul style="list-style-type: none"> <li>Producers (who qualify to service the brand) gain access to a mature national supply chain and large consumer market. They have progressively boosted their on-country cultural connection, farm production and harvest skills, sales volume and potentially profits. In doing so they have increased regional bush foods employment (both Indigenous and nonIndigenous), and increased employee and chain partner skills to a higher quality and governance standard. Their local chain partners (e.g., agricultural service firms, logistics companies) also benefit directly from increased sales volume.</li> <li>Coles and its customers benefit directly from the branding and investment in the Indigenous Food Fund, due to increased retail awareness and sales of the Indigenous Food / Bushfood category and the brand.</li> </ul> <p>Indirect economic beneficiaries include regional producer communities. They gain local employment and related cash flows into communities. This economic flow has funded social and welfare benefits into communities on country, and for supply chain services.</p>
					National owners	
					Overseas owners	
					Farmers & fishers	
					Employees & crew	
					Chain partners & researchers	
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	
					Local consumers	
					National consumers	
					Export consumers	
2. Noongar Land Enterprise (NLE)	<i>Kookenjeri, Ngooka</i>	Yes	Uncertain	Uncertain	Local owners	<p>This is an Indigenous community enterprise in-development; hard economic data is not yet available.</p> <p>However, available enterprise Business Plan presents a compelling argument that <b>sales volumes</b> will increase significantly after enterprise launch.</p> <p>The enterprise Business Plan identifies the community owners, employees, and suppliers with approved access to the <i>Kookenjeri</i> and <i>Ngooka</i> brands as the main economic beneficiaries of increases in <b>sales volume</b>. Other beneficiaries include beef and honey consumers, supply chain partners (e.g., cattle transport companies, input, and animal health suppliers), regional local governments.</p> <p><b>Sales price</b> gains will economically benefit the enterprise and supply partners, in the first instance, but the size of any net economic benefits is subject to any additional costs incurred to achieve those price gains. Other beneficiaries will be input suppliers, employees, communities, and wholesalers.</p> <p>Any confirmed <b>sales margin</b> gain would economically benefit the enterprise, its producer suppliers, employees, communities, and wholesalers. The NLE has identified a range of community and social programs it intends to fund from economic profits and surpluses.</p>
					National owners	
					Overseas owners	
					Farmers & fishers	
					Employees & crew	
					Chain partners & researchers	
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	
					Local consumers	
					National consumers	
					Export consumers	



3. Western Kangoulu Ltd	<i>Blackfella Beef</i>	No data	No	No	Local owners	<p>This charitable enterprise is developing; limited Business Planning data was accessible to analyse sales volumes, prices, or margins. The research finds that there is likely to be a positive increase on sales volumes from Indigenous branding (no conclusive data). Over the longer term the impact of brands on sales prices and sales margins faces many challenges, again with limited data.</p> <p>The enterprise is unique – it seeks to commercially enter one of Australia's largest rural industries (meat and livestock), that is also one of the world's most efficient producers of beef. This brings many opportunities if well targeted, and some large economic challengers.</p> <p>The focus of this long-term enterprise is to build viable sustainable Indigenous grazing communities on-country. This requires better grass-fed grazing assets (land, water, herd genetics, etc), and better property and supply chain skills. Training for Indigenous people on their traditional country is a core need and objective. <i>Blackfella Beef</i> is both the near-term banner for Indigenous and investor engagement as well as the likely Indigenous beef brand to drive long-term commercial sales and viability.</p> <p>Any <b>sales volume</b> gains from a viable commercial enterprise will directly benefit the Indigenous property owners, employees, and their communities. Indirect economic beneficiaries include supply chain partners (e.g., freight companies, animal health suppliers), regional agencies, etc. Consumers who value beef produced from Indigenous owned and managed properties will also benefit indirectly.</p> <p>There are significant barriers to achieving <b>sales price or margin gains</b> for <i>Blackfella Beef</i> product in the near midterm (5-7 years). These include lack of property and herd scale, poor and variable herd genetics, lack of supply chain capacity, and limited control over downstream processing products under an Indigenous brand. That is not to conclude that the venture is not viable, nor that sales price gains should not/will not be pursued long term. This venture's stated priority is to support people on country, over the long term.</p> <p>The midterm (5-7 years) priorities are to (1) support people on-country through a corporate and cultural governance framework, (2) build production and market infrastructure (herd genetics, human skills, processing, logistics, value offer), and (3) enable commercially viability through brand leverage in selected markets. If sales volume can enable initial viability, branding can build long term margins. Sales price gains will economically benefit owners, employees, communities (subject to additional costs), and chain partners.</p>
					National owners	
					Overseas owners	
					Farmers & fishers	
					Employees & crew	
					Chain partners & researchers	
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	
					Local consumers	
					National consumers	
					Export consumers	
4. First Nation Foods Partnership	<i>First Nation Foods</i>	Yes	No	Uncertain	Local owners	<p>This private firm was purpose-built by WA partners (Indigenous &amp; nonIndigenous) to increase remote Indigenous community access to high quality food and groceries in remote WA communities.</p> <p>The research finds there has been sales volume growth boosted by Indigenous branding, but the nature of the business mitigates price growth, and favours owners rather than remote Indigenous customers. There is no data to drill into margin impacts conclusively.</p> <p>Rising <b>sales volumes</b> have increased the economic gains for the enterprise (e.g., profits) and its employees (e.g., job security). But higher sales prices also cost their client customer communities more for food received. Data is not available regarding market competition for the supply, price, or margin of groceries to remote communities, so the economic impact on communities is unknown.</p> <p>The project team concludes that grocery supply quality, volume and product range for remote communities has been boosted as First Nation Foods and other suppliers targeting the remote community market. They then build their respective skills and capacity to service that competitive market segment.</p> <p>The economic beneficiaries are the enterprise owners (profits) and employees (stable employment), and community members serviced by the enterprise (e.g., reduced food scarcity, more competitive food prices, higher quality food, better health outcomes).</p> <p><b>Sales price</b> data for this enterprise is not available. Sales price increases are subject to competitor's market prices, and to the costs of delivering those price gains (e.g., rising fuel costs for remote grocery delivery). Increased sales prices would be an economic benefit to the enterprise owners and employees, while remote communities benefit from improved food quality and services. Supply chain partners (e.g., trucking, or cool chain suppliers) and their employees along the supply chain would also benefit.</p> <p>The impact on <b>sales margins</b> for the enterprise is unknown. Increased grocery and food supply volumes may have resulted in lower costs to service remote customers (e.g., lower fixed costs per unit sold) so margins may have increased as result for food of the same quality. This is also an economic benefit to communities directly in lower food costs but also in reducing risks associated with food security, availability, access and related health and welfare outcomes.</p>
					National owners	
					Overseas owners	
					Farmers & fishers	
					Employees & crew	
					Chain partners & researchers	
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	
					Local consumers	
					National consumers	
					Export consumers	

5. Nunga Produce Partnership	<i>Matjarra</i>	Yes	Uncertain	No data	Local owners	<p>The research finds this private enterprise has greatly increased sales volume under its <i>Matjarra</i> brand. It is now starting to engage and service national mainstream food supply chains. There is no data to tease out price and margin impacts conclusively, but the desktop evidence is clear that the business is intentionally expanding to support national retail chains (Coles, IGA, Foodland) at margins that would be expected to be attractive for the partnership.</p> <p>The main economic beneficiaries from <b>sales volume</b> gains are Indigenous producers with approved access to supply under the brand, and their regional farm employees, families, and communities. These producers have traditionally been based in SA and western VIC but are soon likely to include Indigenous producers in other states as confirmed by the partnership. Other minor beneficiaries are supply chain partners (e.g., transport companies, farm input suppliers).</p> <p>Increased sales volume also benefits the supply chain managers (owners of the enterprise and <i>Matjarra</i> brand) due to the reduced unit fixed costs, and extended product range for the brand. This makes the brand more valuable and attractive to national retail chains, as available data confirms.</p> <p><b>Sales price</b> increases have created additional economic benefits to the enterprise partners and their Indigenous producers and employees, subject to any additional supply costs incurred on a product line-by-line basis. But there is limited public economic data to verify this gain. These economic flows are received by beneficiaries directly as increased profits, and indirectly as high asset values, (e.g., farm values and brand values), and increased producer and employee skills. Other beneficiaries are supply chain partners (e.g., farm service companies), and their employees.</p> <p><b>Sales margin</b> gains (due to increased prices and or lower costs) economically benefit the partnership and its Indigenous suppliers contracted under that brand, on a product-line by product-line basis. The direct economic beneficiaries are producer suppliers, and their employees. No public data is available.</p>
					National owners	
					Overseas owners	
					Farmers & fishers	
					Employees & crew	
					Chain partners & researchers	
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	
					Local consumers	
					National consumers	
					Export consumers	
6. Nth Aust. Aboriginal Kakadu Plum Alliance	<i>NAAKPA</i>	No data	No data	No data	Local owners	<p>This Indigenous community enterprise is in-development; hard economic data is not yet publicly available.</p> <p>However, the research finds that there is likely to be a positive increase on sales volumes after launch from Indigenous branding. The initial gain will be due to increased supply chain control as Indigenous harvesters and producers (i.e., NAAKPA members) integrate down their supply chain and reduce the adverse impacts of speculative 3<sup>rd</sup> party traders of their unique and rare product. The consolidation of all product volume under a single NAAKPA food brand will attract further demand from larger food processors and consumer markets.</p> <p>Over the longer term the impact of brands on sales prices and sales margins faces many challenges. Again there is limited public data available to tease out the conclusive details.</p> <p>From the case data it is very clear that venture leaders expect the primary economic beneficiaries will be Indigenous corporations (the corporate members of the Alliance), and their respective communities, Traditional Owners, and employees.</p> <p>Other beneficiaries in economic terms (direct and indirect) will be local and national supply partners (horticultural managers, logistics companies), community entities that benefit from increased local economic flows (e.g., local stores), food consumers, and related research projects.</p> <p>The Alliance entity forecasts (with adequate cause) that increased <b>sales volume, sales prices, and sales margins</b> will increase the demand for unskilled and skilled employees and boost related wage rates.</p> <p>As owners of the venture the communities will expect over the long term that financial surpluses and distributions and dividends will also increase in line with expanding commercial scale and viability. This will provide the funds to increase investments in their yet-to-be-developed social and educational programs for their respective Indigenous communities spread across northern WA and the NT.</p>
					National owners	
					Overseas owners	
					Farmers & fishers	
					Employees & crew	
					Chain partners & researchers	
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	
					Local consumers	
					National consumers	
					Export consumers	

7. Fleurieu Milk Company	Fleurieu Milk Co.	Yes	Yes	Yes	Local owners	This well-established private SA company's plans confirm that its temporarily stalled Indigenous dairy food line will be commercially viable and attractive to premium food consumers, when established.
					National owners	The research finds there is likely to be a positive increase on sales volumes, sales price, and sales margin after launch of selected premium dairy foods supported by Indigenous branding or brand messaging.
					Overseas owners	The forecast economic beneficiaries from the proposed increased <b>sales volume</b> of products under this Indigenous food brand will include Fleurieu Milk Company and shareholders (e.g., increased profits and brand asset values), participating Indigenous entities (e.g., sales turnover and profits for sale of bushfood ingredients), related Indigenous communities and bushfood pickers in northern Australia. Supply chain beneficiaries from these increased economic flows will include Indigenous consultants and advisors, supply chain partners. Premium dairy food consumers in Australia and targeted export markets will benefit indirectly through access to a unique Australian Indigenous dairy food not available elsewhere.
					Farmers & fishers	
					Employees & crew	
					Chain partners & researchers	Supply chain partners will all benefit from the economic activity flowing from a forecast <b>sales price</b> , including Indigenous harvesters, processors, community logistics managers, supply chain advisors, fruit puree processors, trucking companies, food researchers, and 3 <sup>rd</sup> party financiers such as the ILSC.
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	Increased <b>sales margin</b> accrues directly to Fleurieu Milk Company as the manager and controller of the manufacturing supply chain, but indirect benefits from increased sales margins also accrue to the Indigenous ingredient suppliers (owners, employees, community members) through direct access to a national premium food brand and related supply chain. It is anticipated they will benefit from an expanding employment and add-on commercial opportunities (e.g., fruit grading, local value adding initiatives tied to country), and local development of social capital in support of the supply chain.
					Local consumers	
					National consumers	
					Export consumers	
8. Australian Native Food Company	Australian Native Food Co.	Yes	Uncertain	Uncertain	Local owners	This young commercial enterprise (incorporated in 2020) arose from innovative engagement with Indigenous students. The level of ongoing engagement and training with students and Indigenous communities is uncertain although the percentage of jobs held by Indigenous employees is stated to be 70%.
					National owners	Product and brand launch in retail and online markets during the Covid-19 pandemic may also have boosted near-term sales as people stayed home to shop, but the longer-term impacts on sales prices and margins are uncertain as the pandemic passes.
					Overseas owners	
					Farmers & fishers	The research finds there has been significant increase on sales volumes because of Indigenous branding, especially for online sales. The impacts on sales prices and margins are uncertain and there is insufficient public data to enable conclusions regarding economic impacts.
					Employees & crew	
					Chain partners & researchers	The research suggests all increases in <b>sales volume, sales price and sales margins</b> from this business are received by nonIndigenous owners and managers. It is not possible to assess or identify other enterprise or supply chain beneficiaries. The case data confirms the enterprise is frequently awarded and publicly praised for its support for Indigenous students and Indigenous communities.
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	The project team has found many other similar small Indigenous brand enterprises across Australia that service similar product and service markets, either online and/or in food service areas such as catering or casual bistro foods. The economic beneficiaries vary widely (e.g., Indigenous online school stationary suppliers, and an Indigenous composting enterprise in Condobolin NSW supporting troubled Indigenous youth).
					Local consumers	
					National consumers	
					Export consumers	

9. Tidal Moon	<i>Blue Ocean Health</i>	Uncertain	Uncertain	Uncertain	Local owners	This recently established (2017) local Indigenous enterprise is in a commercial venture with an Australian therapeutics company wholly owned by a Japan based company in global human therapeutics markets.
					National owners	The Indigenous production venture has stalled due to the Covid-9 pandemic and delays in securing regulatory approvals in Australia.
					Overseas owners	The research finds there is not sufficient public data available to assess the impact of the Indigenous brand on sales volumes, prices, and margins. The unforeseen impacts of the pandemic and the complexity of the governance structure compound this challenge.
					Farmers & fishers	The economic beneficiaries of the venture will include Indigenous owners of Tidal Moon. Indigenous producers/fishers (under the <i>Blue Ocean Health</i> brand) will directly benefit from any increase in <b>sales volume</b> and the productivity (i.e., volume produced per hour) of their contribution.
					Employees & crew	
					Chain partners & researchers	But the details of beach <b>sale prices</b> agreed between Tidal Moon and the foreign owners of <i>Blue Ocean Health</i> brand are unknown and therefore the extent of sharing of economic benefits back up the supply chain to Indigenous fishers and communities is unknown.
					Traditional owners of land	
					Indigenous communities	The project team notes the complexity of the various entities in the supply chain from Australia to Japan and on to global therapeutic markets, suggesting the flow of economic benefits from <b>sales margin</b> gains will likewise be complex and remain proprietary.
					Agencies & regulators	
					Local consumers	
					National consumers	
					Export consumers	
10. Goolwa Pipi Co – KutiCo.	<i>GPCo., Kuti Shack</i>	Yes	Yes	Yes	Local owners	The research finds this joint enterprise has very successfully increased <b>sales volumes, prices</b> and potentially <b>margins</b> due to many strategic investments, including Indigenous branding. This private company group comprising Goolwa Pipi Co. and KutiCo combines existing nonIndigenous seafood brands, and a new Indigenous brand. Over a decade the enterprise has consolidated limited wild fishery Pipi quota, to maximise the value of its fishery and every harvested kilogram up to the set quota limit.
					National owners	The current direct economic beneficiaries are business owners, Indigenous and nonIndigenous employees, and Indigenous communities and leaders formally engaged in Pipi harvesting and governance roles (e.g., training, employment). Harvest and operational jobs are seasonal, but many permanent jobs arise along the chain (e.g., in offices, processing, food service, leadership).
					Overseas owners	
					Farmers & fishers	Joint investment of private (GPCo.) and public capital (ILSC), and creation of an Indigenous brand have collectively increased the engagement and active participation of Indigenous people and government agencies in this viable and expanding seafood business.
					Employees & crew	
					Chain partners & researchers	This enables and directs the long-term social and cultural programs that the companies have established to build skills and careers for young (mostly) Indigenous people on their country, as well as increases in community wellbeing and economic return.
					Traditional owners of land	
					Indigenous communities	Increased <b>sales prices</b> associated with an Indigenous branded product do not readily translate to benefits for specific beneficiaries. Price growth may be due to surges in market demand (good), or due to uncontrolled cost recovery in a market where there are few competitors (not so good). This data is confidential to the company so there is insufficient economic data available to assess what might drive up prices for Indigenous branded Pipi sales via retail, online, or food service. But the outcomes are clear - the successful repositioning of a low value Pipi bait product into a high value seafood consumer Pipi seafood demonstrates the experience the company has in leveraging economic flows through product redesign and branding. If the price gain is sustainable, the beneficiaries are the companies and shareholders, employees, supply chain partners, communities, and consumers.
					Agencies & regulators	
					Local consumers	As commercial private entities, the first beneficiary of any gain in <b>sales margins</b> and profits is the company group. Their Boards will decide how to use their increased surplus funds, either as reinvestment (retained earnings) in the viability or growth of the business (which may be more jobs), or as increased cash dividends to shareholders. The case evidence suggests the companies are growing and directing margin growth and profit captured into business expansion and resilience, rather than as returns to shareholders.
					National consumers	
					Export consumers	

11. Ocean Blue Diving	Ocean Blue Diving	Yes	Yes	Uncertain	Local owners	<p>Ocean Blue Diving is a small private TAS company awarded harvest access to a new Indigenous fishery for Abalone and Periwinkles. The research finds there has been significant initial increase and likely ongoing growth in sales volumes because of Indigenous branding of products in this new fishery. The impacts of branding on sales prices is evident in increased demand from food service outlets for the products, but the impact on margins (net of added costs) are uncertain.</p> <p><b>Sales volume</b> gains will arise from this new TACC allocation and economic benefits will accrue to the owners of Ocean Blue Diving and its employees. Fishery harvest volume gain will benefit the Indigenous quota holders, the Tasmanian Indigenous community, and related divers and employees.</p> <p>The enterprise is currently working with seafood chefs and experts to value-add the new harvest, rather than commit all volume to wholesale markets in Sydney as has been the case to date. Abalone and Periwinkle <b>sales price</b> gains will boost financial returns to the business owners, Indigenous community quota owners and employees, in the absence of additional costs.</p> <p><b>Sales margin</b> gains for Abalone and Periwinkle harvests will boost financial returns to the business owners, Indigenous community quota owners and employees.</p> <p>The project team concludes that case data is relatively clear regarding proposed sales volumes and sales prices but the quantum and sharing of sales margins is yet to be developed and revealed.</p>
					National owners	
					Overseas owners	
					Farmers & fishers	
					Employees & crew	
					Chain partners & researchers	
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	
					Local consumers	
					National consumers	
					Export consumers	
12. Wanna Mar – Stehr Tuna	Wanna Mar	No data	No data	No data	Local owners	<p>This recently established private enterprise will access a TACC limited Southern Bluefin Tuna harvest and sales volume in SA. The research finds there is insufficient data to determine any economic impacts from Indigenous branding on sales volumes, prices, or margins.</p> <p>This enterprise partners (An indigenous West Coast community, and a large Port Lincoln based tuna and seafood production company) bring deep, complementary and relevant experience to the venture. The business operations are not yet established nor is an Indigenous brand in a commercial seafood market. No business scoping or plan data is publicly available.</p> <p>The project team understands a farmed tuna supply chain brand will be established for Indigenous ranched tuna producers in retail and food service outlets.</p>
					National owners	
					Overseas owners	
					Farmers & fishers	
					Employees & crew	
					Chain partners & researchers	
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	
					Local consumers	
					National consumers	
					Export consumers	

13. Zenadth Kes Fisheries	Zenadth Kes	No data	No data	No data	Local owners	This recently established enterprise will access a fishery with TACC harvest limits on sales volumes for key species in the Torres Strait Fishery. The research finds there is insufficient data to determine any economic impacts from Indigenous branding on sales volumes, prices, or margins. This enterprise has not yet established an Indigenous brand in a commercial seafood market. The project team understands a tropical seafood wild catch seafood chain brand will be established for Indigenous fishers in retail and food service outlets.
					National owners	
					Overseas owners	
					Farmers & fishers	
					Employees & crew	
					Chain partners & researchers	
					Traditional owners of land	
					Indigenous communities	
					Agencies & regulators	
					Local consumers	
					National consumers	
					Export consumers	
AUSTRALIA Summary		Beneficiary scores			Summary of beneficiaries for the 13 enterprises assessed that own and operate an Indigenous brand in Australia.	
Local owners	13	0	0	This research concludes that Indigenous owners and their Indigenous and nonIndigenous employees on farms, fishers and enterprises are the main economic beneficiaries from sales volume, sales price, and sales margin growth. These economic impacts flow, in turn, as profits, distributions, wages directly and indirectly to their Indigenous communities to drive development and invest in community services and benefits. The Traditional Owners of these enterprises benefit economically as the custodians of assets that accrue increased economic value over time, on behalf of their communities.		
Employees & crew	12	1	0			
Farmers & fishers	11	1	1			
Indigenous communities	10	3	0			
Traditional owners of land	9	2	2			
Chain partners & researchers	2	10	0	The research concludes that supply chain partners, consumers and regulators will variously benefit economically from economic impacts driven by gains in sales volumes, sales prices, and sales margins. Indigenous enterprises that operate a product or service brand do so via a supply chain and with coinvesting partners. If economic benefits increase to Indigenous enterprises due to their brand investment, they will demand increased support from their supply chain partners to facilitate growth. Consumers benefit economically (and socially and culturally) from the increased availability of a branded Indigenous product at a reduced price (and likely higher and more consistent quality) that reflects their expectations of the product as offered by the brand, and their capacity to pay. Consumers that seek out Indigenous branded products also benefit socially and culturally from their increased availability.		
National consumers	0	10	3			
Local consumers	0	9	4			
Agencies & regulators	0	7	6			
Export consumers	0	4	9			
National owners	1	0	12	Two case studies illustrate the economic impact of national and international trade in and demand for Indigenous branded foods/seafoods.		
Overseas owners	1	0	12			



Figure 3. Conclusions re Economic Beneficiaries in supply chains from New Zealand Indigenous brands

Overseas Enterprise	Main Brands	Qn 1. Answers			Question 2 answers - Economic beneficiaries	Beneficiaries (in black)
		Volume	Price	Margin	From increases in sales volume, sales price, or sales margin	
NEW ZEALAND						
1. Moana New Zealand (S. 2004)	Moana New Zealand, Sealord	Yes	Yes	Yes	<p>Six of the seven enterprises in the New Zealand case sample were formally and legally Settled under Deed since the 1990s (see “S” date) based on the final Māori terms negotiated from the Treaty of Waitangi (1840) and the Fisheries Settlement Act (1992) with the NZ Government. Settlement terms provide public capital and tax concessions to individual Iwi entities (mostly community trust companies with operating subsidiaries), in return for prescribed charters and responsibilities on Iwi leaders to deliver long term social, cultural, economic, and environmental benefits for Iwi members.</p> <p>This business model is now economically mature, managed by very experienced leaders and financial executives, within clear regulatory terms. The model has a track record of delivering stable long-term benefits to Iwi members directly and indirectly, and potentially to other agencies and the broader New Zealand public (e.g., through more efficient and effective regional targeting of employment, health, and welfare support for troubled Māori youth).</p> <p>Holding company (i.e., Trust) financial data is published annually. This has greatly enabled the economic analysis of New Zealand Indigenous enterprises, and the related analysis of Indigenous branding impacts.</p> <p>The trading company known globally by its brand <i>Moana New Zealand</i> is 100% invested in fishing, aquaculture, and seafood businesses that service local and global supply chains and markets. Four other Iwi each invest small amounts of capital in fishing activities, quota, and seafood business. Te Awanui, a large global kiwifruit business is partially owned by a Māori trust but has no seafood investment.</p> <p>All Settlement Iwi must manage cultural lands and waters, and generate long term economic funding for social, cultural, economic, and environmental corporate outcomes. Increases in <b>sales volume, sales price and sales margins</b> are managed by each group (and its respective Māori boards and executives) to optimise returns and economic benefits (including cash surpluses and profits) that fund social and environmental service programs to achieve these benefits. These programs are specific to each Iwi.</p> <p>The only non-Iwi organisations are Okains Bay Seafood and Chatham Island Food Company (although it is not clear if Settlement outcomes directly impact this business). These enterprises are small private Māori family companies, the former in longline fishing for local and overseas markets, and the latter in local species and artisanal value adding. Both companies manage internal staff development and cultural maintenance programs.</p> <p><b>Note:</b> These NZ case studies are dominated by large Māori Iwi communities that have established diverse investment portfolios subject to Treaty of Waitangi Settlement Deed, and subsequent Fisheries Settlement Act.</p> <p>For this reason, the dominant economic drivers (e.g., tax incentives for community welfare investments) arising from Māori enterprises and branding are legislated and common across enterprises. The beneficiaries are therefore clear and uniform across the various Iwi. The only exception in this selected assessment of cases is Okains Bay Seafood, a private Māori Family company that manages its economic benefit flows internally and privately. For this reason, the Beneficiaries identified on this page are assessed across all seven New Zealand Indigenous brands and enterprises, and do not relate to any individual enterprise.</p>	Farmers & fishers
2. Ngāti Porou Trust (S. 2011)	Real Fresh, Ahia	Yes	No	No		Employees & crew
3. Ngāi Tahu Trust (S. 1997)	Tahu, Sanford	Yes	Yes	Yes		Chain partners & researchers
4. Okains Bay Seafood (1987)	Okains Bay Longline Fishing	Uncertain	Uncertain	Uncertain		New Zealand public and 3 <sup>rd</sup> Party Investors
5. Whakatōhea Trust (S. 2022)	Open Ocean	Uncertain	Uncertain	Uncertain		Iwi leaders & communities
6. Chatham Islands Food Co. (S. 2020)	CIFCo, Chatham Blue	Uncertain	Uncertain	Uncertain		Agencies & regulators
7. Te Awanui HP (S. 1984)	Seeka	Uncertain	Uncertain	Uncertain		NZ consumers
						Export consumers

Figure 4. Conclusions re Economic Beneficiaries in supply chains from North American Indigenous brands

NORTH AMERICA		Volume	Price	Margin		Beneficiaries
1. Quapaw Nation	<i>Quapaw, O-Gah-Pah</i>	Yes	Yes	Yes	<p>The Quapaw Nation is a native American tribe that owns and operates several food production and marketing businesses, casinos, training and education, and aged care establishments in the US Midwest based in NE Oklahoma.</p> <p>Increases in sale volume along wholly owned supply chains (i.e., chain integration) is a very efficient way to create and capture economic benefits. The Quapaw Nation produces much of the food that is consumed in its restaurants, casino restaurants, steakhouses and bistros, and aged care and child support facilities. Supply chain integration and control of chain enterprises improves operating scale and efficiency across all their commercial ventures. This also reduces fixed costs to then boost sales margins.</p> <p>The benefits of <b>sales volume</b> gains are delivered through tribal employment, training in tribal businesses (e.g., young tribal meat inspectors in abattoirs), career opportunities, etc. Indirect tribal social benefits are the main drivers for Quapaw Nation investment. Broader indirect benefits are also delivered to agencies, for example, to federal national parks that move surplus bison from US National Parks to native lands for beef production.</p> <p>The direct economic beneficiaries of <b>sales price</b> growth are the members of Quapaw Nation through higher dividends and capital growth for owners, and those employees as wage gains and stable employment in the various tribal ventures.</p> <p>The Quapaw Nation and members are the main beneficiaries of <b>sales margin</b> growth. Patrons attending Quapaw enterprises (casinos, aged care facilities, etc) will benefit from improved service delivery and a range of service options under the same corporate brand.</p>	Farmers & fishers
						Employees & crew
						Chain partners & researchers
						Tribal leaders & communities
						Agencies & regulators
						Local consumers
						North American consumers
2. Suquamish Nation	<i>Suquamish, Tokém</i>	No	No	No	<p>The Suquamish Nation is a native American tribe that owns and operates businesses (seafood, golf resorts, casinos, cultural heritage and tourism, cultural training, cannabis retail) in the Puget Sound region of the Pacific NW of the USA and Canada. The seafood business is currently small (limited harvesting capacity and a single retail outlet) but has publicly released plans to expand. There is no evidence from the available data that the existing established seafood brand has been used to or has enabled the owners to, increase sales volumes, sales prices, or sales margins. However, the plans and recent media suggest this is about to change.</p> <p>Suquamish Seafood is implementing a strategy to increase investment and leverage its Indigenous heritage to:</p> <ul style="list-style-type: none"> <li>• Boost production from dedicated cultural land and water (TACC limited) using wild and farm methods,</li> <li>• Boost sales prices due to increased focus on high-net-worth consumers who will value its Indigenous heritage, and</li> <li>• Increase margins due to larger operating scale, and intangible brand values such as Indigenous heritage.</li> </ul> <p>The economic benefits from <b>sales volume, sales price and sales margin</b> gains accrue directly and indirectly to Suquamish Nation enterprises and tribal members (e.g., as surplus distributions and dividends, and increases in community asset values). Nation members and nonIndigenous people are also employees of Nation enterprises on higher wages with more secure employment in more commercially viable tribal businesses.</p> <p>Tribal members' benefits are in the form of larger cash distributions, and returns (tax effective dividends) from the Suquamish Nation corporate entity. They are also in the form of social benefits such as tradition cultural access to land and waters, career development, jobs, training, health and welfare, and scholarships for Nation members.</p>	Export consumers
						Farmers & fishers
						Employees & crew
						Chain partners & researchers
						Tribal leaders & communities
						Agencies & regulators
						Local consumers
						North American consumers
						Export consumers



3. Clearwater Seafoods	Clearwater	No data	No data	No data	<p>Clearwater Seafoods is a large (C\$1 Bn turnover), mature (established 1976), global fishing and seafood company based in Nova Scotia, Canada.</p> <p>In 2021, 50% of the shares in this public company were purchased by the Canadian Government and transferred to Indigenous maritime tribes of eastern Canada. The other 50% of the business is now owned by a large North American food branding company, Premium Brands based in Vancouver.</p> <p>The company had no pre-existing Indigenous brand. Additional Indigenous brands are now being developed.</p> <p><b>Shareholders in Premium Brands</b> expect a higher economic return from their new investment in <i>Clearwater</i>, which comprises only around 20% of the Premium Brands business. As their President noted when the acquisition of the 50% of Clearwater was finalised, their company will “use its value-add expertise, brand development capabilities, and extensive customer relationships to continue to grow this leading global seafood company”. This is a long-term strategy and is likely to include launch of new Clearwater Indigenous seafood brands.</p> <p><b>For the new Indigenous owners</b>, they are already benefiting economically through the certainty of owning fishery quota (as an appreciating economic asset) related to their cultural waters and heritage. And they also benefit as they are now joint owners of a successful global business and supply chain that will create, in the words of their Chief Gerald Toney “significant benefits for our people through employment opportunities and own-source revenues, which will help to further community prosperity”. Economic benefits from <b>sales volume, price and margin</b> will accrue.</p>	Farmers & fishers
						Employees & crew
						Chain partners & researchers
						Tribal leaders & communities
						Agencies & regulators
						Local consumers
						North American consumers
Export consumers						
4. Labatt – Native American Beef Program	Navajo Beef, Native American Beef	Yes	Yes	Uncertain	<p>Labatt is a large (US\$1.3Bn turnover), privately owned, mature (established 1910), nonIndigenous family company based in Texas USA that manufacturers and services food distribution (retail, online, food service) outlets across the SW USA. In 2011 the company established the <i>Native American Beef</i> program and Demonstration Ranch with Navajo ranchers, communities, and employees. Over the last decade the program has expanded to include Native American ranchers in Texas, Arizona, and New Mexico.</p> <p>There are clear beneficiaries but quantifying the benefits is not possible as data is confidential to the company. But the case facts reveal most of the answers relevant for this study.</p> <p>Indigenous ranchers and employees are trained in beef production funded by Labatt and USA government agencies. Ranchers who meet grazing and beef performance and quality specifications in contracts with Labatt, are granted access to the <i>Native American Beef</i> brand and supply chain, higher farm gate returns, skills program access and development, and jobs to build their cattle ranching enterprises and shared supply chain.</p> <p>Cattle <b>sales volume</b> increases that meet the contracted quality specification are also paid a higher farm gate <b>sale price</b> by Labatt, who then process these cattle in their own abattoir and manufacturing plants servicing specific mainstream domestic niche markets. One such niche market is the food and restaurant trade in casinos owned by Native American tribes in SW USA. In this way <b>sales margin</b> gains achieved by the <i>Native American Beef</i> program are captured either by the higher farm gate prices paid to Native American ranchers, or as economic gains from the casino business (i.e., as distributions, dividends, or asset value appreciation).</p> <p>Labatt Food Service achieves marginal financial benefits due to the indirect production subsidies (from government), increased supply chain volumes, and market subsidies (from casinos). It is very unlikely Labatt would establish, fund, and manage this program for over a decade if it was losing money. Labatt has benefited from government co-investment and community goodwill from leading the program over more than a decade.</p>	Farmers & fishers
						Employees & crew
						Chain partners & researchers
						Tribal leaders & communities
						Agencies & regulators
						Local consumers
						North American consumers
Export consumers						
Notes: FS = food service market segment; Key to Question in Answer Column: green “Yes”, yellow “Uncertain”, red “No”; white “No data”						

## B. ABOUT THIS REPORT

### 1. PURPOSE AND OBJECTIVES

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#### PURPOSE

The purpose of this project is to undertake a technical analysis of the economic<sup>3</sup> benefit of Indigenous brands via a desktop international audit.

The project scope is very broad, across selected global economies, First Nations peoples, fisheries, seafood supply chains and market segments. The project has therefore undertaken an initial scan of its enterprise and supply chain options, to then focus on an auditable sample, as requested, of target enterprises.

Australians are witnessing significant change in both the manner and intensity of engagement by Indigenous people in their agrifood and food service industries, including for fishing, aquaculture farming, and seafood product use. Indigenous people are increasingly owning and operating (as directors, managers, employees, etc) commercial fishing and aquafarming licenses, and fishery or seafood businesses.

Modern fishery management regulations are also creating new pathways for Indigenous people and Traditional Knowledge to participate in the whole seafood chain. These trends evident in Australia, are also emerging and typically more mature, in other advanced fishery and seafood economies where Indigenous people are engaged in food or seafood production such as Canada, New Zealand, and Scandinavian countries.

What are the economic benefits from this change? Is this increased Indigenous commercial and economic engagement in the seafood industry being carried down the supply chain to, and anchored in, a proprietary Indigenous seafood brand? And do any net economic benefits accrue from such branding return to Indigenous owners, employees, or community members? These issues go to the purpose for this project.

#### OBJECTIVES

The project Terms of Reference issued by the Indigenous Reference Group (IRG) seeks a technical analysis of the economic benefit of an Indigenous Brand. The analysis is to be undertaken via a desktop international audit to capture information on successes and failures using such brands, understanding the whys, the costs, governance involved and if successful where is the benefit captured (at the supplier, mid-chain partner, or at the end point near the consumer.

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<sup>3</sup> Encyclopaedia Britannica (Merriam-Webster) defines *Economics* as the study of how people allocate scarce resources for production, distribution, and consumption, both individually and collectively. The two branches of economics are microeconomics (the enterprise), and macroeconomics (the aggregate economy).

**Objectives****Summary Outcomes**

Identify and engage with Indigenous enterprises that manage seafood brands

- List of relevant enterprises that manage Indigenous seafood brands
- Supporting context and classification of enterprise

Draw conclusions re economic impacts of Indigenous food/seafood brands

- Macroeconomic impacts of Indigenous food seafood brands
- Implications of Indigenous brand impacts

Document and report the economic impacts on and potential for Australian Indigenous food/seafood brands

- Documented impacts of Indigenous brands for Australian food seafood
- Potential longer-term impacts of Indigenous brands

Document which stages of the supply chain accrue the economic benefit from any branding

- Economic beneficiaries of Indigenous branding of Australian food and seafood

**2. METHODOLOGY**

The five-stage project methodology is summarised in Figure 5.

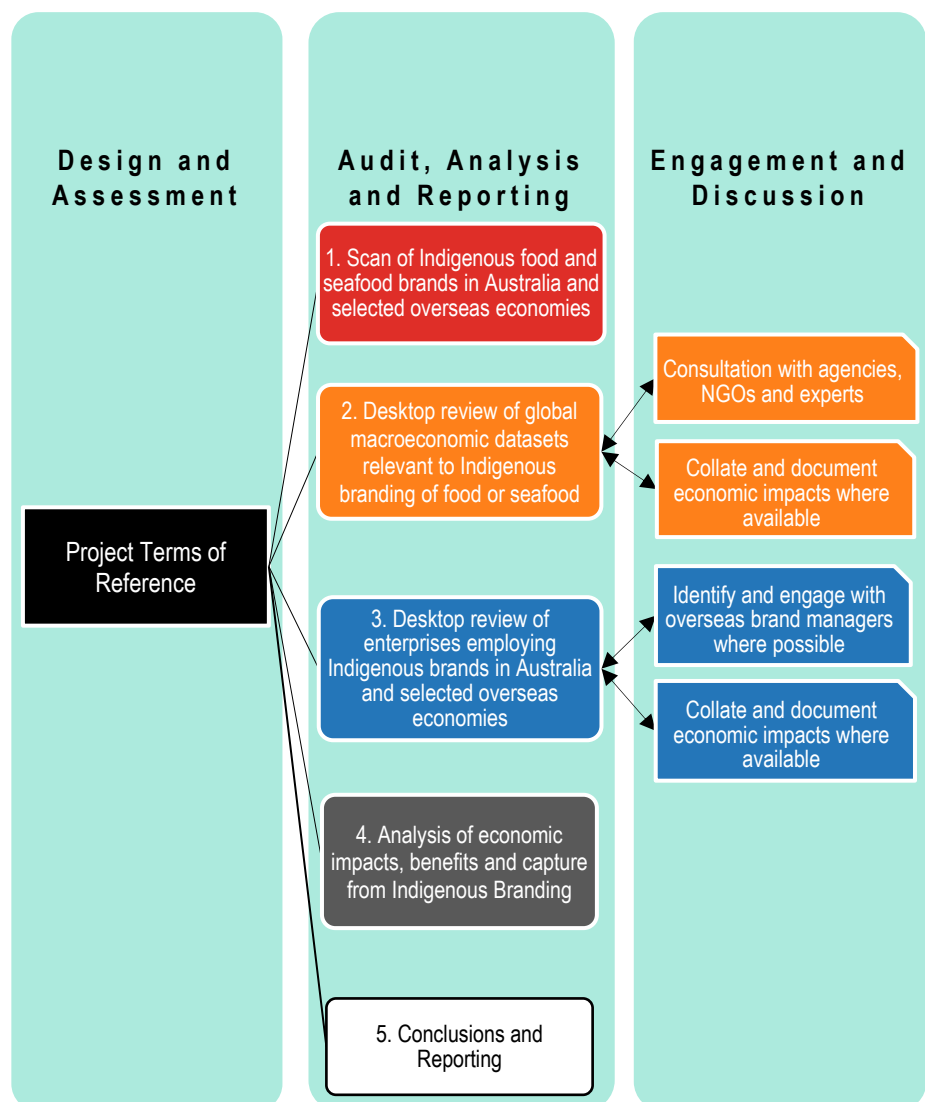


Figure 5. Methodology and Work Plan

The project has been undertaken by a small team at Ridge Partners, with progressive input from the IRG. Mobilisation of the project occurred in mid-2021 during the Covid-19 pandemic. As a result, desk research activity was marginally constrained, but the opportunity for confidential primary research (both face-to-face and via online meetings) with target enterprises was reduced.

Accessing confidential in-house enterprise data required a degree of trust be established early in conversations between enterprise executives and the project team leader. In 2021-22 during the pandemic many businesses were justifiably focused on day-to-day financial survival – they were not able or motivated to allocate time to discuss Indigenous branding matters, respond to a survey, or trust an unknown consultant. To overcome this engagement barrier the project team leader chose to travel for face-to-face meetings in Australia.

As the pandemic progressed into 2022-23 online consultation and virtual meeting technologies (Microsoft Teams, Zoom) became widely available and acceptable for meetings. The project team also recruited in-country consulting colleagues to assist in identifying and engaging key executives from overseas enterprises to join virtual meetings.

The project design included roles for young Indigenous people to undertake desk research on a part-time basis with the Team Leader. Unfortunately, no young Indigenous people were available to support the project, possibly due to Covid-19.

## TERMINOLOGY

The IRG seeks an audit and related advice quantified in economic terms, directly as costs and economic surpluses captured along supply chains, or indirectly as governance frameworks and impacts. The first objective of the Terms of Reference (see Appendix 1) is to “Identify and engage with Indigenous enterprises that manage seafood brands.”

## Economic

Encyclopaedia Britannica (Merriam-Webster) defines Economics as

*the study of how people allocate scarce resources for production, distribution, and consumption, both individually and collectively. The two branches of economics are microeconomics (the enterprise), and macroeconomics (the aggregate economy).*

Based on discussion with the IRG, this project has taken a commercial view of the economic flows and impacts arising from Indigenous branding. Two standard questions have been framed accordingly to tease out and identify commercial and economic value flows and impacts. These have been applied to every enterprise assessed in the desktop audit.

## Governance

According to the Institute for Governance at the United Nations,

*governance determines who has power, who makes decisions, how other players make their voice heard and how account is rendered.*

The Australian Institute of Company Directors (an organisation with ~45,000 practising members across all types of enterprises) says:<sup>4</sup>

*Good governance is about the effective way decisions are made and power is exercised within an organisation. It concerns itself with the board's activities and culture, and the board's relationship with the organisation's management and stakeholders.*

*The framework of rules, relationships, systems, and processes within and by which authority is exercised and controlled. It encompasses the mechanisms by which companies, and those in control, are held to account*

*There is no one-size-fits-all approach to the many types of good governance. Every organisation must consider its own circumstances in determining how best to develop a fit-for-purpose approach to governance.*

Corporate or enterprise governance has two dimensions that must be in balance:

- Conformance (also called “corporate governance”) covers issues such as board structures and roles, executive remuneration, and use of Codes and/or standards to address compliance being subject to assurance practices and independent audit committee review.
- Performance focuses on strategy, risk management and value creation, either as financial returns or economic or social benefits. The focus is on helping the board or leaders to make strategic decisions for the organisation, to understand its appetite for risk and key drivers of performance, and to identify its key points of decision making.

## Enterprise

What is an “enterprise”, and why is the enterprise used as the base unit of economic assessment and governance for this project? Why not the community?

The Cambridge Dictionary defines “enterprise” (**Cambridge University UK**) as either:

*An organisation, especially a business, or A difficult and important plan especially one that will earn money.*

Enterprise is a commercial term – the organisation is there to make money. Making money is an outcome from investing capital in the face of risk and opportunity. The creation of and investment in a consumer product or service brand by an enterprise or business is therefore a commercial activity intended to make a commercial return on investment, either as profit or surplus. This is a fundamental principle adopted in this project and related research.

In this review, Profit and Surplus have distinct meanings.

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<sup>4</sup> <https://www.aicd.com.au/good-governance.html>

- Profit is the financial benefit realised when revenue generated from commercial business exceeds expenses and taxes incurred by the organisation to generate that revenue. Profits are owned by “shareholders” and typically retained and reinvested in the business or paid to owners as dividends.
- Surplus refers to a residual financial or economic amount remaining after a period of commercial usage (revenue less expenses). This residual surplus is potentially not taxable (e.g., a Not-for-Profit enterprise that may also be a registered Charity) and is not legally distributable to “members” of the enterprise.

### *Two Types of Enterprises*

While quantifying economic gain as either profit or surplus is technically important (from a taxation viewpoint at least) it is important to recognise and distinguish the broad types of enterprises used in Indigenous branding to more fully respond to the IRG’s requirement to understand economic impacts.

There are two main types of enterprises operating in the Australian economy – **For-Profit**, and **For-Purpose (i.e., NFP)**. Both are commercial enterprises, with the former for private gain, and the latter for community gain.

- A For-Profit enterprise is established and operated by owners to make income and after-tax profit for the benefit of consumers, owners, employees, and regulators.
- A For-Purpose enterprise may make either a profit (i.e., taxable) or a surplus (non-taxable), depending on its charter and legal structure. The governing documents for the enterprise (e.g., articles of incorporation, constitution, or charter), and legal structure must set out its purpose and the way the organisation is governed, operates to create value, and makes decisions. This is required by law regardless of the type of enterprise.

Figure 6 identifies and summarises the fundamental differences between these two enterprise types (noting there are other small variations across jurisdictions).

Figure 6. Functional and idealistic differences between enterprise types

	For-Profit Enterprises	For-Purpose Enterprises (NFP)
<b>1. Enterprise Purpose</b>	<ul style="list-style-type: none"> <li>Primary goal is to earn income and profit for owners and employees</li> </ul>	<ul style="list-style-type: none"> <li>Primary goal is to provide a charitable benefit to a community</li> </ul>
<b>2. Ownership and winding up</b>	<ul style="list-style-type: none"> <li>Range of legal ownership models</li> <li>Depends on who maintains control of the enterprise – “shareholders”</li> <li>On windup, net assets are the property of creditors and owners, determined, if necessary, by a court</li> </ul>	<ul style="list-style-type: none"> <li>No true owners</li> <li>Publicly owned entity – “members”</li> <li>No financial, physical or intellectual property of enterprise can be paid to a member for work</li> <li>On windup, net assets must transfer to a like NFP organisation, determined, if necessary, by a court</li> </ul>
<b>3. Typical Legal Structure or Model</b>	<ul style="list-style-type: none"> <li>Pty Ltd company or trust</li> <li>Ltd - listed public company</li> <li>Ltd - unlisted public company</li> <li>Sole Trader (e.g., trades person)</li> <li>GOC - government owned corporation</li> </ul>	<ul style="list-style-type: none"> <li>Unlisted entity or trust with charitable status</li> <li>Ltd - unlisted public company limited by guarantee</li> <li>Incorporated Assn, or non-distributing cooperative</li> <li>A government owned Statutory Authority (e.g., Indigenous Business Australia, Taronga Park Zoo)</li> </ul>
<b>4. Sources of Funding</b>	<ul style="list-style-type: none"> <li>Private capital from owners</li> <li>External private investment</li> <li>Operating profits retained &amp; reinvested</li> <li>Stock market investors</li> </ul>	<ul style="list-style-type: none"> <li>Government grants</li> <li>Service fees or dividends from investments</li> <li>Operating surpluses retained and reinvested</li> <li>Public and philanthropic donations or bequests</li> </ul>
<b>5. Staff</b>	<ul style="list-style-type: none"> <li>Paid employees and unpaid interns</li> <li>Primarily motivated to earn a living rather than singular commitment to the company's mission</li> </ul>	<ul style="list-style-type: none"> <li>Team of volunteers and few paid employees</li> <li>Volunteers give their time and skill with no compensatory benefit - they believe in work the organisation does as a service to their community</li> </ul>
<b>6. Taxation</b>	<ul style="list-style-type: none"> <li>Must pay taxes on business operations (e.g., payroll tax) per rates set by legislation</li> <li>Must pay taxes on profits (company tax) per rates set by legislation</li> </ul>	<ul style="list-style-type: none"> <li>Not-for-profit organisations can be either exempt or taxable – depends on enterprise size and scope</li> <li>Must receive a tax designation from Aus. Tax Office (e.g., 501(c)3 for all Charities)</li> <li>Receive tax benefits not available to for-profit companies</li> </ul>
<b>7. Market audience</b>	<ul style="list-style-type: none"> <li>A targeted consumer market segment that offers optimal returns</li> <li>Ranging from global commodity mass market to local niche market</li> </ul>	<ul style="list-style-type: none"> <li>Typically, a broader audience than for-profit</li> <li>Potential donors in the community that is targeted</li> <li>Consumers who purchase NFP's services or products</li> <li>Volunteers who work with the organisation</li> </ul>
<b>8. Leadership</b>	<ul style="list-style-type: none"> <li>Leaders are owners, or are directors appointed by owners</li> <li>Leaders have a firm and substantial financial stake in enterprise's profit success</li> </ul>	<ul style="list-style-type: none"> <li>Leaders are not owners,</li> <li>Leaders gain no financial benefit (some receive wage or salary) from role with organisation</li> <li>Leaders guide organisation to fulfil its mission and optimise community outreach, recognition and donations</li> </ul>
<b>9. Culture</b>	<ul style="list-style-type: none"> <li>For enterprise financial profit</li> <li>Focused on how to best improve sales and profits in the face of commercial competition</li> </ul>	<ul style="list-style-type: none"> <li>More community-minded, per stated charter</li> <li>Employees, volunteers, and leaders seek ways to benefit community and increase social effectiveness in the face of service competition</li> </ul>

Both enterprise types (for-profit and for-purpose) are relevant to this project; both types enable and empower Indigenous people (as individuals or collectively in communities) to establish and implement Indigenous brands to differentiate and support their commercial activities. But the governance structures, risk profiles and appetites, corporate and community goals, and competitive strategies for each type will vary markedly based on respective investment motives. Therefore, the financial (e.g., cash flow, increase in asset values) and economic (e.g., health and welfare, skills, and human capital) flows that comes from operating the business and subsequent capture of economic benefits (direct and indirect) back up the supply chain, will differ greatly.

A total of 55 Indigenous enterprises have been identified in the initial project scan. (Australia 28, New Zealand 14, North America - Canada and USA 13). Twenty-four of these (Australia 13, New Zealand 7, North America 4) have been assessed in more detail against the objectives of the Terms of Reference. These singular or corporate groups of enterprises are variously for-profit or for-purpose, and subject to laws in relevant national or state jurisdictions. Sixty-nine brands were scanned in the review of enterprises.

Economic and commercial impacts are both direct and indirect. A branded not-for-profit (i.e., for-purpose) community business may use all its annual grant funds to directly create employment opportunities and enhance skills for its Indigenous members. By contrast a branded for-profit business will typically have a clearer goal to achieve return on investment that enables sales and margin growth that indirectly motivates and increases its investment in Indigenous skills and employment.

The analysis of economic benefits and who captures them along a supply chain is often complex and difficult to determine accurately. Relevant data is typically commercial-in-confidence and not released, nor published. A further challenge relates to corporate Groups (parent and subsidiary enterprises working together). For example, a private Indigenous for-profit enterprise may own and operate several not-for-profit community subsidiaries with multiple brands. This Group complexity compounds cash flows and economic impacts and therefore the analysis of where economic benefit is captured and by whom. Complexity due to confidentiality and corporate structure is evident in many of the cases assessed in this project.

Indigenous enterprises that undertake commercial activity for-profit dominate the businesses that own Indigenous brands and service Australian consumers markets. But in New Zealand and North America (Canada and USA) there are many examples of a regional Māori Iwi or Native American tribes that operates a Holding Company (i.e., parent enterprise) that owns and operates multiple subsidiaries for-profit and for-purpose concurrently, under a common corporate brand. Accordingly, across all Australian and overseas cases reviewed in this project, the project team has taken care to select Indigenous brand cases where some data is available to demonstrate the scale, scope, and depth of Indigenous food branding. Where relevant this report discusses the enterprise type where it is material to the analysis and conclusions drawn.

There are hundreds of enterprises locally and overseas that are of interest to the project team. The methodology chosen and report discussion strikes a balance,



weighing the huge diversity and number of relevant Indigenous food brand cases, against the depth of data available for each case from primary and secondary sources. Cases have been prioritised and balanced to optimise the learnings that IRG seeks.

As the initial scan has revealed it is much more difficult to access microeconomic enterprise level data in English for Indigenous food and seafood brands in Japan and Sweden than it is in North America and New Zealand.

This report is 190 odd pages long, but it aims to be brief and to the point. For each case it briefly:

- Describes Indigenous heritage and contemporary enterprise context,
- Confirms that the Indigenous brand/s does (or does not) create economic value for the Indigenous owners, and
- If so, how is that value captured (as intangible community benefits, as cash returns, or in another way), and
- Identifies (if possible) who captures the benefits of the branding - owners, community members, supply chain parties, regulators, etc.

A simple standardised check list of two questions each with three parts, has been used to assess each of the 24 primary cases against the Terms of Reference.

## C. ISSUES AND DRIVERS FOR INDIGENOUS SEAFOOD

### 1. CONTEXT FOR INDIGENOUS BRANDS

#### SPECIFIC QUESTIONS ADDRESSED IN THE AUDIT

Initial project scans of the range of enterprises employing Indigenous branding activity demonstrate the extreme diversity of related Indigenous brand food products and services. This project has intentionally focussed on existing or proposed brands that meet the brief - that long list has crept up to almost 50 enterprises, here and overseas. This report considers 24 relevant enterprises in more detail.

A brand is an intangible<sup>5</sup> (i.e., no physical form) concept that helps people and consumers, recognise, and identify a particular business, enterprise, product, service or individual. A brand is an asset and has economic value (i.e., a commercial and economic value) which may or may not be recorded on the Financial Statements of the organisation.

The project is an “audit”, undertaken largely as a desk process, with a focus on economic and governance issues. An audit requires two things:

- a) A pragmatic assessment of the situation today, informed by a recent historical perspective, and
- b) Quantification of change to date, trend, and impact based on relevant measures (e.g., dollars, FTEs, sales tonnage, % margins and ROI, etc).

Part a) is reasonably straightforward and reliant on assessment of the operational, economic and governance facts of each enterprise – primarily its economic scale and governance structure.

Part b) is more challenging. Quantification today is also straightforward if the relevant data is publicly available or can be reasonably inferred. But quantification of trend and future impact (viability, solvency, ROI) is challenging. Over what time period is a trend or impact to be assessed? Economic survival for most enterprises is not assured, and future economic gain is not linear. For example, the NZ\$1.3 Bn paid to date by the New Zealand government in Māori treaty settlement redress since the initial payments in 1995 has created enterprises that are now emerging as mature Iwi-managed and owned commercial businesses driving real economic benefits for their collective 469,133 Māori beneficiaries (TDB Advisory, 2021 p. 9). As they improve governance, build scale and market power, these enterprises will increasingly yield economic benefits at higher commercial rates that approximate or better long-term average nonIndigenous comparable businesses<sup>6</sup>.

*At its nub, this project seeks a:*

1. *Sample enterprises to be reviewed and documented.*
2. *A summary of information on the successes and failures of using such brands, to understand the whys, the costs, governance involved and*
3. *If successful, where is the benefit captured (at the supplier, mid-chain, or the end point).*

<sup>5</sup> For a detailed discussion of value types, and techniques for intangible assets and Indigenous Knowledge, refer to *Methods for estimating the market value of Indigenous Knowledge*, ANU CAEPR, 2019.

<sup>6</sup> The investment performance of the Iwi analysed in the TBD study has varied significantly over the nine years (2013-2021) reviewed. Only one of the 9 Iwi reviewed has exceeded the benchmark nine-

Australia has few long-established Indigenous commercial food or seafood enterprises or brands. What should we realistically expect as economic impacts from an investment today in an Indigenous enterprise using an Indigenous brand? This audit can assess current enterprise economic viability today, if the data is available, but cannot determine insolvency, success, or failure tomorrow.

### Economic Perspective

As noted in the previous section, each enterprise is unique, spatially, temporally, and in its chosen competitive commercial industry, market, and business model.

The economics related to branding is further complicated by its intangible nature. Coles Ltd, the Royal Flying Doctor Service (RFDS), Sydney Fish Market (SFM), Austral Fisheries Ltd, and Tassal Ltd are all strong brands and leaders in their respective Australian product or service markets. Each brand informs and attracts customers and differentiates products and service offers on a daily basis for thousands of consumers. If you want to purchase any of these enterprises today, you will have to pay for the value of the physical assets of the business in its Balance Sheet (e.g., plant and equipment, buildings, etc), plus the intangible goodwill value of the respective brands etc ascribed by the market. Depending on their commercial prospects, brand values can be relatively stable (e.g., Coles, Sydney Fish Market), or volatile (in 2022 Virgin Airlines was restructured and the brand is currently being relaunched after almost losing all brand value in 2020 when it was tipped into insolvency by the Covid-19 pandemic).

The same uncertainty regarding the flow of economic benefits will impact Indigenous brands used in commercial markets. The structure and capability of economic governance in the enterprise will have a direct bearing on the scale and timing of economic benefits delivered to communities.

### Supply Chain Metrics

Seafood consumers do not just buy “fish”.

A seafood consumer’s typically purchase decision is to seek out a fish species and then potentially to differentiate (subject to the consumer’s preferences, prejudices, and available time) that seafood species, by origin (e.g., aquatic habitat), by production method (e.g., trawl or aquaculture), by waters (pondage, inshore estuarine brackish, offshore marine), and by credence (sustainability, ethical sourcing, sea country, etc). Adding cultural heritage and indigeneity to a consumer’s choice complicates (or enhances) this decision further. Indigenous branding is fundamentally driven by Indigenous culture, via a fishery license and harvest activity, to create seafood product sales.

Typical consumer prices (and therefore net cash flows) pass back up seafood chains to processors, and fishers (See Appendix 2). Margins for chain partners are typically ~50% at retail, and ~20% at wholesale), with 10-15% of the consumer price going to the fisher/producer.

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year average return of 11.6% p.a. The other Iwi have all reported average returns in the range of 4.4% to 9.2% p.a. TBD Advisory Report 2021, p29

Fishers (Indigenous or not) can capture more of this final price through active quality management and brand promotion, subject to species, product, chain complexity and market power, seasonality, competitors, fishery sustainability, consumer awareness, etc. This project considers these issues from an Indigenous seafood branding viewpoint.

### Key Questions

In order to focus on the economic impacts required by the IRG, this project has asked and tried to determine answers for two sets of fundamental questions for each enterprise assessed:

#### 1. What is the economic impact on commercial sales from the Indigenous brand?

- Does the Indigenous brand increase the volume of sales for the product, to new or existing markets?
- Does the Indigenous brand increase the market price of the product, compared to an equivalent nonIndigenous branded product?
- Does the Indigenous brand increase the sales margin of the product, compared to an equivalent nonIndigenous branded product?

#### 2. What is the economic impact on Supply Chain activities from the Indigenous brand?

- If there is increased sales volume due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?
- If there is an increased sales price due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?
- If there is an increased sales margin due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?

### DO BRANDS CREATE VALUE?

Does branding of a product or service improve its commercial returns on investment and economic outcomes? This simple question is fundamental to this project.

A recent report ([Brand Finance Plc, 2022 October](#)) by a global brand advisory firm assessed recent brand and company trends to quantify the economic and financial contribution of brands to investors' returns.

The study concluded that

- **Strongly branded companies drive greater returns** - "strongly branded companies continue to outperform the market. Analysis using both S&P (US Stock Index) and the FTSE100 (UK Stock index) benchmarks demonstrate how the strongest brands deliver much higher shareholder returns."
- **Brand value drives higher growth rates** – "Organisations whose brands make up a larger share of their total value, i.e., have a high brand value

to [shareholder] equity value ratio (high Brand Value / Enterprise Value) deliver even greater growth, stability, and returns.”

- **More resilient** – “Strongly branded companies recover quickly after a crisis and retain their performance.”
- **Lower capital costs** – “Investors consider companies with strong brands to be less of a risk, and companies benefit from a consequential lower cost of capital<sup>7</sup>. Global data suggests strongly branded companies pay at least 3% less on their debt.”

The clear conclusion from this international study across national enterprise samples is that brands do create economic value, and a brand can be a very attractive asset to hold and operate for-profit or for-purpose.

### CUSTOMARY SEAFOOD

Indigenous people have employed traditional knowledge to harvest customary marine and aquatic animals as seafood for millennia. Rights to customary fishing and seafood have been set in law in many countries, albeit still contested in others. Examples include:

- In arctic and temperate North America, the Indigenous Inuit people consume Arctic char (a cold-water fish in the family Salmonidae) under customary fishing regulations<sup>8</sup>,
- In arctic Europe (Sweden, Norway, Finland and Russia), the Indigenous Sami people variously have rights to fish in marine and fresh waters (in Sweden since 1977 but remain somewhat contested<sup>9</sup>, and with only tenuous rights in Russia<sup>10</sup>),
- In Japan, the Indigenous Ainu people have statutory rights to traditional fisheries<sup>11</sup>,
- In Chile the Indigenous Kawésqar people seek to legislate their traditional fishing rights against encroaching salmon aquaculture, under national park co-management<sup>12</sup>,
- In South Australia, Aboriginal people have had legislated Indigenous rights to traditional fisheries since 2007<sup>13</sup>.

The initial global scan of Indigenous branding activities (see Stage 1, Figure 5) indicates that while customary fishing has been a dietary staple of Indigenous people across the world for millennia, it is the non-seafood Indigenous food lines

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<sup>7</sup> Cost of capital is based on the aggregate measure of the cost of debt (paid as interest to banks and financiers) and the cost of equity (paid as dividends to shareholders).

<sup>8</sup> <http://classic.austlii.edu.au/au/journals/IndigLawB/2000/32.html>

<sup>9</sup> <https://www.rcinet.ca/eye-on-the-arctic/2022/04/14/finnish-sami-activists-win-fishing-rights-case/>

<sup>10</sup> <https://www.theguardian.com/artanddesign/2022/jul/07/russias-sami-fight-to-save-their-language-and-traditions-photo-essay>

<sup>11</sup> [https://brill.com/view/journals/ijgr/28/4/article-p757\\_757.xml?language=en](https://brill.com/view/journals/ijgr/28/4/article-p757_757.xml?language=en)

<sup>12</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4082328](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4082328)

<sup>13</sup> [https://pir.sa.gov.au/recreational\\_fishing/aboriginal\\_traditional\\_fishing](https://pir.sa.gov.au/recreational_fishing/aboriginal_traditional_fishing)

(e.g., plants, fruits, meat, honey) that have predominantly, to-date, been value-added to raise their consumer attractiveness and leverage related economic benefits. The scan suggests that Indigenous seafood globally has been a laggard in commercial development and Indigenous brand development, compared to other foods for human consumption.

However, in the last two decades we have witnessed an increased role for fish (finfish, crustaceans, molluscs) in Indigenous value adding for seafood. Large economic transactions (often supported by government) related to Indigenous fishery access and seafood branding have been underway in New Zealand for two decades (ongoing Treaty of Waitangi Settlements), in Canada (purchase of global seafood company Clearwater Seafoods in 2020 by Mi'kmaq Coalition of Communities), and in Australia (ILSC investments in SA Piri fisheries (2019) and more recently in tuna farming).

The remote, artisanal, and small scale of Australian customary fisheries has traditionally mitigated against value adding these fishery harvests to enhance their consumer offer. In the last five years we have seen a trend (as evident overseas) to identify, invest in, and add value to Indigenous fisheries. Examples include fisheries in Tasmania abalone, Torres Strait, and the Northern Territory fisheries, as well as the two South Australian fisheries noted above.

The initial scan suggests there are limited reliable sources of macroeconomic information publicly available regarding Indigenous brands (e.g., the value of sales from Indigenous brands in the Australian economy).

However, some microeconomic data based on active enterprises servicing commercial consumer markets is variously available from direct discussion with enterprise owners and managers, from an appropriate search of target company websites and published research and media articles. A robust and sufficient sample of such enterprises enabled the depth of analysis to draw conclusions to appropriately inform the IRG.

## INDIGENOUS BUSINESS SECTOR

Indigenous Business Australia advises that the term 'Indigenous enterprise' is defined in the Indigenous Procurement Policy (Indigenous Business Australia, 2018) as a business that is 50% or more Indigenous owned. This includes a Supply Nation certified business at 51% Indigenous ownership and Indigenous Business Direct registered businesses at 50% Indigenous ownership. 'Indigenous' refers to a person who is an 'Aboriginal' and/or 'Torres Strait Islander' person.

In 2018 the Australian Government published The Indigenous Business Sector Strategy. (Australian Government, 2018) In related research the report identified 8,900 Indigenous small businesses, 36% of which were based in NSW, 24% in QLD, 11% in WA, 9% in TAS, 8% in NT, 7% in VIC, and 3% in SA.

Regarding market access and branding, the report noted that Indigenous businesses face "extreme difficulty" in accessing mainstream business relationships and they are not able to effectively connect with nonIndigenous supply chains, markets, or contracting opportunities.

In a 2019 review, consulting firm PwC conservatively estimated Australia's Indigenous business sector to comprise (PwC, 2018):

- 7,200 self-employed individuals who contributed \$309 m in GDP,
- 1,000- 4,300 enterprises that contributed \$1.5 Bn – \$5.9 Bn in GDP,
- 400 community trusts that contributed \$106 m in GDP,
- A total contribution of \$2.2 Bn - \$6.6 Bn, or ~0.1% - 0.4% of Australia's national GDP.

A further complexity in estimating the national value of the Indigenous business sector is the level of attribution of value for Indigenous Knowledge. If a law requires attribution of Indigenous Knowledge to a genuine Indigenous art product being sold commercially (i.e., the Australian art market), the market price of the item will increase as the high integrity of the product supply is confirmed. Likewise, the price of fake Indigenous products will be forced down by the same law. So, in aggregate national terms, laws that enforce Indigenous Knowledge attribution will reshape supply chains and change industry values.

Australian research in 2019 highlighted this issue regarding comparative values for Indigenous business sectors in Australia, New Zealand, and Canada (CAEPR, 2019 p. 45). That study compared values using a range of valuation techniques (e.g., cash flow, income, asset base), finding national values as follows:

- |               |      |                     |                 |
|---------------|------|---------------------|-----------------|
| • Australia   | 2018 | PwC                 | A\$2.2 - 6.6 Bn |
| • New Zealand | 2013 | Te Puni Kokiri      | NZ\$43 - 45 Bn  |
| • Canada      | 2015 | Gulati and Burleton | C\$31 Bn        |

The CAEPR study noted all enterprise and industry valuations must deal with uncertainty regarding the attribution share of value to Indigenous Knowledge,

*The critical pathway to long term, sustained economic development for an Indigenous fishery community is to foster, engage and enable Indigenous microbusinesses aligned with families and clans.*

*The objective is to support these microbusinesses to grow, employ community members and invest in themselves and their businesses, to make their community fishery viable and sustainable.*

*This will integrate cultural and corporate aspiration in the hands of a family business that can create wealth for itself and the community.*

(KPMG, 2016)

describing it as “an almost insurmountable challenge”. The issue is also relevant to brand values (both Indigenous and nonIndigenous) that are measured based on the net present value of cash they generate from future sales.

The relative comparison of Indigenous business contributions to respective national economies is summarised as follows

	Australia	New Zealand	Canada	USA
Indigenous economic contribution	A\$2.2-6.6 Bn (2018)	NZ\$ 43-45 Bn (2013)	C\$31 Bn (2015)	Unknown
Value of National Economy <sup>14</sup>	A\$2,463 Bn	NZ\$407 Bn	C\$2,840 Bn	US\$26,855 Bn
% share of world economy	1.7%	0.28%	2.0%	23.7%
Indigenous share of National Economy	0.26%	11%	1.1%	-

### BRANDING TRANSITION - BUSH FOODS TO INDIGENOUS BRANDS

Branding tells consumers and customers about a product and its uniqueness. It's a dynamic process. The transition from traditional Australian bush foods to sophisticated Indigenous food brands is maturing with increased recognition of Indigenous brands by consumers.

In small volume niche consumer markets, the product or service brand is the commercial investor's doorway to potentially recovering costs and securing a sustainable economic return. Indigenous branding is unique and adds another dimension for consumers, beyond food from the bush. Indigenous branding is anchored in Indigenous culture, as well as the usual market differentiation and consumer aspiration elements (see Figure 8 below).

For Indigenous products and services economic outcomes and impacts arise from two primary sources and their interaction in a commercial marketplace. The sources are the nature of Australia species, and the Indigenous culture of Australia.

### Australian Species

Native animals and plants have been human food sources for Indigenous communities for millennia. Since the mid 1980's native foods and bush tucker

<sup>14</sup> International Monetary Fund, World Economic Outlook April 2023



have emerged as an Australian mainstream food category in national supermarkets<sup>15</sup> and food service/restaurants<sup>16</sup>.

Recent investments and ongoing research into the category are revealing new commercially attractive market opportunities from these species both as Indigenous foods and for industrial uses. The project scan revealed there are a number of Australian researchers investigating native species and the feasibility and opportunity to commercially produce, process and brand these in consumer markets at scale.

One active centre relevant to the Kakadu Plum Case (discussed in this report) is the *Australian Research Councils Training Centre for Uniquely Australian Foods* at the University of Qld, Brisbane. Their research notes the increased market focus on food provenance, supply integrity, and non-food applications for unique extracts.

A recent study (Laurie, 2020) from Australian Native Food and Botanicals (the sector peak body) assessed the economic market opportunities for the next largest (other than macadamia) Australian native food plant species. The findings, with a focus on economic and brand implications, are summarised in descending order by forecast Gross Value of Production (GVP) at the farm gate in 2025 in Figure 7. All species are harvested and/or cultivated by Indigenous people for customary use or commercial sale.

The top five species by GVP are highlighted. Based on the study these five species offer the industry scale and industry governance structures to drive economic outcomes as branded niche foods or supplements. The research notes that the top two species are already cultivated extensively overseas and the third species, Kakadu Plum is at significant risk of loss of genetic material to overseas production.

The remaining species in the list lack the scale, production technologies, industry cohesion or market appeal that will attract commercial investment and brand development. These are also reasons for brand and enterprise failure. For best case outcomes, species research and knowledge will certify and anchor the biological science that enables unique branding of Indigenous products in domestic and export markets.

*It is interesting to note that while unique Australian Bush Foods species are ancient in both their landscape and Indigenous usage, they have only recently established a market appeal for nonIndigenous consumers.*

*In contrast, Indigenous Barramundi (in particular), is a common seafood species (Lates calcarifer) across most of Asia, but it has been an Australian icon food species known and loved for decades by most Australian seafood consumers.*

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<sup>15</sup> see Coles Ltd case study in this report

<sup>16</sup> Today the only Australian native food that is commercially cultivated at scale anywhere, is the macadamia (*Macadamia integrifolia*). In 2018 global macadamia nut-in-shell production was 57,000 tonnes from Australia, South Africa, and 10 smaller producer countries.

Figure 7. Native food species, and related economic and brand implications

Species	GVP \$m 2019/20	Forecast GVP gain 2025	Main Consumer Use	Economic and Brand Implications
Lemon myrtle	12.2	108%	Tea, alcoholic drinks	Food, beverage, skin care, fragmented local industry, large overseas plantations
Finger lime	3.1	61%	Beverages, ingredient, garnish	International market appeal, large overseas plantations
Kakadu Plum	1.6	119%	Health supplements, personal care	Food, beverage, nutraceuticals, preservatives, skin care
Wattle	1.0	130%	Bread, pastries, dairy, chocolate	Food, beverage, food service, small scale
Davidson's plum	0.7	114%	Flavouring/ especially dairy	Broad market appeal – dairy, confectionary, spirits
Mountain pepper	1.0	20%	Spice, ground pepper	No/low production from managed orchards
Anise myrtle	0.4	75%	Flavouring	Failing to attract consumer demand
Ribberries	0.2	200%	Fresh and dried fruit	Low production, small scale, fragmented local industry
Quandong	0.4	0%	Dried fruit, condiments	Food, beverage, food service, fragmented local industry
Lemon aspen	0.2	50%	Fresh fruit, ingredient	Small scale - industry at risk of losing markets
Desert lime	0.2	0%	Cordials and cocktails	Broad market appeal – beverages, nutraceuticals
Muntries	0.1	100%	Fresh berries, ingredient	Low production, small scale, fragmented local industry
Bush tomato	0.1	0%	Flavouring / preservative	Small scale - industry at risk of losing markets
<b>Total</b>	<b>21.1</b>	<b>96%</b>		

However, as has been the case in global Indigenous art markets (discussed later in this report), there is evidence that the uniqueness of Australian native species (plant or animal) is being lost by local producers, as noted above for Lemon myrtle and Finger limes. A contemporary example is the Australian seafood species Barramundi.

The Barramundi, the same fish species known as Asian sea bass (*Lates calcarifer*) across Indo-Asian and global food markets, is a good example to demonstrate Indigenous brand issues.



This species is increasingly sought by seafood food service and retail consumers for its premium white flesh and excellence presentation. Australia has traditionally harvested the species from wild fisheries in tropical waters. Increasingly it is sourced in onshore pond-based tropical aquaculture farms, and more recently from two large tank-based aquaculture farms in the suburbs of Melbourne.

The species is very hardy, fecund, and well suited to aquafarming in diverse locations, so long as the key elements such as water quality, water temperature, and nutrition are carefully managed. A USA based company Australis Aquaculture, established aquaculture farms in Vietnam and Massachusetts USA and was (until 2019) growing out “Barramundi” fingerlings produced in Vietnamese and Australian hatcheries, for sale to the east coast USA seafood market. Their product was offered under “The Better Fish” brand as illustrated.

The marketing of this product as Asian sea bass is not of concern given the near-global availability of the species. But the unauthorised use of an Australian Indigenous word “Barramundi” as a brand since 2011 (Walsh, 2014) is of concern to Australian fishers and Indigenous people. In Australia the consumer protection regulator the Australian Competition and Consumer Commission agreed and mandated that overseas producers supplying Australia should comply with new Country of Origin labelling (2016) (Productivity Commission, 2016 December p. 273) laws and not use the Barramundi brand name.

This seafood example confirms the commercial imperative – producers need to control the critical link between species, production, product offered, and in-market consumer brand .

Other non-native species can be produced in Australia by Indigenous people - a number of the case studies reveal these species and products.

### Indigenous People and Culture

The second source of Australian brand differentiation is Indigenous people and culture. Clearly Australian Indigenous culture is unique here, and globally among other First Nation peoples.

Indigenous culture is ancient and stable, but its expression in today’s media and the minds of consumers is emergent and very dynamic. This dynamism and rising awareness present rich marketing opportunities for Indigenous supply chains (and unscrupulous marketers). We need to dig deeper to understand the impacts and implications for economic value from Indigenous brands over the long term (~>50 years).

Indigenous Business Australia concluded in 2013 that developing business skills within Indigenous communities has been shown to have a significant, positive impact in terms of community development. These necessary skills include business planning, marketing and promotion, budget and cashflow management, inventory, human resources, networks, and partnerships. (Indigenous Business Australia , 2013)

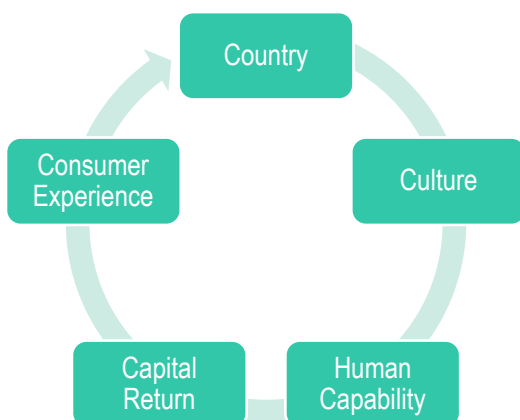
The 2014 Closing the Gap Report ([Closing the Gap Clearinghouse, 2014](#)) concluded regarding “What we do not know”:

*“There is a lack of evaluation data or documentation to determine the number of Indigenous businesses and their products and services, including data about entrepreneurs and community-based enterprises.”*

Indigenous branding for food products for commercial sale in consumer markets is clearly something little was known about in 2014. Much has changed since 2014, but has this gap been filled nine years later? The evidence presented in the case studies below as at June 2023, suggests the data gap is starting to close for the leading Indigenous ventures as commercial and economic engagement ramps up in the leading Indigenous enterprises.

### Evolution of Indigenous Market Concepts

In community-based Indigenous enterprises, having culture embedded within the business and its operations is vitally important for business success. This has been described as achieving a balance between Cultural Governance and Corporate Governance to leverage economic outcomes and benefit streams for Indigenous people.<sup>17</sup>



Embedding culture has many aspects, but generally means running a business and management structure in a way that ‘preserves, protects, and promotes Indigenous culture. ([Closing the Gap Clearinghouse, 2014 p. 10](#))

Indigeneity (in the Australian context) and the concept of belonging to “country” ([Craw, 2008 p. 55](#)) are anchored in “place, nation and nature”, adding scope for additional layers of differentiation (refer to Figure 8) and brand essence (identity, differentiation, promise) that bring both complexity and opportunity for commercial marketing. Australian Indigenous people speak of “song lines” as ancient legacy stories woven across their personal and shared knowledge of and engagement with their country – these add culture depth and texture to brand differentiation.

The more the project team has engaged with Indigenous commercial enterprises, both naïve and mature in this project, the more complexity we see for individual enterprises as they seek to align and leverage their unique story with their enterprise value proposition. This concept of integrating and balancing cultural and corporate streams for commercial market gains is illustrated here - this concept is evident in all enterprise cases reviewed in this project.

For much of the last century Indigenous people have lived on country. However, in contemporary Australia the concepts of Indigeneity, country and place of residence are increasingly diverse and differentiated. The 812,000 Indigenous people recorded in the 2021 national census (3.2% of the population) are

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<sup>17</sup> Refer Building the capacity and performance of Indigenous Fisheries, FRDC Project 2013/218, June 2018, p47

increasingly mobile, a trend evident across all Australians. The vast majority (81%) of Australian Indigenous people now live in cities and regional centres, mostly on the east coast - only 7% live in remote areas. (Leading paradigm shifts in Indigenous health research, 2017). At the same time, all Australians have gained increased awareness of the concept of Indigenous country, specific regional languages, and social or nation groups of Aboriginal Australia<sup>18</sup>.

Two trends can be drawn from this discussion, relevant to Indigenous branding:



- Indigeneity increasingly relates to people, culture, and country as three discrete concepts, not only to people-on-country. This disaggregation enables more flexibility and dynamism in product differentiation, service branding and messaging of unique Indigenous market offers, both tangible from country (e.g., bush or native foods), and intangible (culture, dreaming stories, song lines, experiential, etc) used by Indigenous tour guides or Indigenous fashion designers.
- Australian consumers, being the primary market for Indigenous Australian brands, are increasingly aware of and receptive to this differentiation of people, culture and country and the consequent nuance of market offers.

### ECONOMIC IMPACTS

Economic impacts (both positive and negative) arise from this species-cultural interaction discussed above. But the drivers for these economic impacts run much deeper, often masked, or invisible.

The last decade has seen an explosion in the range and variety of Indigenous food and seafood brands launched commercially in Australia. From the 1980's *Bush Tucker Man* on television, to Indigenous branding on a national airline (Wunala Dreaming 1994), today's domestic market consumers are now far more aware of Indigenous brands in everyday life - they can choose an Indigenous brand category across many daily products, including native flour and skin care products. Much has and is changing on the demand side.

However, on the supply side, the motivation for Indigenous Australians to commercially invest in a product or service business has been and remains far more about relinking to country and keeping young people engaged, than it is about building market share or margins or return on capital. Economic success is a means to an end, for both Indigenous and nonIndigenous investors.

To this end, Figure 8 presents a simple practitioners' summary of the building blocks and concepts of modern food branding, the focus of this project.

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<sup>18</sup> Australian Institute of Aboriginal and Torres Strait Islander Studies map of Indigenous Australia

Figure 8. Elements of a modern food brand

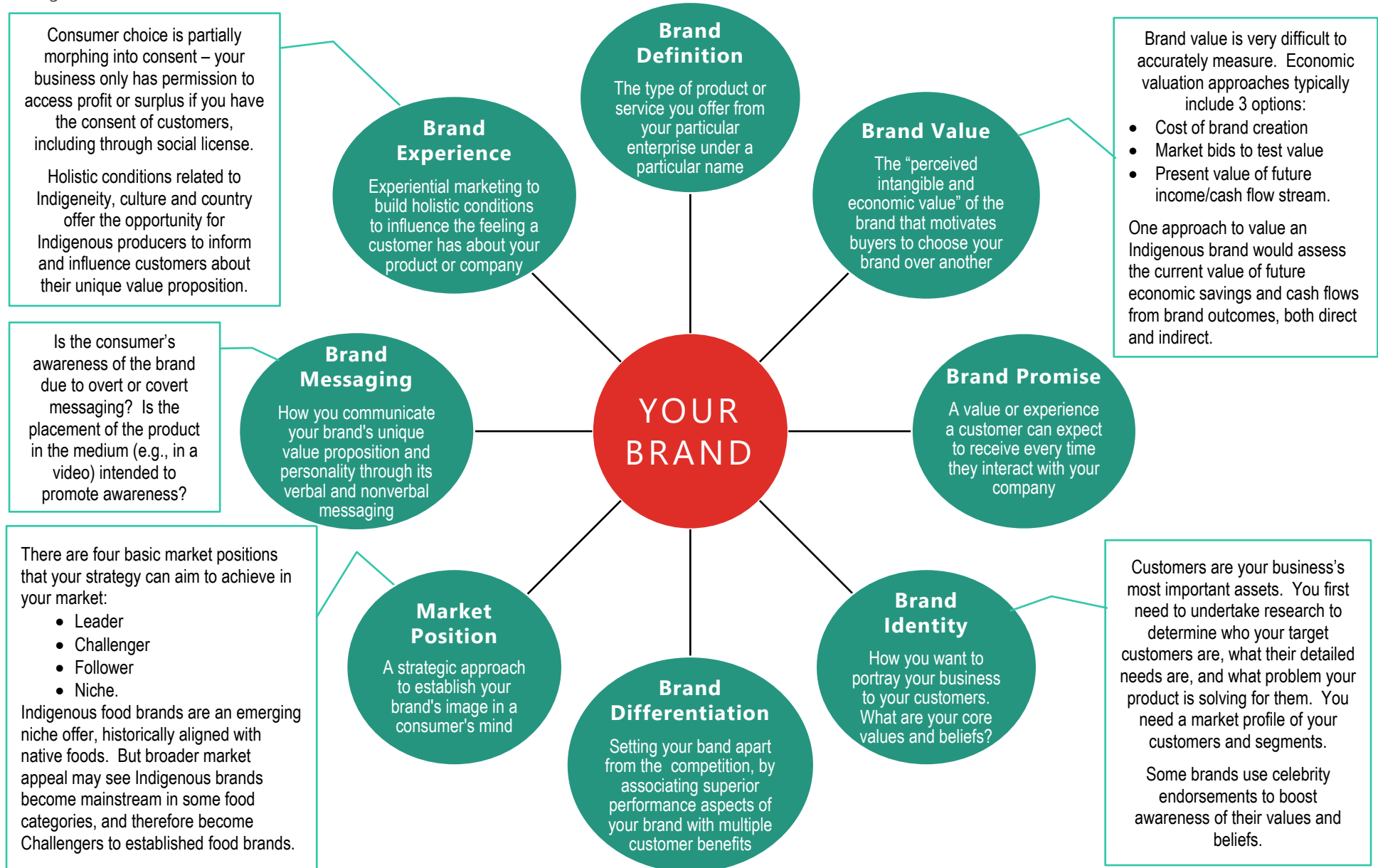


Figure 8 draws from several professional marketers and academic sources, including the experiences of the project team. It is presented here to demonstrate the diversity and depth of economic and social value that is created through branding of food, everywhere. It is also referenced in subsequent discussion for specific enterprises.

This diagram is a framework for the casual observer to unpack marketing jargon, but more importantly, it presents the key touchpoints to link and interpret what is meant by Indigenous branding in a commercial consumer market. It should not be assumed that this framework will always adequately integrate all elements of Australian Indigeneity (culture, place, country, etc) – there may be relevant aspects of Indigenous differentiation (e.g., data sovereignty) that emerge and may go beyond the scope of the diagram. But the diagram is a good start and a working conceptual model appropriate to this project discussion.

The figure seeks to enable a clearer baseline understanding of what Indigenous food branding entails, and therefore what we are assessing via the economic audit process in the project.

Clearly, accurate analysis and quantification of the value of the economic flows from Indigenous branding will be challenging.

## 2. TYPES OF BRANDS

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Brands come in many formats and continue to evolve into new classifications as consumer preferences evolve:

- **Corporate brands** enable companies to market themselves as a whole, rather than their products or services e.g., *Woolworths - the fresh food People*, or the *Royal Flying Doctor Service*. A corporate brand aims to create a consistent corporate image through the interplay of corporate strategy, business activity, and brand stylistics. It follows that a change in the corporate brand is only possible by changing the strategy and business activity of the entity.
- **Personal brands** define and promote what you stand for as an individual. Your personal brand is a culmination of the experiences, skills and values that differentiate you. Personal brands are increasingly common on social media, with “likes” and “followers” being the currency of social influencers who can monetise themselves. Some consumers buy products or services endorsed by these personal brands. e.g., *Kim Kardashian, Paris Hilton, Greg Norman*.
- **Product brands** refer to the individual tangible (i.e., have physical form) products of a company. They are at the lowest and most granular hierarchy level of the brand architecture. Well known examples include Coca-Cola and Apple. Product brands are for specific merchandise or custom-made products offered to target consumers e.g., *Titan Garages made to order on your site*,
- **Service brands** are applied to services and require some creativity in design and management as most are typically delivered personally by multiple individuals e.g., *Jim's Mowing Services and Naylor's Hair Care*. Service branding plays an important role in the contribution to value



creation and economic growth at the company level. Somewhat unlike product brands they need to be experienced – and experienced as you intended. Service brands may work in a complementary way to product brands, for example, Lenovo sells laptop computers but also offers after hours repair or product support. And unlike a product, the service does not exist until the buyer purchases the services.

- **Brand families** (e.g., *Coles Ltd*) where the parent enterprise maintains a family of brands (*Coles Express*, *Liquorland*, *Coles Online*, *Vintage Cellars*, *Coles Supermarkets*) across multiple food types and market segments<sup>19</sup> Brand families can create extra value through synergy, and attract new customers, but they require much greater effort to coordinate the core brand and the individual product and service brands tied to the core, to ensure consumer acceptance. This is particularly the case where the family of products are diverse around the core, for example *Virgin* brand operates an Australian airline (*Virgin Airlines*) but also offers banking (*Virgin Money*) and telephone services (*Virgin Mobile*) in global markets.
- **Community or cultural brands** are an emerging brand type that is directly relevant to Indigenous communities. They bring brand elements that directly link to the indigeneity, culture, and country of the provider of the merchandise or service. For example, the *Blackfella Beef* brand being developed by the Western Kanguulu Indigenous Group in central Qld (refer case study in this report) is clearly marketing cattle meat products, but the equally compelling fact is that the product must come from cattle produced on specific Indigenous country. This brand brings together the essence of both corporate and product branding.

The great bulk of Indigenous brands reviewed in this project fall primarily into the latter type: Community – Cultural – Corporate brand category as an overarching family or community brand. This is directly due to the fundamental fact that Indigeneity arises from “belonging” to country and cultural heritage.

Your brand is how your enterprise, venture or business is perceived and the elements that create that perception. The best branding has the power to convey emotions and generate bonds with people. Good branding expresses a clear personality of the brand to help the customer overcome confusion and derisk the investment when buying a product or service.

For branding to work, it is important to keep it cohesive; to broadcast a clear and consistent message at all touchpoints of the market; to keep the same voice of the brand across different communication channels; and to stick to the core values, and ethical beliefs you proclaim. Brands need to walk-the-talk to align

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<sup>19</sup> In the seafood industry an example of family of brands is the Austral Fisheries Group. *Austral Fisheries* is the parent corporate brand, and three species or market brands used include *Glacier 51 Toothfish*, *Skull Island Tiger Prawns* and *Karumba Banana Prawns*, each of which is independently certified as sustainable and well managed by the Marine Stewardship Council (MSC).



their value with their differentiation and promise – consumers are increasingly wary and negative of brand washing that is superficial.

Online engagement and social media have compressed consumers' time and engagement spans – what is relevant to modern consumers changes rapidly and may appear fickle (especially to older consumers). This builds tension in customer's minds between hope and fear. Good brands offer leadership to consumers who seek the safety of permanence and predictability. Brands reduce the consumers' stress in choosing between offer – you buy what you recognise and trust.

Successful food branding by a food company will give its targeted customers a stable appetite for its products or services because it will:

- **Create an emotional bond with customers.** The message that you broadcast through the packaging design or interior of your bakery (for example) is perceived on a subconscious level. People may not remember the colour of the packaging or the shape of the sales logo, but they will memorise emotions and feelings: cosiness, safety, joy, pleasure. Holistic experiential marketing can refine the set of conditions to optimise and imprint emotional outcomes for customers. Fishmongers are generally adept at this.

As a species humans are addicted to stories. Your brand story must talk about your business, company, mission, and values, who you are and what you stand for as a proxy for your brand. Customers always seek honesty and a meaningful approach especially when it comes to their favourite food brands.

- **Distinguish you and your offer from the competitors.** The purpose of food branding is to express personality and uniqueness so that you are not confused with similar companies and offerings in the same market. The branding strategy is to attract as many loyal customers to your business, product, or service as possible and create a unique experience that will make them default to come back and buy again from you.
- **Establish the platform that enables promotion.** Branding creates a holistic image of a business, which is used subsequently in all promotion channels from accounts on social media to banner advertising. Due to the look (logo, colours, fonts, faces, packaging) and tone (confidence, maturity, integrity, clarity) of messages, the company behind the brand will be remembered, recognised and preferred.

### 3. PROVENANCE AND CHAIN INTEGRITY

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Product provenance and cultural rights, supply chain integrity and management, and supply chain access all have implications for the way Indigenous brands will emerge and evolve in the Australian food and seafood industry.

The following discussion briefly considers issues related to Indigenous producer access to food and seafood supply chains and related brands. The discussion aims to tease out the brand essence (differentiation, identity, promise, etc) that is briefly described in Figure 8 above. Note that this discussion is presented as a

summary scan of key issues relevant to Indigenous brands, and not a comprehensive discussion of provenance or integrity.

## INDIGENOUS COUNTRY AND CHAIN INTEGRITY

### Nagoya Protocol

The Nagoya Protocol<sup>20</sup> provides the global basis for the recognition of the rights of Indigenous People. The Protocol was adopted by the Convention on Biological Diversity in Nagoya, Japan in October 2010.

This protocol is the first international instrument of relevance to Indigenous and local communities negotiated since the adoption of the United Nations Declaration on the Rights of Indigenous peoples. (World IP Organisation, 2011).

Australia signed the protocol in January 2012 and is now developing its approach to implementation and ratification<sup>21</sup>. The Australian Government is consulting with the research community, Indigenous people, industry partners and state and territory governments to find the best way to implement the protocol in Australia.

In summary the protocol confirms (*inter alia*):

- Fair and equitable sharing of the benefits arising from the utilisation of **genetic resources**, including by appropriate access to genetic resources ... taking into account all rights over those resources,
- Indigenous peoples' **cultural rights** are human rights. As affirmed in the 2010 *Report of the independent expert in the field of cultural rights*, their existence is "a reality in international human rights law today, in particular in the United Nations Declaration on the Rights of Indigenous Peoples." Such cultural rights are integral to the *Convention* and the *Nagoya Protocol* and their interpretation,
- In applying the *Convention* and *Nagoya Protocol*, the Treaty rights of Indigenous peoples must be fully respected. Such rights elaborate on the cultural and other human rights of Indigenous peoples and individuals, including **land and resource rights**. Treaties between States and Indigenous peoples are also of "international concern, ... responsibility and character". State obligations under such international Treaties may not be adversely affected by the provisions of the *Convention* and *Protocol*.
- In matters related to the *Nagoya Protocol*, a major factor impeding the full and effective participation of Indigenous peoples and local communities is their lack of **financial and other support**. Such lack of capacity remains a concern both in terms of the past negotiations on the *Protocol* and its implementation. International institutions and parties

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<sup>20</sup> [https://www.wipo.int/export/sites/www/tk/en/documents/pdf/grand\\_council\\_of\\_the\\_crees\\_annex\\_comments\\_on\\_observer\\_participation.pdf](https://www.wipo.int/export/sites/www/tk/en/documents/pdf/grand_council_of_the_crees_annex_comments_on_observer_participation.pdf)

<sup>21</sup> Fact Sheet: *The Nagoya Protocol in Australia*, Department of Sustainability, Environment, Water, Population and Communities,

have a responsibility to ensure adequate funding for Indigenous representatives from each region.

Indigenous links to terrestrial and marine country, culture and traditional knowledge are a global phenomenon, as confirmed in the Nagoya Protocol. A brief selection of examples is as follows:

- In New Zealand, Mātauranga Māori (most translated as Māori knowledge) encompasses the body of knowledge originating from Māori ancestors. It includes the Māori world view and perspectives, as well as Māori creativity and cultural practices including Te Reo, the Māori language.
- In Canada, the Haida Gwaii Marine Plan released in 2015 was codeveloped by the Haida Nation and Province of British Columbia (Marine Planning Partnership Initiative, 2015). The plan is founded on Haida ethics and values and outlines how these relate to principles of ecosystem-based management.
- In Hawaii the Hui Mālama o Mo'omomi people designed and implemented their own management plan that exerts their traditional stewardship, incorporating scientific assessments.
- In Alaska, the North Pacific Fishery Management Council of Alaska adopted (2018) a Bering Sea Fishery Ecosystem Plan that explicitly incorporates Indigenous knowledge into decision making (North Pacific Fishery Management Council, 2019). Communities in the Bering Strait region have vast knowledge of local ecosystems passed down for millennia.
- In Finland, Sweden, Norway and parts of Russia, the Sami People have long campaigned for cultural rights and the proprietary nature of traditional knowledge. One simple example in Sweden is the *Reindeer Husbandry Act 1971* which ensures a right to engage in reindeer husbandry, including building whatever facilities they need. In certain areas they also have fishing and hunting rights.

Traditionally, food producers (fishers and farmers) have been more price takers, than price makers. That results in producers facing excessive market power from other parties in their supply chains.

Innovative farmers have long pushed back against the structural characteristics of monopsony/duopsony<sup>22</sup> markets (e.g., large retail or supermarket chains) where producers' power to influence price is limited and innovation is not rewarded by consumer prices.

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<sup>22</sup> Duopsony is a market situation in which two rival buyers hold the controlling power of determining the demand for a product or service from a large number of sellers. Monopsony is a similar situation with a single dominant buyer.

## Regional Producer Differentiation

Research in 2008 (RIRDC, 2008) concluded that Australian producers could implement two strategies to address their supply chain weakness:

- Increase **collaboration** between farmers (or fishers) into a single supply chain, and
- Move from commodity production and competition in a market for undifferentiated products, to the production of value-added **differentiated** food products that are unique and recognisable through unique provenance branding by producers for consumers.

The RIRDC research found overseas markets where consumers recognise Geographic Indicators (GIs), are *willing* to pay higher prices for products identified as special local foods from the many Australian regions. Some global industries (e.g., wine from France's Champagne region; blue cheese from its Roquefort region) have long embedded this GI concept as terroir into regional phenotypes linked to their national and global market brands. This branded terroir typically boosts prices and sales margins, excludes free riders from both the supply chain and use of regional brands, and adds a layer of protection for producers against price competitors.

In summary, Geographical Indicators (WIPO, 2021) are valuable to brands as they certify and leverage brand value. They are *distinctive signs* used to **differentiate** competing goods and are collectively owned with a strong inherent *origin*-base. The indicator refers to geographical origin, species and production process thereby offering both flexibility and complexity to brand differentiation and value.

However, the use of geographical origin brands also presents a number of challenges. Owing to their collective nature, those who produce and market geographical indications must engage and **collaborate** in collective action with regard to production methods, quality standards and control, as well as product distribution and marketing. Agri-food products whose names are protected by the European Union as GIs represent an annual sales value of €74.76 Bn (European Commission ).

Both strategies (differentiation and collaboration) effectively mean producers move up the value chain (toward the consumer) to produce and process proprietary branded products through which farmers can connect directly with consumers. This move may increase risk (e.g., require increased capital, and increase operational exposure), but if implemented successfully, will typically result in increased producer control over supply and delivers improved long run returns on investment.

Australia currently protects Geographical Indicators through certification trademarks. Bespoke legislation may also be established, for example, as in the wine industry under the *Wine Australia Act 2013*, and enforcement under the food standards code.

For Australia, as an open food trading economy with generally high production costs, there may be good economic reasons to adopt GIs across Australian food supply chains.

*A 'geographical indication', or 'GI' identifies a good as originating in a specific region where a particular quality, reputation, or other characteristic of the good is essentially attributable to that geographic origin. GIs are common and enforceable across many European countries.*

*The Australian Government is currently assessing whether GIs be adopted for registration and enforcement in Australia under Free Trade Agreements.*

(Australian Government, 2020)

## Indigenous Cultural Differentiation

For Australian Indigenous people, "country" means the creeks, rock outcrops, hills, and waterholes. But more fundamentally country includes all living things, people, plants, and animals, and embraces the seasons, stories, and creation spirits.

*Country is both a place of belonging and a way of believing.*

While the Indigenous concept of country is fundamental to indigeneity and therefore different to the regional concept of terroir (noted above), both concepts motivate supply chain collaboration by producers and product differentiation in markets.

The legal links that might anchor Indigenous traditional knowledge using a formal Geographical Indication System have been scrutinised (Sherman, et al., 2016) and found to come up short, complicated by the fact that Indigeneity and knowledge are human traits not exclusively pertaining to specific country. Indigenous people can move to the city, still be part of their mob (as in the case of Australian Indigenous people) but are not "on-country". Further research is underway.

Across the consultation for this project the team has noted that the evolution of Indigenous culture and traditional knowledge into market brands is unique for each culture, country, market economy, tribe, Iwi, and mob.

Cases reviewed in New Zealand as part of this project confirm that the rate of the evolution of Indigenous brands (certainly those used on food and seafood) is generally more advanced and sophisticated in New Zealand than in Australia, as discussed in more detail later in this report. Key reasons for their relatively advanced branding capability are complex (and beyond the scope of this report), but two fundamental drivers are evident:

- **Treaty settlements for Indigenous land in New Zealand have been finalised much earlier than in Australia.** The Treaty of Waitangi was established in New Zealand in 1840 and the related Treaty Settlement Act of the New Zealand Government in 1997.

Since its settlement in 1995, the large Māori Waikato Region Iwi representing ~80,000 members, has managed its commercial affairs to now independently control assets valued at ~NZ\$1.5 Bn.

In contrast, treaty settlements are a recent event in Australia. The Noongar Settlement<sup>23</sup> in south-west Western Australia in 2018 was Australia's first land settlement, with more currently in discussion at state levels nationwide. The Noongar Settlement affected an estimated 30,000 Noongar People and includes the transfer of approximately 320,000 hectares of land to the Noongar Nation over five years, and the granting of rights to land that was not transferred. The Noongar people will receive a \$1.3 billion<sup>24</sup> package relating to land, resources, governance,

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<sup>23</sup> Hobbs, H; Williams, G, The Noongar Settlement: Australia's First Treaty, 2018, Sydney Law Review 2018 40 (1)

<sup>24</sup> Australians for Native Title and Reconciliation, Fact Sheet – Treaty in Western Australia, 2022

finance, and cultural heritage in exchange for surrendering native title rights and interests.

- **Māori people comprise a much larger share of their national population.** They comprise ~16% (816,000) of the New Zealand population in a relatively small island geography that established fewer tribal identities, and enabled closer tribe proximity, kinship, collaboration, and co-investment. Australia's Indigenous population (Aboriginal and Torres Strait Islander) comprise ~812,000 people or 3.2% of the Australian population spread across a vast continental and marine geography with significantly lower proximity and opportunity to collaborate or coinvest.

But cultural differentiation does not logically lead to market presence - branding is a separate matter. Opportunity exists to encourage and support Indigenous producers with their private food and seafood brands into differentiated and collaborative supply chains for mutual economic benefit. There may also ultimately be good long-term social and economic reasons for Indigenous Australian producers to establish GI-endorsed brands for produce from their country.

### CULTURAL PERFORMANCE INDICATORS

In 2009 the International Coalition of Fisheries Associations was concerned that most global fishery performance assessment approaches unduly emphasised primary fish stock and ecological conditions, with low priority given to information on economic, social, or cultural issues.

The Coalition also noted that fisheries management systems are often prohibitively expensive – especially in poorer regions of the world. A cost-effective comparable approach (based on a common standard metric) was needed that would enable data-poor fishery systems to be assessed in parallel with data-rich fisheries under a common language across all fisheries regardless of scope, scale, or socio-economic capability (including Indigenous fishers and aquaculture farmers).

Experts from the Coalition, US Universities (University of Washington, and University of Florida) and the World Bank<sup>25</sup> initiated a project that has since evolved to become Fishery Performance Indicators (FPIs).

FPIs consist of 68 output and 54 input metrics of fishery performance spanning the 'triple bottom line' dimensions of ecology, economics, and community in a fishery system. The FPIs are designed to determine how fisheries management systems are performing to achieve community, economic, and ecological sustainability. FPIs are an independent, science-based, objective tool, providing indicators for outcomes and for input factors such as good governance.

*Integrating cultural fishery indicators into international Fishery Performance Indicators.*

<sup>25</sup> James Anderson, Taryn Garlock and Frank Asche from University of Florida Food Systems Institute, and Chris Anderson, Jennifer Meredith, Michael DeAlessi from University of Washington, and Jingjie Chu at The World Bank, and several other institutions. <https://fpilab.org/fishery-performance-indicators/>

The concept of FPIs and their broader use continues to emerge. According to the proponents (FPI Lab) current users include the World Bank, government Fishery Management Agencies, environmental NGOs, and philanthropic organisations.

Broader uptake of FPIs by the seafood industry, traders and the academic community has been slow, although recent research ([The fishery performance indicators for the global tuna, 2019](#)) suggests two Australian fisheries may benefit from FPI integration – Wild catch tuna, and South Australian Pipi.

### SUPPLY CHAIN INTEGRITY

Integrity has overtaken quality as the main purchasing criterion, just as quality overtook cost, and cost overtook availability before that ([Agrifutures, 2020](#)). Put simply, authenticity creates value and benefits to customers. Consumers expect a provenance story to be backed by producer and supply chain authenticity. Authentic storytelling, done well, is a valuable and necessary strategy for businesses because storytelling brings brands and products to life.

Two initiatives (one established, one emerging) offer significant opportunity for regional on-country Indigenous branding.

### Supply Nation



Supply Nation provides Australia's leading database of verified Indigenous businesses - searchable by business name, product, service, area, or category ([Supply Nation, 2020](#)).

In 2009 the Australian Government established the Indigenous Minority Supplier Council to support the development of Indigenous business and supply chains. In 2013 this venture was rebranded as Supply Nation. In 2015 the government launched the Indigenous Procurement Policy – with Supply Nation's Indigenous Business Direct mandated as the first port of call for Government procurement teams to search for Indigenous businesses to fulfil their commercial needs.

Supply Nation works now to connect over 3,700 verified Australian Indigenous businesses on Indigenous Business Direct with more than 600 paid corporate, government and not-for-profit members across every state and territory.

Members of the Business Council of Australia<sup>26</sup> contribute ~80% of total national economic output and employ six of every seven Australians. The BCA's 2019 Annual Report noted that their members who were also members of Supply Nation had increased from 46% to 83% in the decade to 2019. ([BCA, 2019](#)) This initiative provides a critical link for Indigenous enterprises to scale up and engage as credible commercial suppliers to mainstream supply chains that support Australia's leading businesses and brands.

Supply Nation is a valuable platform for Indigenous businesses to promote their products or services. Listing a business on Indigenous Business Direct is

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<sup>26</sup> [www.BCA.com.au](http://www.BCA.com.au)

completely free and all businesses listed are at least 50% Aboriginal or Torres Strait Islander owned.

Supply Nation verifies Aboriginal and Torres Strait Islander business integrity at two levels of ownership: Registered, and Certified Suppliers. Relevant data noted by the organisation in support of its supply integrity capability include:

- For every \$1 of revenue, Certified Suppliers generate \$4.41 of social return,
- Indigenous businesses are 100 times more likely (than nonIndigenous businesses) to employ other Indigenous people,
- Indigenous employment is a key indicator of strong economic development, so procuring from Indigenous businesses is an investment in sustainable communities,
- Supply Nation Registered businesses are 50% or more Indigenous owned. This caters for equal partnerships with nonIndigenous owners.
- Certified Suppliers are 51% or more Indigenous owned, managed and controlled.

### Agrifood Data Exchange

Food traceability, origin and integrity has been an unresolved issue for many producers for decades. Seafood continues to be at the front line of this issue, largely due to the diversity and complexity of the seafood chain (relative to other foods such as dairy, mutton, pork, or beef).

One example is as follows...

Industry advice (ABFA, 17 June 2019) cites consistent consumer survey responses that two thirds of consumers indicate they would be prepared to pay a premium of up to 30% for Australian origin seafood over imported seafood. But the structural nature of the fresh unpackaged, unbranded, food service nature of much of the seafood chain has to date mitigated against regulators tightening relevant laws to confirm seafood product origin.<sup>27</sup>

For most other food products Australian producers now have an electronic app that will, in real time, track their supply along their chain to a consumer. Increasingly consumers have the power of instant traceability and brand recognition (via a QR code or product label) back to their producer in their mobile phone at the point of sale.

Technologies for communicating product provenance stories are increasingly focusing on bringing the consumer closer to the source – aiming to reveal

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<sup>27</sup> Two specific areas of GI enforcement and labelling (e.g., 1. Fish Names and the use of the Indigenous term Barramundi for marketing of imported Sea Bass, and 2. Country of Origin Labelling laws) are related to this discussion but are not discussed further in this report as they are not directly relevant to the project objectives.



relationships with the world that is somewhat alien and distant to everyday or urban lifestyles. Technology is critical as it enables producers to link their brand and their business to their potential customers in real time at almost no cost.

A recent initiative suggests the link between producers and consumers is about to take another large leap forward. In early 2022 FRDC conducted an advanced provenance traceability technology trial called OzAgDX ([AgriFood Data Exchange](#)) with the Western Rock Lobster fishery and the Federal Department of Agriculture. This trial, and others across the national agrifood industries, demonstrated the large potential productivity gains in the near-term for producers who engage their consumers (domestic and export) in both product integrity and product differentiation. Integration of Indigenous producer groups and brands into this new technology and network in the next five to ten years will enable multiple national and regional economic benefits.

### INDIGENOUS VISUAL ARTS AND CRAFTS

In Australia the most mature commercial market to grapple with the integrity of (and lack of) Indigenous products is the visual arts and crafts market. Recent national media (2023) has highlighted the potential lack of cultural integrity for expensive artworks claimed to be painted by Indigenous artists.

The following discussion of the Indigenous visual arts industry illustrates the issues and strategy responses being developed to derisk their respective supply chains and increase producer integrity and control over the market environment that ultimately hosts their Indigenous brands.

For decades Australia's Indigenous visual art has been a unique and economically important segment of domestic and global art markets. Indigenous art can be rightly described as one of the oldest Indigenous brands of Australia.

Integrity drives market value which drives sales price. An estimated 75-80% of the souvenirs sold in Australia purporting to represent First Nations cultures are in fact imitation products where the attribution to Indigenous Knowledge is absent or minimal ([Standing Committee on Indigenous Affairs, 2018](#)).

This matter has been vexed and unresolved at least since the 1980s and is now the subject of a second Productivity Commission review ([Productivity Commission, 2021](#)) tabled in late 2022 ([Productivity Commission, 2022 Nov](#)). (The initial Commission report was published in 2016).

For Indigenous people art is a way to pass down stories, spiritual beliefs, cultural connections, song lines and dreamings to future generations. Knowledge is maintained and instructed through this art and craft.

Australian Indigenous visual arts and crafts have become a \$300-\$500 million global market. The sale of arts and crafts is an important source of income for artists. The Productivity Commission notes that art sales are the main source of income for more than a third of artists in some remote Indigenous communities and supplement the incomes of many more artists.

The market integrity problem arises due to the misappropriation of knowledge and cultural expression (including lack of or fraudulent attribution to Indigenous artists) that occurs via the unregulated production of inauthentic Indigenous arts

#### **Australia-UK Free Trade Agreement Dec. 2021**

*The A-UKFTA contains a commitment to make all reasonable efforts to join the multilateral Hague Agreement on Designs, providing greater facilitated access to design protection for Indigenous fashion, decorative, and industrial designers in international markets where their products enjoy growing demand.*

and crafts. The diversity of source and supply of Indigenous art and craft has enabled it to be readily commoditised and monetised by nonIndigenous players, especially for the less expensive merchandise such as bamboo boomerangs sold duty free at airports. Misappropriation and fraud are far more difficult and far less prevalent for major Indigenous artworks by well-known artists.

Governments set two main types of laws that regulate the Aboriginal and Torres Strait Islander visual arts and crafts markets. Firstly, intellectual property laws protect artists' rights over their works. Secondly, governments determine how arts and crafts can be marketed and sold to buyers. In addition to government regulations there are voluntary industry codes of practice that support ethical trade in this art form.



In 2019, the industry established a voluntary code of conduct called The Indigenous Art Code Ltd. The Code is a set of rules and guidelines that dealers (both Indigenous and nonIndigenous businesses) commit to follow to ensure ethical practices and fair treatment of artists.

In 2021, IP Australia, a government agency, released a Work Plan (and consultation paper) to raise awareness and help protect Indigenous Knowledge in the Intellectual Property System (IP Australia, 2020). Importantly, this plan included the development of valuation methods (CAEPR, 2019) for Indigenous Knowledge goods and services, including Indigenous brands.

But the failure of relevant bills (seeking to strengthen relevant Australian Consumer Law) to pass the Australian Parliament in 2017<sup>28</sup> and 2019 has prompted government and institutions (including the ACCC) to initiate a Productivity Commission enquiry. The Commission's latest report assesses the facts and advises government of the appropriate legislative pathway to market integrity regarding these products and related markets.

In the 2022 report the Productivity Commission recommends (Productivity Commission, 2022 Nov) the Government:

- Enact new legislation that would enable traditional owners to take legal action when certain forms of ICIP (Indigenous Cultural and Intellectual Property) that belong to their community are used in visual arts and crafts without authorisation,
- Introduce a mandatory disclosure requirement for Indigenous-style products that are not made by an Aboriginal and Torres Strait Islander artist, or reproduced under licence from an Aboriginal and Torres Strait Islander artist,
- Bolster the Indigenous Art Code by improving complaint and dispute resolution processes,

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<sup>28</sup> Private Members Bill by Hon. Bob Katter MP. Cited in *Fake Art Harms Culture Discussion Paper*, Arts Law Centre NSW, 2017

- Evaluate the effectiveness of expenditure directed to the Aboriginal and Torres Strait Islander visual arts and crafts sector,
- Establish a formal shared decision-making partnership with Aboriginal and Torres Strait Islander artists and organisations,
- Should clarify roles and responsibilities for workforce development within the Aboriginal and Torres Strait Islander visual arts and crafts sector and set clear objectives for workforce development in partnership with the sector.

#### 4. MAPPING INDIGENOUS BRANDS

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Indigeneity (culture, country), and Enterprise (ownership, control) are complex, diverse, and dynamic matters. Together as a joint foundation for Indigenous branding they compound both the challenges faced by, and the benefits due to, producers.

##### LINK TO COUNTRY

The Nagoya Protocol (2010) discussed above, provides the basis for the recognition of the rights of Indigenous People. The finer issue is how Indigenous Cultural and Intellectual Property (ICIP) is used and accessed in Australian law - especially the difficulties that can arise when IP is created using the traditional knowledge of communities.

Australian courts have proclaimed the link to country under a number of cases. Primarily the Mabo judgement (1992) altered the foundation of land law in Australia by overturning the doctrine of *terra nullius* (land belonging to no-one), and more recently the *Blue Mud Bay case* (2008) has confirmed this decision.

The Productivity Commission ([Productivity Commission, 23 September 2016 p. 58](#)) noted that ICIP “encompasses a wide range of material such as genetic resources, traditional knowledge and cultural expression, which often has profound importance or significance to Aboriginal and Torres Strait Islander Australians”. The commission cited 11 reviews conducted since 1981 related to ICIP, stating (p60) “despite extensive review, there has been little legislative change in response, with many recommendations stemming from these reviews not adopted by governments”. More recently in a 2021 draft the Productivity Commission reviewed the Aboriginal and Torres Strait Islander Visual Arts and Crafts ([Productivity Commission, 2021](#)).

The Commission’s 2016 review found there is lack of legislative progress regarding the scale and scope of “Indigenous link to country” protection, and efficient systems that balance rights with the net benefits to society. While these matters are well beyond the scope of this study, it is clear that Australian public discourse increasingly recognises Indigenous peoples’ link to country.

## MAPPING OF INDIGENOUS BRANDS

The project team analysed the depth and diversity of Indigenous branding in consumer markets (products and services) for the enterprises sampled in this project. All enterprises scanned are listed in Figure 10.

The sample comprises enterprises from Australia, New Zealand, Canada, and the United States of America. The Canadian-USA sample is referred to as North American as one case covers a cross border enterprise in Puget Sound in the Pacific North-West region.

Figure 9 presents a summary comparison of the four jurisdictions hosting the sample of Indigenous enterprises and brands.

The initial scan enabled the project team to identify enterprises most attractive as research targets for the IRG Terms of Reference. Enterprises that were attractive to the project team included those that:

- Produce and market food and seafood to domestic or export markets under Indigenous branding,
- Are across a spectrum from commercially large to small, private entities to public entities, domestic to international, and for-profit to for-purpose,
- Are likely to have available publicly sufficient commercial detail (data, information) for analysis regarding commercial competitiveness, (volume, price, margin) and flow of benefits to supply chain stakeholders,
- Generate commercial returns in modern retail and online food markets, and offer unique Indigenous brand applications, structures, and insights.

The Australian enterprise sample drew cases from all states and territories. These 24 enterprises were analysed in more detail through both desk research and primary research (where possible). Their structures are diverse, including for-profit and NFPs, private companies, partnerships, joint ventures, cooperatives, public companies, and corporate groups managed under a parent Trust.

Figure 9. Summary comparison of sample jurisdictions and products

	Australia	New Zealand	USA	Canada	Total
Population (2021, m) <sup>29 30</sup> <sub>31 32</sub>	25.4	5.1	332	38	401
First Nations population (people identifying) (2021)	813,000	776,000	4-7 m	1.8 m	~8 - 10 m
First Nations share of population (2021)	3.2%	15.2%	1.2% - 2.1%	4.7%	2.2%
Food industry B2C revenue US\$ Bn (2021) <sup>33</sup>	\$79.03	\$12.70	\$899.10	\$128.80	\$1,120
Food Market B2C revenue US\$ 2021 per capita	\$3,111	\$2,490	\$2,708	\$3,389	\$2,793
Enterprises scanned	28	14	11	2	55
Enterprises assessed in detail	13	7	2	2	24
Products and services		seafood, dairy food, kiwifruit/horticulture, forest products, property, tourism, financial investments	meat products from cattle & bison, wildcatch seafood, vegetables & herbs, coffee, honey, bakery products, rice, pulses, & heirloom grains, tea, sauces, olive oil, wine & vinegar, massage oils, plant medicines, skin care products.	Seafood, property, cannabis, tourism, financial investments	

<sup>29</sup> [www.abs.gov.au](http://www.abs.gov.au)<sup>30</sup> [www.stats.govt.nz](http://www.stats.govt.nz)<sup>31</sup> [www.census.gov](http://www.census.gov)<sup>32</sup> <https://www12.statcan.gc.ca/census-recensement/index-eng.cfm><sup>33</sup> The data encompasses B2C (business to consumer) enterprises. Figures are based on the total consumer spending on food, which comprises all private household spending on food that is meant for at-home consumption <https://www.statista.com/outlook/cmo/food/worldwide#price>

Figure 11 maps the sampled enterprises (55 screened, including 69 brands) and the 24 case studies against their ownership, governance, relationship to country, for operators/employees and owner/investors. Nine cells (A to I) in the figure allocate each enterprise against the relevant criteria.

The purpose of this figure is not to test or prequalify a brand “linked” to country or 100% Indigenous ownership. But rather it seeks to highlight that Indigenous food and seafood brands (existing and emerging) are very diverse across all the ownership, governance, and operational human capacity criteria.

The mapped figure tells us that:

- Most Indigenous brands are majority or 100% owned and linked to owner country (in the Australian meaning of the phrase).
- Many are jointly owned businesses, and not be directly linked to country. Creative commercial partnerships to build Indigenous human capital and wealth are very evident in Australia, in Canada, and in the USA.
- Indigenous brands aren’t necessarily the preserve of Indigenous people.

Figure 10. List of all Australian business identified, and Overseas entities analysed

JURISDICTION and main Indigenous enterprise	PRODUCT AND SERVICE OFFER by enterprise or Corporate Group	Groups/ enterprises scanned	Brands scanned	All Cases assessed in Detail	Offer: Retail / Online
<b>TOTAL</b>		<b>55</b>	<b>69</b>	<b>24</b>	
<b>AUSTRALIA</b>	Number of	<b>28</b>	<b>30</b>	<b>13</b>	
<b>NSW</b>		<b>5</b>	<b>5</b>	<b>0</b>	
Chocolate on Purpose	Bush food, chocolate	1	1	-	O
Kallico Catering	Bush food, food service, catering	1	1	-	O
Mirriya Munda	Bush food, food service, catering	1	1	-	R + O
Wiradjuri Condobolin Corporation	Waste composting, youth mental health	1	1	-	n/a
Meat Brothers	Bakery, beverages, meat, poultry	1	1	-	
<b>VIC</b>		<b>3</b>	<b>3</b>	<b>0</b>	
Cooee Café	Food service, catering, NAIDOC products	1	1	-	R + O
Mabu Mabu	Native foods, food service, catering	1	1	-	R + O
Kakadu Plum Company	Plum, spices, cosmetics, homewares, social enterprise	1	1	-	O
<b>QLD</b>		<b>2</b>	<b>2</b>	<b>1</b>	
Western Kangoulu Ltd	Grassfed beef production	1	1	1	In process
Game Enough <sup>AA</sup>	Native plants, game meat, catering	1	1	-	R + O
<b>SA</b>		<b>8</b>	<b>9</b>	<b>5</b>	
Nunga Produce Partnership	Fresh horticulture, herbs	1	1	1	R + O
Fleurieu Milk Company	Dairy food production, processing, and marketing	1	1	1	R + O
Australian Native Food Company	Native foods, ingredients, cosmetics	1	1	1	R + O
Goolwa Pipi Company & Kuti Company	Wildcatch pipis, seafood meals, bait	1	2	1	R + O
Wanna Mar -Stehr Pty Ltd	Farmed Southern Bluefin Tuna	1	1	1	R
Something Wild	Game meat, native herbs, beverages	1	1	-	R + O
The Native Company	Native food plants	1	1	-	R + O
Warndu	Bush food, food service, catering	1	1	-	O
<b>TAS</b>		<b>1</b>	<b>1</b>	<b>1</b>	
Ocean Blue Diving	Wildcatch abalone, periwinkle	1	1	1	n/a
<b>WA</b>		<b>4</b>	<b>5</b>	<b>3</b>	
Noongar Land Enterprise	Sheep meats, honey, wild plant foods	1	2	1	R + O
First Nation Foods	Meat, eggs, milk, bread, fruit & vegetables	1	1	1	R + O
Tidal Moon – Blue Ocean JV	Dried Sea cucumber, therapeutic goods	1	1	1	n/a
Bushlolly Cafe	Food service, fruit & vegetables, catering	1	1	-	R + O
<b>NT</b>		<b>3</b>	<b>3</b>	<b>1</b>	
#Nth Aust. Aboriginal Kakadu Plum Alliance	Kakadu Plum - fresh and processed	1	1	1	R
Kaiyu Superfoods	Native foods	1	1	-	R + O
The Aboriginal Sea Company	Wildcatch tropical fish	1	1	-	R
<b>Commonwealth / National</b>		<b>2</b>	<b>2</b>	<b>2</b>	
Coles Ltd - Indigenous Food Fund (national)	Supermarket - native and bush food supply chain	1	1	1	R + O
Zenadth Kes Fisheries (Torres Strait)	Wildcatch tropical fish	1	1	1	R
<b>NEW ZEALAND ##</b>	Number of	<b>14</b>	<b>20</b>	<b>7</b>	
Moana New Zealand (national)#	Wildcatch and farmed seafood (NZ and export)	1	2	1	R + O
Ngāti Porou Group (Gisborne)	Wildcatch seafood (NZ and export) - finance, property	1	2	1	R + O
Ngāi Tahu Group (Christchurch)	Wildcatch seafood (NZ and export) - finance, property	1	2	1	R + O
Okains Bay Seafood (near Christchurch)	Wild longline seafood (NZ and export) - Manuka honey	1	1	1	O
Whakatōhea Mussels (Bay of Plenty)	Farmed mussels (NZ and export) - dairy, forestry, fruit	1	2	1	R + O
Chatham Island Food Co. (Chatham Is)	Wildcatch and artisanal seafood (NZ and export)	1	2	1	R + O
Te Awanui Huka Pak (Bay of Plenty)	Māori shareholder services (NZ and export) - kiwifruit	1	2	1	n/a
Others scanned		7	7	-	
<b>NORTH AMERICA</b>	Number of	<b>13</b>	<b>19</b>	<b>4</b>	
Quapaw Nation - Cattle Co. (Oklahoma)	Cattle, bison, vegetables, honey, coffee, hotels, casino	1	2	1	R + O
Suquamish Nation (Puget Sound)	Wildcatch seafood, casino, resort hotels, cannabis	1	1	1	R + O
Clearwater Seafood Ltd (Nova Scotia)	Seafood company (50% owned by Mi'kmaq tribes)	1	4	1	R + O
Labatt - Navajo American Beef (SW USA)	Cattle grazing on native lands, casinos, food service	1	3	1	R + O
Others scanned		9	9	-	
Notes: Enterprises in yellow are assessed in detail in this report. # NAAKPA is registered in WA, operating in both NT and WA. ## Māori Iwi that own fishing assets (e.g., quota) also own shares in the national Māori fishing company branded <i>Moana New Zealand</i> . <sup>AA</sup> Game Enough may have ceased trading.					

Figure 11. Map of Indigenous Brands by ownership and operation

Enterprise mapping may include unintentional errors.		<b>MANAGERS and EMPLOYEES</b> of entities that maintain Indigenous brands		
		<b>All or Majority Indigenous</b>		<b>Most nonIndigenous</b>
		<b>Offer directly linked to country and traditional knowledge</b>	<b>Offer not directly linked to owner and country</b>	
<b>OWNERS and INVESTORS</b> of enterprises that maintain Indigenous brands	<b>100% Indigenous</b>	<b>A.</b> <ul style="list-style-type: none"> <li>■ NOONGAR LAND ENTERPRISE (WA) - mixed industries</li> <li>■ WESTERN KANGOULU LTD (Qld) – grassfed beef</li> <li>■ NORTH AUST. ABORIGINAL KAKADU PLUM ALLIANCE (NT/WA) - plum</li> <li>■ OCEAN BLUE DIVING (Tas) - wildcatch abalone and other shellfish</li> <li>■ ZENADTH KES FISHERIES (Torres Strait) - wildcatch tropical seafood</li> <li>■ NGATI POROU SEAFOODS GROUP (NZ) - wildcatch and farmed seafood</li> <li>■ NGAI TAHU SEAFOOD (NZ) - wildcatch and farmed seafood</li> <li>■ OKAINS BAY SEAFOOD (NZ) - long line wildcatch seafood</li> <li>■ WHAKATOHEA MUSSELS (NZ) - farmed Greenshell mussels</li> <li>■ CHATHAM ISLAND FOOD CO. (NZ) - wild catch and artisan seafood</li> <li>■ TE AWANUI HUKA PAK (NZ) - horticulture services</li> <li>■ QUAPAW NATION GROUP (OK, USA) - beef, bison, honey, flowers, coffee</li> <li>■ SUQUAMISH NATION (West USA &amp; Canada) - seafood, casino, cannabis</li> <li>○ Chocolate on Purpose (NSW) - - bush foods, chocolate</li> <li>○ Wiradjuri Condobolin Corporation (NSW) - composting, youth mental health</li> <li>○ Bushlolly Café (WA) - food service, fruit, vegetables, catering</li> <li>○ The Aboriginal Sea Company (NT) – wildcatch tropical seafood</li> <li>○ Waikato Tainui (NZ) – fishing, investments</li> <li>○ Tūhoe Te Uru Taumatua (NZ) – fishing, investments</li> <li>○ Parininihi ki Waitotara (NZ) – fishing, investments</li> <li>○ Raukawa (NZ) – fishing, investments</li> <li>○ Ngāti Awa (NZ) – fishing, investments</li> <li>○ Ngāpuhi (NZ) – fishing, investments</li> <li>○ Red Lake Nation Foods (Minnesota, USA) – rice, meat, teas</li> <li>○ Native American National Foods (South Dakota, USA) – bison products</li> <li>○ Ramona Farm (Arizona, USA) – corn, beans, berries</li> <li>○ Sakari Farms (Oregon, USA) – herbs sources, tea, salts, oils, body care</li> <li>○ Passamaquoddy Maple (Maine, USA) – maple syrup</li> </ul>	<b>B.</b> <ul style="list-style-type: none"> <li>■ FIRST NATIONS FOODS (WA) - meat, eggs, milk, bread, fruit &amp; veg.</li> <li>■ MOANA NEW ZEALAND (NZ) - wildcatch and farmed seafood</li> <li>○ Something Wild (SA) - game meat, native herbs, beverages</li> <li>○ The Native Company (SA) - native food plants</li> <li>○ Warndu (SA) - bush food, food service, catering</li> <li>○ Game Enough (Qld) - native food plants, game meat, catering</li> <li>○ Kallico Catering (NSW) - bush food, food service, catering</li> <li>○ Miritya Mundy (NSW) - bush food, food service, catering</li> <li>○ Meat Brothers (NSW) - bakery, beverages, meat, poultry</li> <li>○ Cooe Café (Vic) - food service, catering, NAIDOC products</li> <li>○ Mabu Mabu (Vic) - native foods, food service, catering</li> <li>○ Kaiyu Superfoods (NT) - native foods</li> <li>○ Ute Mountain Tribe Farm and Ranch (Colorado, USA) – grains, pulses</li> <li>○ Moore Brothers Natural (North Carolina, USA) - beef</li> <li>○ Seka Hills (California USA) – organic olive, wine, honey, body care</li> </ul>	<b>C.</b> (No enterprises identified)
	<b>Joint</b>	<b>D.</b> <ul style="list-style-type: none"> <li>■ NUNGA PRODUCE PARTNERSHIP (SA) - fresh vegetables, herbs, spices</li> <li>■ TIDAL MOON - BLUE OCEAN (WA) - beche de mer, therapeutic goods</li> <li>■ GOOLWA PIPi CO. - KUTI CO. (SA) - pipi, seafood meals</li> <li>■ LABATT FOODS - NAVAJO BEEF (SW USA) – native beef, casinos</li> </ul>	<b>E.</b> <ul style="list-style-type: none"> <li>■ WANNA MAR – STEHR TUNA (SA) - farmed Southern Bluefin Tuna</li> <li>■ CLEARWATER SEAFOOD (Canada) - wildcatch and farmed seafood</li> <li>○ Miraka Milk Ltd (NZ) - dairy</li> </ul>	<b>F.</b> <ul style="list-style-type: none"> <li>■ COLES LTD – Indigenous Food Fund (Aust.) - supermarket chain</li> </ul>
	<b>100% non Indigenous</b>	<b>G.</b> (No enterprises identified)	<b>H.</b> (No enterprises identified)	<b>I.</b> <ul style="list-style-type: none"> <li>■ FLEURIEU MILK CO. (SA) - dairy</li> <li>■ AUST. NATIVE FOOD CO. (SA) - bushfoods</li> <li>○ Kakadu Plum Co. (NT) - Kakadu plum, body care</li> <li>○ Georgia Native Cattle Co. (Georgia USA) - beef</li> </ul>

Key: ■ Enterprises (24) assessed in detail in this report.

○ Other enterprises (31) scanned but not assessed in this report.



## ENTERPRISE AND BRAND MATURITY

All people aspire to improve their economic conditions as a pathway to enhanced social outcomes. The enterprise structures, business unit diversity, economic scale, and sophistication of Indigenous benefit flows are all indicators of enterprise progress toward capacity to deliver social benefits. Figures 10 and 11 illustrate that some long-established enterprises have established substantial business portfolios comprising investments in many industries.

The international case analyses conducted by this project suggests legislative and industry steps enabling Indigenous commercial branding in New Zealand and North America were undertaken much earlier than in Australia. Economic maturity has followed.

### New Zealand brand development steps

In New Zealand the Treaty of Waitangi in 1840 facilitated the NZ Fisheries Settlement Act 1992 that vested public funds into qualifying Iwi. Law requires these funds be carefully invested to create commercial outputs and social benefits for respective Māori tribe members, as a prerequisite to achieve tax advantages.

Over the 30 years since the Treaty many Iwi have progressively achieved a standard Treaty Settlement with the New Zealand Government. Many of the early-launch (1990s) Iwi are now part of a large, relatively homogenous, and mature cohort of corporate groups managing international and local Indigenous brands, that generate returns comparable with nonIndigenous market investments.

### North American brand development steps

In North America the project sample of enterprises is too small to draw strong clear conclusions. But review of the four cases (detailed later in this report) points to a diverse range of regulatory promulgations and commercial initiatives that have facilitated and continue to support specific Indigenous enterprises, brands, and their commercial viability. A snapshot of initiatives is as follows:

#### *Navajo and Native American Beef from Native American Ranchers*

- 1974 - Navajo Hopi Land Settlement Act 1974 of US Government created the Office of Navajo and Hopi Indian Relocation (ONHIR) as an independent agency of the US Government,
- 2009 - ONHIR invests to establish Padres Mesa Demonstration Ranch, a 60,000-acre ranch near Sanders, Arizona on lands proximate to various Navajo Indian Reservations. An experienced nonIndigenous rancher is hired to run the business for rancher development and training.
- 2011 - Navajo ranchers, Padres Mesa Demonstration Ranch, and Labatt Food Service (a very large Texas based food company) launch a partnership (Native American Beef Program) to exclusively engage and incentivise Navajo ranchers to supply quality beef in volume to markets. The Program expands to Native American ranchers in Texas and Arizona.
- 2014 - Native American Beef Program expands to include a cooperative from three Apache Nation tribes ranching cattle in New Mexico.

### *Quapaw Nation in Oklahoma*

- 1956 - Delegation of Chieftain law to an elected Tribal Committee,
- 1987 - Formation of the US Intertribal Agricultural Council,
- 1992 - US federal law in national parks requires bison herds to be sustainably capped. The US Intertribal Buffalo Council partners with the US National Park Service to distribute (free of charge) surplus bison among Native American tribes to boost bison meat production.

### *Suquamish Nation in Puget Sound*

- 1855 - Point Elliot Treaty signed by Chief Seattle of the Suquamish Tribe, reserves tribal rights to harvest fish and other resources in tribal waters,
- From 1923 - Amalgamation of several Suquamish tribes in Puget Sound into Squamish Nation with Treaty rights under Canadian and US Laws,
- 2015 - Suquamish Nation was first in Washington State, USA to legalize cannabis sales on tribal lands. The state is now home to 29 recognized tribes, six of which currently run seven cannabis retail outlets.

### *Clear Water Seafood Ltd in Canada*

- 1976 - Clearwater Seafood established as a small private retailer selling lobsters in Nova Scotia, Canada,
- 1999 - Canadian Supreme Court recognised Nova Scotia's Mi'kmaq people have a constitutional right to catch and sell fish for a livelihood,
- 2002 - After decades of growth, Clearwater Seafood Ltd becomes a public company on the Canadian stock exchange,
- 2010 - Premium Brands Corporation (based in Vancouver) begins acquiring shares in Clearwater Seafoods on Canadian stock exchange,
- 2020 - Clearwater Seafoods has become a large integrated global seafood company, with 21 vessels across Atlantic fisheries from Scotland to Argentina, and 12 plants in Canada, Scotland, and Argentina.
- 2021 - Premium Brands Corporation acquires all the issued shares of Clearwater Seafood for a total purchase price of C\$1.0 Bn,
- 2021 - Premium Brands Corporation sells half of Clearwater Seafoods Ltd to Mi'kmaq First Nations (Nova Scotia) in a joint 50:50 investment funded by the Canadian Government.

The maturity of Indigenous enterprises and brands in New Zealand and North America, relative to Australian Indigenous enterprises, is grounded in many factors beyond the scope of this project. But the summary serves to highlight pathways that may facilitate Indigenous enterprise and brand development.

This is fundamental to realising if, and to what extent, an Indigenous enterprise and its brands can be commercially leveraged in a product or service marketplace in Australia, and the likely commercial and social beneficiaries from such investment.

## D. AUSTRALIAN CASE STUDIES

### 1. BACKGROUND AND CONTEXT

The project team's initial desktop scan of Australian commercial entities servicing consumer markets identified 28 active commercial entities that operate an Indigenous brand. The range of industry activities undertaken by these enterprises is very broad and diverse, including

- Companies that offer food, and others that offer seafood,
- Commercial fishing, aquaculture, and seafood processing and manufacture,
- Australian native and bush food production, and processing for human food and beverages,
- Sheep, cattle and game meat production, and niche products,
- Horticulture and alcoholic spirit production, processing, and consumer product merchandising,
- Milk production and niche dairy product development,
- Grocery and bakery product manufacture and supply including condiments, jams, honey, etc,
- Non-food products and services including:
  - Compost production and recreational fishing bait supply,
  - Human health, personal care, and cosmetic products such as body washes and skin creams,
  - Food service catering, and remote community servicing,
  - Human therapeutic products,
  - Household products such as candles.

The business scale and entity structures of these enterprises includes a national listed company supermarket chain, large regional food and waste processing companies, private enterprises, not-for-profit entities, charities, cooperatives, partnerships, foreign parent joint ventures, and exporters.

As Figures 10 and 11 confirm the governance structures employed range from 100% Indigenous owned and operated to 100% nonIndigenous owned and operated. This sample of businesses covers all Australian states and the Northern Territory, and ranges from Indigenous food brands established since 2001 to emerging Indigenous businesses and brands. Figure 12 provides further advice regarding their respective brands.

The Indigenous business aspirations and motivations are the fundamental driver of all business and brand activities. These include community and social benefits, local youth retention and employment, connection to country, training and skills and commercial return on investment. Thirteen entities (highlighted in Figure 12) have been selected for more detailed analysis as they are most relevant to this project's objectives. The table summarises these entities, location, products and services, and brands. The detailed discussion regarding brand issues and

auditable economic outcomes of the 13 selected enterprises is presented in this chapter.

Figure 12. List of Australian enterprises identified and analysed

	Business Enterprise	Based at	Products and Services	Main Brands
1	Coles Ltd - Indigenous Food Fund	National chain	Grocery – native and bush food supply	<i>Outback Spirit</i>
2	Noongar Land Enterprise	Southeast WA	Sheep meats, honey, wild foods	<i>Kookenjeri, Ngooka</i>
3	Western Kangoulu Ltd	Central QLD	Grassfed beef production	<i>Blackfella Beef</i>
4	First Nation Foods	WA	Meat, eggs, milk, bread, fruit & vegetables	<i>First Nation Foods</i>
5	Nunga Produce Partnership	SA	Fresh horticulture, herbs	<i>Matjarra</i>
6	North Aust. Aboriginal Kakadu Plum Alliance	WA & NT	Kakadu Plum - fresh and processed	<i>NAAKPA</i>
7	Fleurieu Milk Company	Myponga, SA	Dairy food production - processing-marketing	<i>Fleurieu Milk Co.</i>
8	Australian Native Food Company	SA	Native foods, ingredients, cosmetics	<i>Australian Native Food Co.</i>
9	Tidal Moon - (Blue Ocean Joint Venture)	WA	Dried Sea cucumber as a cosmetic supplement to human health and therapeutic consumer markets	<i>Blue Ocean Health</i>
10	Goolwa Pipi Co.– Kuti Co.	Goolwa, SA	Fresh and processed pipi seafood and bait supply	<i>KutiCo, and Kuti Shack</i>
11	Ocean Blue Diving	Bruny Island, TAS	Abalone and periwinkle	<i>Ocean Blue Diving</i>
12	Wanna Mar – Stehr Pty Ltd	Port Lincoln, SA	Farmed Southern Bluefin Tuna	<i>Wanna Mar Tuna</i>
13	Zenadth Kes Fisheries	Torres Strait	Fresh wild caught premium seafood (Rock lobster, Coral trout, Prawns, Sea cucumber)	<i>Zenadth Kes Fisheries</i>
14	Something Wild	SA	Game meat, native herbs, beverages	<i>Something Wild</i>
15	The Native Company	SA	Native food plants	<i>The Native Co.</i>
16	Game Enough	QLD	Native food plants, game meat, catering	<i>Game Enough</i>
17	Chocolate on Purpose	NSW	Bush food, chocolate	<i>Chocolate on Purpose</i>
18	Kallico Catering	NSW	Bush food, food service, catering	<i>Kallico Catering</i>
19	Mirritya Mundya	NSW	Bush food, food service, catering	<i>Indigenous Twist</i>
20	Warndu	SA	Bush food, food service, catering	<i>Warndu</i>
21	Wiradjuri Condobolin Corporation	NSW	Composting, and Youth mental health	<i>Wiradjuri</i>
22	Bushlolly Cafe	WA	Food Service - fruit, vegetables, catering	<i>Bushlolly</i>
23	Cooee Cafe	VIC	Food service, catering, NAIDOC products	<i>Cooee Café</i>
24	Mabu Mabu	VIC	Native foods, food service, catering	<i>Mabu Mabu,</i>
25	Kaiyu Superfoods	NT	Native foods	<i>Kaiyu</i>
26	Kakadu Plum Company	VIC	Kakadu Plum, Native social enterprise	<i>Kakadu Plum Co.</i>
27	Meat Brothers	NSW	Bakery, beverages, meat, poultry	<i>Meat Brothers</i>
28	The Aboriginal Sea Company	NT	Wild catch seafood	<i>Aboriginal Sea Co.</i>

As an introduction to the detailed analysis of Australian cases, it is important to reflect on the key investment and development roles that must be undertaken (by Indigenous people, by co-investors, by governments, by markets). Such investments create long-lasting change in Indigenous enterprises to deliver sustainable flows of economic benefit. These roles are not unique to Indigenous enterprises, they are fundamental to all enterprises.

Figure 13 below teases out the main roles (strategy, governance, products and services, brands) for the 13 target Australian enterprises. Importantly the figure also presents the strategic intent of the entity and its stated flow of economic and social benefits (as can best be determined from desk research with limited enterprise consultation). The brands are aligned with the strategy and product and service offer to optimise these benefits.

For Indigenous enterprises in Australia, these roles to create viable Indigenous businesses and related brands are often kick-started and nurtured by the Indigenous Land and Sea Council.

### INDIGENOUS LAND AND SEA COUNCIL

The ILSC assists Indigenous people with the acquisition and management of land, salt water, and fresh water so they can achieve economic, environmental, social and cultural benefits.



Operating under Commonwealth legislation (Aboriginal and Torres Strait Islander Act 2005), the organisation's long-term vision for meeting its mandate is for *Aboriginal and Torres Strait Islander people to enjoy the rightful entitlements, opportunities, and benefits that the return of country and its management brings.*

The ILSC maps<sup>34</sup> its investments against four pathways of change aligned to its purpose and articulated as medium to long-term outcomes:

1. Indigenous people are maintaining and growing the value and productivity of country,
2. Indigenous people are owning and managing country sustainably,
3. Indigenous people are influencing policy and opportunity for country,
4. Indigenous people are strengthening culture through reconnection to country.

These pathways reflect the series of long-term outcomes that are expected to accrue to Indigenous people as a result of involvement in ILSC activities, as well as the transition of the ILSC's Performance Framework from activities to reporting.

In the organisation's Agribusiness Division, Indigenous cattle ventures have been the main investment sector to date, but Indigenous seafood ventures are increasingly supported since 2019. Three seafood cases are discussed in this report.

<sup>34</sup> ILSC Annual Report 2019-20

On 30 June 2020, the ILSC's agribusiness properties carried 40,950 head of beef cattle and 8,855 sheep: a total of 49,805 livestock. Consistent with their focus to risk-adjust the portfolio, during 2019–20 the number of livestock held decreased by 5.6%, or 2,976 head. Despite the reduction of livestock numbers, the portfolio value increased by 17.5% or \$4.6 m, to close at \$31.1 m. In large part, the sale value of livestock reflects adjustments to the portfolio, positive changes in the cattle market and herd management in response to climatic conditions. The agribusiness portfolio generated a total income of \$14.1 m mostly from its agribusiness operations.

The total operating expenses for the agribusiness portfolio was \$15.9 m. The ILSC's contribution to support the agribusiness operations in 2019–20 was \$0.1 m.

### Framework for Indigenous Commercial Partnerships

The ILSC also coinvests with commercial partners to leverage and support Indigenous enterprises. Indigenous corporations looking to kickstart or scale-up a business opportunity with a commercial partner will be key beneficiaries of the ILSC's new Commercial Partnerships Assessment Framework. (ILSC, 2021)

The first of its kind, the nine-element framework has Indigenous values at its core and is based on First Nations peoples' real-world experiences in developing and operating commercial partnerships, identifying key guiding principles; enablers and barriers; and due diligence and probity questions. The need for a framework to assist the ILSC to assess prospective commercial partnerships has emerged from its important facilitation role in launching joint ventures where an Indigenous corporation partners with a commercial enterprise to start a new business activity.

There are many advantages to commercial partnerships for both Indigenous and nonIndigenous entities: for example, the capability, markets, plant, equipment, and expertise of a nonIndigenous enterprise may combine with important Indigenous knowledge, assets and resources of an Indigenous corporation.

The charter of the ILSC clearly includes a number of the Indigenous development initiatives identified by this study in mature overseas Indigenous entities and brands in New Zealand and North America. These include:

- Leverage through targeted capital investment,
- Commercial enterprise formation and governance,
- Joint venture rights leading to an existing commercial market,
- Valuation and investment in cultural connection to country,
- Enterprise productivity growth.

Figure 13. List of Australian enterprises and brands analysed in detail

ENTERPRISE		STRATEGY & GOVERNANCE		PRODUCTS & SERVICES			OUTCOMES
Company or Business Group	Incorporation date, Indigenous engagement	Strategic Intent of the Business	Governance Structure	Indigenous Food and Seafood Products	Indigenous Brand	Brand Status and Development	Other key economic and social benefits
<b>1. Coles Ltd - Indigenous Food Fund</b>	Listed public company, Engaged since 2001, National chain	For-profit company, National supermarket chain, listed on the stock exchange	Indigenous + nonIndigenous managers & staff	Existing range of grocery, fresh produce, and seafood	<i>Outback Spirit</i> 2002 – jams, sauces, etc	Existing: - access to stable national brand and supply chain	~5,000 “Indigenous team members” in 2022; 5% of total employees
<b>2. Noongar Land Enterprise</b>	Incorporated 2017, ORIC Indigenous Corp'n, Indigenous owned, Southwest WA	Not-for-Profit company, Enable engagement, Social and economic benefits, Education and youth retention	Indigenous directors + nonIndigenous expert advisors	Proposed product range value added sheep meats and honey	<i>Kookerjeri</i> 2021 – sheep meats, wild foods, <i>Ngooka</i> - honey	Proposed: sales \$1.7–\$5 m/yr, Commercial ROI, based on price premiums of 3%-22% Launch in 2023-24	Business scale, Train young people, Social benefits, Connect to country
<b>3. Western Kangoulou Ltd</b>	Incorporated 2015, NFP charity since 2017, Indigenous owned, Central Qld	For-surplus charity, Advocacy Economic, Social & community Employment, Education, Environment, Research	Indigenous leadership + expert directors and managers	Proposed range of grass-fed beef products for domestic and export markets	<i>Blackfella Beef</i> 2020 – beef and livestock products	Proposed: shared brand and beef quality across producers, Property management, Boost branded supply	Skills & Employment, Sustainable, Profitable, Entrepreneurship
<b>4. First Nation Foods Pty Ltd</b>	Incorporated 2018, Indigenous owned, Perth base - operations in WA remote communities	For-profit food wholesaling, Indigenous health and employment	Indigenous + nonIndigenous directors, staff, and managers	Existing range of nonIndigenous food products. All product is nonIndigenous supply	<i>First Nation Foods</i> - fresh fruit and vegetables., meat, eggs, milk, bread	Existing: shared supply chain, Segment & product extension, Increased supply chain scale	Training and engagement, High quality food access, Food availability /security
<b>5. Nunga Produce Partnership</b>	Partnership of two families (one Indigenous), Established 2005, Adelaide & SA Regional	For-profit partnership, Support Indigenous business creation and viability	nonIndigenous and Indigenous family partners as managers and directors	Existing range of locally grown horticulture produce by Indigenous private businesses	<i>Matjarra</i> – 2005 produce, and supply fresh spring onions, herbs, chillies, pak choy	Existing: fresh produce brand with local and national retailers and food service outlets	Viable and professional Indigenous farm enterprises in a shared supply chain to mainstream markets
<b>6. NAAKPA Cooperative</b> (Northern Australian Aboriginal Kakadu Plum Alliance)	Six Indigenous ORIC enterprises, Consortium established 2018, Cooperative registered WA 2022, Northern WA and NT	For-profit cooperative, Enable access, growing, processing and sales of Kakadu Plum products; industry development, research, advocacy, governance, intellectual property, land rights	Leaders from six ORIC registered Indigenous enterprises on the cooperative board + nonIndigenous advisors	Existing Kakadu Plum production (six companies) and processing into powder, pulp, puree, and supply to wholesale and retail outlets via a united supply chain	<i>NAAKPA</i> is current corporate brand established in 2018 but not yet active as a consumer brand	Existing: NAAKPA brand but specific product brands are yet to be developed and launched	Kakadu Plum supply chain consolidation and control, Chain quality and HACCP standards, food safety, Economic viability and ROI for Indigenous producers
<b>7. Fleurieu Milk Company Pty Ltd</b>	Incorporated 2004, nonIndigenous, Myponga, southeast SA	For-profit company, Small regional milk and dairy processing and marketing company	Three dairy farming families and experts as directors	A dairy range with native plant flavours (Kakadu Plum, Davidsons Plum, Muntries, Quandong)	No Indigenous brand. Proposed products under FMCG brand 2004	Existing FMCG brand: Proposed and potential product brand refreshes as necessary	Viable commercial supply contracts with Indigenous plant suppliers, and viable new niche product range



<b>8. Australian Native Food Co. Pty Ltd</b>	Incorporated 2021, nonIndigenous owned, Adelaide & SA Regional	For-profit company, Ethical sourcing of native products and support for communities and local suppliers	Business is not Indigenous owned, but states that ~70% of employees are Indigenous	Existing range of native ingredients, foods, and body products	<i>Australia Native Food Company</i> is current brand - 2021	Existing: corporate brand covers all types of native food and non-food products	Support for Indigenous people and communities (~70% Indigenous employees)
<b>9 Tidal Moon Pty Ltd (Blue Ocean Joint Venture)</b>	Incorporated 2017, Indigenous owned, Local ORIC Indigenous owned producers in Joint Venture Denham, WA	For profit company, Cultural heritage and stewardship, Connection to country, Skills/training in marine industries	All local owners and staff are Indigenous, JV and chain partners are nonIndigenous. Japanese parent company.	Existing range of dried Sea cucumber powder as an ingredient to cosmetic supplements and human therapeutic foods in Southern Asia, and South Korea	<i>Blue Ocean Health</i> – pre-existing nonIndigenous brand wholly owned by Japanese Tokyo-based parent company	Existing: nonIndigenous brand. There is no evidence that an Indigenous brand will be developed and owned by the Tidal Moon Indigenous entity.	Local heritage Connection to Country Investment for Indigenous people in marine training and skills development
<b>10. Goolwa Pipi Co. Pty Ltd – Kuti Co. Pty Ltd</b>	GPCo.: incorporated 2014, nonIndigenous owned. KutiCo: incorporated 2018, Indigenous owned. Port Elliot, SA	GPCo.: For-profit company. KutiCo: Connection to country, training, employment, economic surpluses.	GPCo.: nonIndigenous + Indigenous directors. KutiCo: and its quota are 100% Indigenous owned.	Existing 3 <sup>rd</sup> party owned <i>Kuti Shack</i> pipi seafood service outlet. GPCo. processes and markets pipis and seafood - fresh, frozen, chowder, bait.	<i>Kuti Shack</i> – existing food service outlet at Goolwa. GPCo has no Indigenous brand.	Advanced family of seafood brands for consumer markets including processed pipis. Ready-to-eat seafood meals (from Pipis and other seafood species). Recreational fishery bait	Connection to country. Employment of Indigenous young people on country (e.g., Kuti harvest crew), and their participation in marine skills development and tourism initiatives.
<b>11. Ocean Blue Diving</b>	Incorporated 2003, Family partnership, Indigenous owned, Southeast Tasmania	For-profit family partnership, Commercial fishery diving on own and other 3 <sup>rd</sup> party quota, Periwinkle marketing.	Indigenous leaders, owners, Indigenous and nonIndigenous operators	Abalone and periwinkle	Both brands currently being developed	Development currently underway to assess: Market differentiation, Price points, and Food service focus	Employment and skills, Connection to country, Social benefits
<b>12. Wanna Mar Tuna (Wanna Mar Stehr Pty Ltd)</b>	Incorporated 2020, Indigenous owned quota, Port Lincoln SA	Wanna Mar supported by Far West Coast Aboriginal Corporation, Employment, Skills, Education, Sea country stewardship, Connection to country	Wanna Mar and quota are 100% Indigenous owned, Stehr Group Joint venture staff are nonIndigenous	Southern Bluefin Tuna farmed near Port Lincoln, and related and emerging consumer tuna products	<i>Wanna Mar Tuna</i> is a corporate brand, not yet used on tuna product	Development currently underway to assess Market differentiation, Price points, and Food service focus	Employment in advanced seafood farming and export business, Skills and career development, Connection to country
<b>13. Zenadth Kes Fisheries Ltd</b>	Unlisted public company, Incorporated 2021, Indigenous owned, Torres Strait, Thursday Is.	Local ownership and workforce Economic development Wealth for traditional owners, Preserve local fisheries, Growth and relationships.	25 Indigenous fisher members from all Torres Strait Communities, represented by 5-person board	Tropical Rock lobster, Coral trout, Sea cucumber, Prawn, Spanish mackerel, Barramundi, Pearl shell, Trochus	<i>Zenadth Kes</i> , and other brands to be developed	Development currently underway to assess Market differentiation, Price points, and Food service focus	Economic investment by Indigenous fishers, Employment and skills development for local people and communities



## 2. AUSTRALIAN FOOD ENTERPRISES

### A. COLES LTD - INDIGENOUS FOOD FUND

#### ABOUT THE ENTERPRISE

Coles Limited is a large Australian supermarket chain with approximately 28% share of the national grocery market.

In 1999 an inquiry into food pricing in Northern Territory Indigenous communities lead to Coles becoming directly involved in Indigenous community development. The venture that Coles operated was the Outback Spirit Program and related Indigenous food brands. The enquiry exonerated the company from claims of unfair pricing ([RIRDC Publication 06/037, 2007](#)) and Coles subsequently invested in Indigenous communities in two ways:

- Training retail staff in remote community stores operated by local NFP community organisations, and
- Developing a market for Bush Foods. Putting bush foods on the supermarket shelves' was considered a good way of providing broad distribution of these foods and promoting part of Australia's cultural heritage. Coles established the Coles Indigenous Food Fund (CIFF) by contributing part of the proceeds (25 cents per product) to the development of an Indigenous supply chain and the promotion of bush foods.

The centrepiece of the Outback Spirit supply chain was the not-for-profit procurement enterprise, Indigenous Australian Foods (IAF) Ltd, comprising seven Aboriginal owned organisations, embracing a wide range of Aboriginal communities, clan groups, and homelands:

- Australian Aboriginal Food Company, Napperby Station, Tanami Desert,
- Bawinanga Aboriginal Corporation, West Arnhem, NT,
- Djabugai Tribal Aboriginal Corporation, Cairns, Qld,
- Mamu Aboriginal Corporation, Innisfail, Qld,
- Ngaanyatjarra-Pitjantjatjara-Yankunytjatjara Women's Council, Central Australia,
- Mildura Aboriginal Cooperative, Vic, in association with Murdi Paaki Regional Housing Corporation Ltd, NSW,
- Worn Gundidj Aboriginal Co-operative, Warrnambool, Victoria.

This initiative was supported by Coles, and Robins Foods Pty Ltd (a non-Aboriginal member based in Victoria) and Taylors Foods Pty Ltd, a small specialist producer/retailer.

coles



2001

Investment in Outback Spirit Program

2010

1<sup>st</sup> Employment program – 65 Indigenous team members

2013

Grants to 8 Indigenous suppliers reach \$1 million

2014

2020 target set -3% of employees are Indigenous. 1,011 team members

2017

Nunga Produce becomes first of 28 fresh produce suppliers. 2,872 team members

2018

3% Employee target reached. Retention rates above Coles average

2019

4,102 team members.  
223 in trade or leadership roles  
50 Indigenous suppliers.  
2023 Target - 5% of employees

## MARKETS, PRODUCTS, BRANDS

This enterprise has a long-standing Indigenous food brand *Outback Spirit* that is supported by Indigenous suppliers and offered to retail consumers.

The evolution of the *Outback Spirit* brand, product range, supply chain and governance framework were an early and successful model of Indigenous brand development. The model created two main benefits:

- Creation of national market for Indigenous bush foods, and
- The direct supply chain participation of Indigenous communities and producers in a viable, branded consumer product with national market presence.



The products to be developed and marketed under the *Outback Spirit* brand ranged across chutneys, savoury sauces, jams, dressing and dried fruits, all sourced from the IAF member organisations and producers. The products were added to existing supply chains in domestic retail and food services, and export.

In 2001 Coles-Myer (the original name of the Coles Group) launched the 'Taste of Australia' Campaign in Melbourne with Mr Mandawuy Yunupingu, followed by the launch of the *Outback Spirit* brand (developed by Coles and Robins Foods) in Alice Springs in November 2002.

IAF offered an 'endorsement' for producer-supplier businesses. To gain endorsement, the business had to agree to an exclusive relationship with IAF; they are obliged to purchase all their native food requirements through IAF.



In 2012 Coles established a supply contract for fresh vegetables with Nunga Produce with support from the Coles Indigenous Food Fund.

In 2022 the *Outback Spirit* brand is still marketed in Coles supermarkets and specialty stores, but the governance structure and supply chains have changed markedly since their 2002 inception. In summary, the bush foods industry has boomed and become much more sophisticated.

## ECONOMIC IMPACTS

Since its 2001 launch, Coles has made significant progress across its key focus areas. The company has increased its Aboriginal and Torres Strait Islander team member representation from 65 to over 4,400, making it the largest private sector employer of Indigenous Australians. The company targets 5,500 (5%) of its employees to be Indigenous by 2023.



Since its establishment in 2015, the Coles Nurture Fund has provided more than \$19 million to 50 different food and grocery producers to help them to develop new products, technologies, or processes.

More than 100 Indigenous businesses have been engaged throughout the Coles supply chain, with success stories across both products and services.

In addition to the new employment target, Coles has also committed to growing the number of Indigenous team members in trade-skilled and leadership roles by three-fold in the next four years.

Coles' approach to increasing Indigenous employment includes working in partnership with Aboriginal employment specialists, including Aboriginal Employment Strategy, the Australian Indigenous Business Alliance Group, Meedac Aboriginal Corporation, and Wunan Foundation.

### Outback Spirit Foundation

In 2022, product sales (via retail and online) under the *Outback Spirit* brand contribute five cents per product sold to the Outback Spirit Foundation<sup>35</sup>, a related charity that raises funds through various programs and initiatives to support Aboriginal farmers in rural and regional Australia to commercially grow native foods on their land. The Board of this foundation includes Coles executives.



Current projects supported by the Foundation include:

- Bush Tomato Project farms in Rainbow Valley, NT, and the Riverland, SA,
- Kakadu Plum Project managed by Mayi Harvests and Minybarl Community (Gabiny Plum Harvesters Co-op Ltd) in Broome, WA,
- Pundi Wattle Project on a private farm in the Riverland, SA.

The Foundation's objective is to leverage consumer demand for native Australian bush foods and to assist Indigenous enterprise to play the key authentic role in developing these foods and this market to their benefit.

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<sup>35</sup> <https://www.outbackspirit.org.au/>

## CONCLUSIONS

### COLES Limited – Indigenous Food Fund

*Outback Spirit* brand established 2002.

Active brand along supply chains and in national consumer retail markets.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Yes. The brand is well established in a national retail chain. It is highly scalable and does enable and increase sales volume gains.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Uncertain. The brand is well established in a Native Foods segment of a very competitive mass retail market. But the impact of brand – price causation to this brand rather than Coles brand is difficult to confirm.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Uncertain. Consumers increasingly require native food products to be authentic. This brands' well-established Indigenous supply chain enhances its authenticity and will likely increase sales margins over nonIndigenous competitors.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Indigenous owners, producers, employees and communities with approved access to the brand are the main economic beneficiaries of volume gains. As a result of expanded national market opportunities, producers hire more staff and create skills training, including for Indigenous people from local and regional communities.  Other minor beneficiaries are supply chain partners (e.g., regional transport companies), researchers, and consumers. Coles Ltd benefits from increased volume enabling great supply in mainstream markets and stores.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Any confirmed sales price gain would economically benefit Coles in the first instance subject to additional costs incurred, and potentially also its producer suppliers, employees, communities, and wholesalers. This has not been confirmed as the data is not publicly available.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	

## B. NOONGAR LAND ENTERPRISE GROUP LTD

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### ABOUT THE ENTERPRISE



In the years following the 1992 Mabo High Court decision, Noongar lands in south-west Western Australia were subject to 78 competing and overlapping native title claims by different groups of Noongar people. Not one claim resulted in recognition of Noongar native title rights and interests.

In 2003 a single joint claim was lodged which ultimately in 2015 led to agreement with the WA Government on a Native Title Settlement across six Indigenous Land Use Agreements (ILUAs) - one for each Noongar group. The joint agreement includes around 30,000 Noongar people, across approximately 200,000 square kilometres in the state's south-west, from Geraldton to Esperance. Over the 12 years to 2027 the state will contribute \$70 million per year (indexed to inflation) to support the six Indigenous clans in-country and fund cultural development, land management and investment trusts.

The Office of the Registrar of Indigenous Corporations (ORIC) notes this is Australia's largest single Native Title Settlement to date.

In 2017 the Noongar Land Enterprise (NLE) Group initiated a project to assess and design a likely sheep production and processing supply chain for Noongar people who were existing or potential sheep producers on Noongar country.

A report published by the WA Government ([GHD - WA DPIRD, 2022](#)) considered the dedicated supply chains that are being planned for Noongar branded food products. The NLE Group, a not-for-profit enterprise, is Australia's first Aboriginal led grower group. Formed in 2014, the purpose of the NLE Group is to benefit from a collective approach on the pathway from passive to active land management involving business enterprise development on Noongar Land.

The group became incorporated in 2017, and currently represents six Noongar landholding groups located on country with high rainfall, and a high production potential. (Refer to Figure 14 below.)

NLE plans to develop and expand the scope of business enterprises managed on country to provide more opportunities for participation of Aboriginal people in these businesses.

Active land management through self-determination will be based on key factors such as:

- The community having ownership of, and control over decision-making,
- Culture must be central to the program, including an understanding of local context, history, and community leaders,
- Local Indigenous staff work on the program or in the organisation,
- Good corporate governance exists,
- Trusted partnerships are established.

Active business enterprises are already managed by Noongar members for sheep and beef production, training and education, social services, and catering. Bush

food production, honey, sandalwood, cultural tourism, social services and other mainstream agriculture and horticulture enterprises have all been identified as future opportunities for growth.

Figure 14. Noongar Land Enterprise (NLE Group) - landholdings and enterprises

Organisation	Location and Area	Key Social / Cultural Aspirations	Key Business Enterprise and Aspirations
Banjelungup Aboriginal Corporation	Bremer Bay (852 ha)	<ul style="list-style-type: none"> <li>Rejuvenate sense of place</li> <li>Respite, safety, contentment, belonging</li> <li>Experience Noongar culture</li> <li>Connecting family</li> <li>Protect and sustain environment</li> </ul>	<ul style="list-style-type: none"> <li>Sheep and cattle</li> <li>Bush foods</li> <li>Aquaculture</li> <li>Cultural tourism and accommodation</li> <li>Honey</li> </ul>
Dowrene Farm Aboriginal Corporation	Cranbrook (712 ha)	<ul style="list-style-type: none"> <li>Be a hub to rejuvenate culture</li> <li>Reconnect Noongar people with country</li> <li>Provide shelter, recovery, and respite</li> <li>Provide educational opportunities for students</li> <li>Be self sufficient</li> </ul>	<ul style="list-style-type: none"> <li>Sheep enterprise</li> <li>Sheep training centre</li> <li>Bush foods</li> <li>Sandalwood</li> <li>Honey</li> <li>Cultural tourism</li> </ul>
Yaraguia Enterprises Incorporated	Beverley (840 ha)	<ul style="list-style-type: none"> <li>Land rehabilitation - healing country</li> <li>Healing people</li> <li>Experience and rejuvenate culture</li> </ul>	<ul style="list-style-type: none"> <li>Sandalwood</li> <li>Social services - healing, culture awareness</li> <li>Biomass for renewal energy</li> <li>Carbon trading</li> <li>Honey</li> </ul>
Wongutha CAPS	Esperance (1040 ha)	<ul style="list-style-type: none"> <li>Train and educate Aboriginal students</li> <li>Build capacity and empower</li> </ul>	<ul style="list-style-type: none"> <li>Aboriginal vocational education, training</li> <li>Mainstream agriculture - sheep and cattle</li> <li>Bush foods</li> <li>Honey</li> </ul>
Woolah Wah Land Aboriginal Corporation	Bakers Hill (604 ha)	<ul style="list-style-type: none"> <li>Respite</li> <li>Rejuvenation of cultural experience</li> <li>Protect cultural sites and share culture knowledge</li> <li>Spend time and strengthen family connections</li> </ul>	<ul style="list-style-type: none"> <li>Bush food - Quandong</li> <li>Cultural tourism</li> <li>Social services</li> <li>Mainstream agriculture - sheep, cattle, crops</li> <li>Honey</li> </ul>
Woolkabunning Kiaka (Roelands Village)	Bunbury (227 ha)	<ul style="list-style-type: none"> <li>Be a healing precinct</li> <li>Be self-sufficient</li> <li>For young people to interact with seniors and elders</li> <li>Cultural experience - Collie River</li> <li>Rejuvenation of culture</li> </ul>	<ul style="list-style-type: none"> <li>Cattle agistment</li> <li>Contract workforce</li> <li>Horticulture, produce and bush food</li> <li>Catering and accommodation</li> <li>Tourism</li> <li>Honey</li> </ul>

Source: NLE Group

## MARKETS, PRODUCTS, BRANDS

This enterprise has existing minor food brands (e.g., *Ngooka* related to honey for consumer markets), and has recently established an Indigenous food consumer brand *Kookenjери* for its proposed sheep meats supply chain.

As a grower group, NLE will provide opportunities for members to benefit from collective scale in areas such as product branding, information sharing and trialling and testing new techniques such as bush foods propagation and establishment.

NLE notes that economic and operational scale create benefits including maximising return on investment, coping with market downturns and/or poor seasonal conditions, developing stronger downstream supply chain relationships, natural resource management, and finding a more strategic approach to decision making.

NLE branding on products is expected to promote cultural awareness, identify product quality, and supply chain gaps and efficiencies, and support natural resource management. This may capture market premiums whether it be for honey, bush foods, cultural tourism, or mainstream agricultural products such as lamb or beef.

## Supply Chain Strategy

During 2017 – 2022 Noongar communities and the NLE worked with the WA Government to build their dedicated supply chain strategy (GHD - WA DPIRD, 2022) across all enterprises to achieve four objectives:

1. Connection and commitment to country for the Aboriginal people,
2. Land stewardship and rehabilitation, especially salt-affected non-cropping land,
3. Animal welfare and ethical production,
4. Producing a high quality-assured product for premium markets.

## Initial Sheep Meats Brand



The NLE supply chain planning process developed a collective brand for sheep meats, one of the main supply chain enterprises. This brand identity is *Kookenjери*.

The primary purpose of this branding statement was to provide a succinct and compelling provenance story that could be used for market testing; and ultimately could be taken to market by a Noongar-led sheep meat business.

The broader findings of the GHD-DPIRD study have summarised success factors for NLE, as follows:

1. **Increased demand for native foods** presents a combined premium opportunity: native foods – sheep meat (particularly lamb) for modern Australian cuisine. Chefs and consumers need education on premium dry-aged sheep meats.



### NLE Brand Statement 2021

*'Kookenjeri' premium sheepmeat and wild food products are sustainably harvested from the saltland pastures of southern Western Australia by a collaborative network of Aboriginal and non-Aboriginal resource managers.*

*Led by Noongar elders, the Kookenjeri philosophy is based on a deep-seated cultural commitment to land stewardship, ethical food production, sustainable harvest, and connection to country.*

2. **Security, consistency, and quality of product** supply is a vital success factor and key to determining business success or failure, especially for a new product. The business must be able to consistently meet demand and give confidence to the chain partners and customers.
3. A **professional and well-communicated provenance story** is a key success factor. It must be authentic, concise, and factual; yet be sufficiently flexible to allow the chefs, retailers etc to mould the story around their own branding. Professional marketing to food service, and online is proposed.
4. Indigenous branding will not guarantee success, nor command a premium. Provenance attributes and environmental stewardship offer additional market benefits. Other businesses have established **a holistic bundle of provenance attributes to underpin brands**: cultural heritage + environmental stewardship + health benefits + gourmet product quality.
5. The **Kookenjeri Brand offer** is best suited to the premium fine/experiential dining market channel. There is likely to be less scope for *Kookenjeri* in specialty meat retail, as there is less opportunity to communicate brand and provenance stories, and premium products become commoditised.
6. **Enterprise governance** is important, especially when the business is built around cultural values and economic empowerment. The New Zealand Māori model may be relevant and attractive: a commercial board focusing on making a return on investment, and then a social board, whose role is to decide what to do with the profits and surpluses.

## ECONOMIC IMPACTS

### Training



Culture and country are interconnected and increasingly recognised as essential components of training, education and social support services for Aboriginal people. Wongutha CAPS is a well-established and successful regional secondary school for Aboriginal students. Some community members are also participating in return to work and cultural awareness programs.

There is an opportunity to expand the services member properties can provide based on the foundations of "country and culture". These services include rehabilitation programs for juvenile offenders, leadership, and training programs.

### Noongar Economy

The economic impacts identified by the GHD-DPIRD study are summarised as:



1. Assuming a long-term market share of 10%-30% in the fine/experiential restaurant market, *Kookenjeri* sheep meats could generate annual revenues in the order of \$1.7 – \$5.0 million, from an annual turnoff of 1,900 – 5,700 sheep, and 9,100 – 27,300 lambs. The six NLE Group properties at full sheep meat carrying capacity, will meet only ~5% of market demand in the premium fine/experiential restaurant market channel. To achieve full market potential NLE will need to collaborate with existing non-Noongar producers who align with its brand values.
2. A joint *Kookenjeri* Brand value-added sheep meat supply chain model will need a joint marketing company to coordinate production, manage commercial arrangements and distribute returns to producers. This company could also manage and oversight meat processing, branding, marketing, and wholesaling activities, although this will significantly stretch NLE capacity and add to chain and enterprise risk. In order to justify the increased risk and costs, *Kookenjeri* products would need to achieve retail/food service price premiums of between 3 – 22%.
3. The key supply chain risks for Noongar brand sheep meat products are:
  - Sheep production and turn-off,
  - Accessing processing and chilling space,
  - Shifting product while maintaining premiums,
  - Regulatory risks (especially for mobile abattoirs).

## CONCLUSIONS

### Noongar Land Enterprise

*Kookenjeri* brand established 2021.

The brand is not yet active but will be launched initially as a supply chain brand, and in retail and food service stores.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Yes. The proposed brand is intended to increase sales volume of sheep meats.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Currently uncertain. The proposed brand is intended to increase sales prices for sheep meats. But the strategy is highly dependent on a successful differentiation of the <i>Kookenjeri</i> branded product.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Currently uncertain. The proposed brand is intended to increase sales margins for sheep meats.  The premium target identified is 3-22% of the sales price.  However, this is quite uncertain as supply scale, chain costs, and competitor markets are not yet confirmed. Competitors will respond to this premium offer in their market.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Indigenous land owners, producers (NLE and other) with approved access to the brand, employees and communities are expected to be the main economic beneficiaries of volume gains.  Other minor beneficiaries are supply chain partners (e.g., transport companies, animal health suppliers).
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Any confirmed sales price gain would economically benefit NLE and supply partners) in the first instance, but this is subject to any additional supply costs incurred.  Other beneficiaries would be producer suppliers, employees, communities, wholesalers.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Any confirmed sales margin gain would economically benefit NLE, its producer suppliers, employees, communities, and wholesalers.  The NLE has a range of community and social programs it wants to fund from economic profits and surpluses.

## C. WESTERN KANGOULU LTD

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### ABOUT THE ENTERPRISE

The Western Kangoulu and Wangan Jagalingou Indigenous people come from country in central Queensland around the towns of Emerald and Clermont. This country engages three local government regional areas – Barcaldine, Central Highlands, and Isaac. They have established an initiative to develop agricultural opportunities to support a sustainable workforce in Indigenous communities across their country.

A Native Title claim was lodged for this country by the Western Kangoulu People in 2013. Rangeland livestock grazing, mining, and cropping are the prominent industries undertaken across the region. Related Indigenous Land Use Agreements (ILUA) have enabled joint grazing initiatives where Western Kangoulu People work with mining ventures to access and manage country for mutual benefit. Cattle grazing is undertaken as part of the ILUA activities, or by private or Indigenous community property owners. Prominent grazing enterprise examples include:

- Seven land holdings owned by Woorabinda Pastoral Company on behalf of the Woorabinda Council and Ghungalu Aboriginal people,
- Mt Tabor Station, held by Goorathuntha Traditional Owners Ltd, and
- Urannah Station, owned by Urannah Property Association on behalf of the Wiri and Birri Peoples.

There is no precedent for a full Indigenous beef value chain in Australia.

Western Kangoulu Ltd was established in 2015 as a company limited by guarantee for benevolent and charitable purposes, under the ACNC legislation. The enterprise exists to lift the Indigenous people of the Western Kangoulu out of poverty. Its main activities are:

- Advocacy and civic activities,
- Economic, social and community development,
- Employment and training,
- Environmental activities,
- Research,
- Social services.

The entity provides charitable support activities in three ways<sup>36</sup>:

1. Advising, assisting, and mentoring Indigenous individuals of the Western Kangoulu to seek opportunities and develop enterprises,

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<sup>36</sup> <https://www.acnc.gov.au/charity/charities/0e1896a0-3aaf-e811-a961-000d3ad24182/profile>

2. Providing individuals of the Western Kangoulu peoples access to employment, business, education, and other opportunities,
3. Strengthening the wellbeing of Indigenous families and communities of the Western Kangoulu through the promotion of sustainable self-employment.



The impetus for the project was an Indigenous product concept developed by local industry group Growing Central Queensland and the Wangan Jagalingou and Western Kangoulu Indigenous Groups. Under the concept, Indigenous groups will seek to leverage agricultural opportunities attached to native title negotiations to build a business structure that supports their local community.

### Stage 1 Assessment

The Western Kangoulu People, University of Southern Queensland (USQ) and Meat & Livestock Australia (MLA) have collaborated to examine Stage 1 issues including the desirability, feasibility and commercial viability of new Indigenous brand *Blackfella Beef* products and services led by this Central Queensland producer group and landowners. This initial stage assessed and tested:

- Alignment with Indigenous culture, business development and employment across the value chain for their region,
- Options for the development of a supply chain strategy for such products,
- Potential for bringing Indigenous branded beef products and services to both the domestic and international market,
- A business model that could support sustainable Indigenous communities, employment, education, and training outcomes. It also has the potential to enable future Indigenous opportunities in the red meat sector and broader agricultural industries.
- The economics and commercial feasibility of Indigenous property management, herd quality and quantity, and the value proposition for Indigenous branded beef products. This will build capacity in Indigenous communities to manage additional beef enterprises and understand supply chain and market access.

MLA (a national meat industry-government R&D Corporation) funded the pilot program in 2019-20. MLA works with producers to accelerate the development and adoption of innovation and capability that have the potential to significantly improve farm-gate returns and overall supply chain performance.

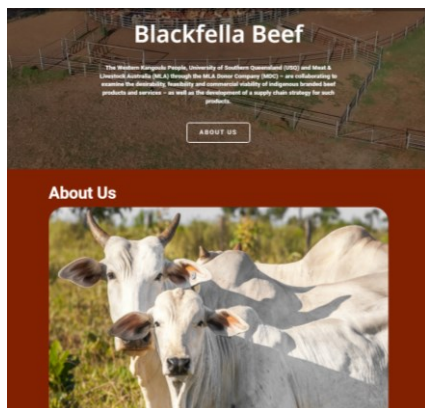
The Stage 1 assessment was designed to prove and provide, or not, the required evidence for the proposed venture to proceed to full commercialisation.

### MARKETS, PRODUCTS, BRANDS

This enterprise has no existing Indigenous food or seafood brands. The enterprise proposes to launch *Blackfella Beef* brand as a supply-chain-only brand initially, in the next 2-3 years.

The collaborative Stage 1 research project submitted its report to Western Kangoulou Ltd and MLA in late 2019 (MLA, 2019). The report found that the *Blackfella Beef* brand is expected to provide benefits at two levels:

1. Viable production and sale of beef products from Indigenous cattle properties. Common Indigenous branding across disparate Indigenous groups and communities will enable economic scale and improved property management in production and ability to commit to processing and market contracts and volumes.
2. Support for the Indigenous communities to increase:
  - Employment for Indigenous people throughout the supply chain,
  - Number of Indigenous social and profit-making enterprises,
  - Indigenous entrepreneurial opportunities aligned with *Blackfella Beef*,
  - Education for Indigenous people through food, agricultural and logistics scholarships which support the development of the beef value chain. This may include the number of food, agricultural and logistics scholarships at schools and universities to support the development of the beef value chain.



The brand name *Blackfella Beef* was selected by the Western Kangoulou Group prior to project commencement to represent the Indigenous involvement in the value chain. During this project, the name was tested against different stakeholders throughout the supply chain, including potential customers. There were concerns raised (usually by nonIndigenous respondents) during these discussions about the potential for the name to cause offense. The US export market may also reject the brand, although this is yet to be tested.

### Proposed Products

The MLA's Stage 1 research report identified shelf-stable products as the most economically feasible option for the *Blackfella Beef* brand (based on ingredients, processing, labour, and packaging). Beef snack bars can have a retail value of \$100-\$150/kg and liquid beef broth can have a retail value of \$14-\$48/litre. The project's final report provides a breakdown of each, including:

- Ready-to-eat and vacuum-packed meals,
- Protein balls and bars,
- Bone broth, powder, and collagen,
- Stews and hotpots,
- *Blackfella Beef* souvenir pack (spices, jerky, biltong, etc).

The MLA report also summarised:

- A preferred supply chain strategy (building relationships with Indigenous cattle stations and with red meat businesses and service companies across the value chain),
- Certification with Supply Nation,
- A brand and marketing strategy (including ensuring consistent, quality, and timely distribution of high value add beef products) to domestic and export markets,
- The cattle input supply, product range, market, and franchise opportunities.

### ECONOMIC IMPACTS

There are at least eight large cattle stations in Central Queensland majority owned and operated by Indigenous people. However existing Indigenous cattle sales are generally commodity focused with sales occurring at both saleyards and to abattoirs. Under the *Blackfella Beef* concept, Indigenous groups must seek to differentiate their collective offer to markets and leverage value added supply chains, products, and broader agricultural outcomes (e.g., land management).

This MLA funded project feasibility assessment identified that processing 2,000 cattle a year could deliver \$4 million in additional sales for branded "*Blackfella Beef*". The proponents estimate up to 150,000 cattle could be marketed under the common brand, although not all are 100% owned by Indigenous cattle properties. Further analysis is required to assess the year-round supply capacity of Indigenous beef supply chains for a consistent quality beef.

The collaborative study also found:

- The integrated supply chain must include ***support for employment opportunities and skill development in Indigenous communities***. A suite of property management and workforce development services is required to upskill Indigenous workers.
- A number of ***weaknesses*** along the proposed existing supply chain including those that will add costs and reduce condition of cattle:
  - Poor quality property infrastructure,
  - Long transport distances between properties, and processors,
  - Transport mode changes and poor alignment,
  - Uncontrollable climatic risks such as floods,
  - Low quality average cattle genetics across Indigenous beef herds,
  - Supply chain control will not be possible. Therefore, commercial alliances and toll slaughter and meat processing will be required.
  - No indication from consumers or business customers they were prepared to pay a premium for *Blackfella Beef*. However, commercial partners will promote the brand's purchase product.

- The report also identified several attractive *opportunities*, including:
  - Domestic and global consumers welcome Indigenous products,
  - Sale of local fresh Indigenous beef to mining enterprises, or value adding for snack foods, airlines, and upscale hotel chains,
  - *Blackfella Beef* story has a strong appeal to consumers - bush foods, social enterprise connections, Indigenous employment and potentially segments of the tourist market,
  - Opportunity for *Blackfella Beef* to capitalise on their grass-fed rangeland complemented by bush food flavourings, and to engage in backgrounding and feed lotting of some lines,
  - Shelf-stable beef and meat products.

The project does not have the capacity to establish or operate its own abattoir. In order to align the ethos of an Indigenous *Blackfella Beef* value chain, with the processing activities, the selected toll processor/abattoir would need to support and enable brand ownership, which is usually possible through a co-operative producer structure. One of the abattoirs consulted during the Stage 1 prefeasibility consultation supported this approach.

### Training

A preliminary *Indigenous Edge* MLA training program was developed and delivered to Western Kangoolu producers. MLA is reviewing the learnings from this module as part of the design of future Beef Edge programs.

The project has also secured industry support from AWX Pty Ltd, Australia's largest and leading labour hire company. The company maintains<sup>37</sup> a division called Our First People Program, which aims to raise an Indigenous All-Star workforce that's recognised to be exceptional by both industry and community. The Program seeks to empower local Indigenous Australians to take on professional roles in industry. The company created this program after learning there was a lack of Indigenous recruitment agencies in Australia and intends to positively contribute to the ever-critical task of closing the Indigenous unemployment gap.

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<sup>37</sup> [www.awx.com.au/services](http://www.awx.com.au/services)



## CONCLUSIONS

### Western Kangoulu Ltd

*Blackfella Beef* brand established 2020.

The brand is not yet active but will be launched as a supply chain brand to be used by Indigenous beef producers, and then in retail and food service.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	This is insufficient data to assess this issue. However, the research indicates that the proposed brand is intended to increase access to a common supply chain and therefore, sales volume of beef and cattle products.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	No. The proposed brand is not intended to increase sales prices initially. In the longer term it may enable product differentiation of <i>Blackfella Beef</i> and thereby boost sale prices, subject to improved genetics and property management systems, and value adding.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	No. The proposed brand is not intended to increase sales margins initially. However, this is quite uncertain as supply scale, chain costs, and competitor markets are not yet confirmed.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Indigenous owners, producers (Western Kangoulu and Wangan Jagalingou and other affiliates, employees, and related communities) with approved access to the brand are expected to be the main economic beneficiaries of volume gains. Other minor beneficiaries are supply chain partners (e.g., transport companies, animal health and property management service companies).
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Any confirmed sales price gain would economically benefit Western Kangoulu and Wangan Jagalingou People, their employees, communities, and supply partners) in the first instance, but this is subject to any additional supply costs incurred.  Other potential beneficiaries would be chain partners, researchers, agencies, regulators, and consumers.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Any confirmed sales margin gain would economically benefit Western Kangoulu and Wangan Jagalingou People, their producer suppliers, employees, communities, and wholesalers. Margins and surpluses (available to charities such as this enterprise) that contributed to enterprise profits would therefore be available to increase the economic benefits to owners and communities.





## D. FIRST NATION FOODS PARTNERSHIP<sup>38</sup>

### ABOUT THE ENTERPRISE

First Nation Foods is a wholly Aboriginal owned and operated wholesale food supplier partnership based in Perth, WA. The enterprise is a commercial partnership between two WA food companies (Regency Foods and RH Trotter & Co.) and a national Indigenous supply chain firm Indigenous Services Australia.

#### Regency Foods Australia

Regency Foods Australia was established in 2000. Based in WA the company specialises in supplying quality meat and smallgoods, to support the sustainable development of local and regional communities. The company supplies a range of catering companies and individual restaurants.

Regency Foods Australia has expanded to operate its substantial 11,000 sqm facility at Henderson, Perth and now employs around 30 people.

#### R.H. Trotter & Co.

RH Trotter & Co. is a supplier of fresh fruit and vegetables to the First Nation Foods partnership. The company was established in the 1940s.

Based at Canning Vale in Perth, the company is a wholesaler supplier of fresh produce supplying the WA food catering sector and focussing on the mining and shipping industries. Their product range includes whole fresh fruit and vegetables, but also includes produce that is fresh cut, peeled, and prepacked.

Over the last four years, the business has been supplying vessels within the Barrow Island (Gorgon Gas Project) quarantine zone, requiring packing produce to very demanding and specific supply chain quarantine standards. The company also supplies maritime vessels that order on a four-weekly cycle.

#### Indigenous Services Australia

Established in 2006, Indigenous Services Australia is a wholly Indigenous owned and directed company providing consulting and training services to major corporate and community entities across Australia. Director Tony Shaw is a Wongutha man from the North-Eastern Goldfields region.

ISA prides itself on the delivery of high quality, holistic Indigenous participation programs. Program delivery is tailored to the specific needs of each individual client recognising that one program does not fit all and that our clients are unique in their requirements.

#### The Partnership

First Nation Foods has strategic alliances with major food distributors creating a commercially sound supply chain. The intended purpose of its alliances is to supply healthy, nutritious foods at a reasonable cost to mine sites and Aboriginal communities in Western Australia.

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<sup>38</sup> <https://www.firstnationfoods.com.au/>

The partners are committed to building a relationship based on mutual respect, trust, understanding and through the pursuit of conciliation with clients, partners, other organisations, and community members.

### MARKETS, PRODUCTS, BRANDS

This partnership-based enterprise has established a joint company (First Nation Foods), which is a branded supply chain of pre-existing products from partnership members. The enterprise name (First Nation Foods) is employed as a corporate brand to differentiate the supply chain, but not as a full consumer brand on any specific food or seafood products.

First Nation Foods offers the whole range of products to its customers, including fresh fruit and vegetables, meat, and also dry goods such as eggs, milk and bread. The partnership intends that the benefits from the alliance will not only flow through to their commercial customers, but more importantly to the Aboriginal communities located in and around the location of their customers (e.g., a mining company in a remote location).

The integrated supply chain offers and delivers the highest standard in quality and service, when it comes to providing wholesale meats and small goods to mine sites, hotels, restaurants, and supermarkets.

The partnership members agree to maintain at least 50% Aboriginal ownership of their joint enterprise. They are committed to a collaborative approach with the local Aboriginal communities in the locations of operation. These relationships guide service delivery activities.

### ECONOMIC IMPACTS

#### Food Security, Availability and Access

The access, availability and security of food are economic issues for Indigenous communities.

Food Insecurity increases with remoteness in Australia. Regional and remote communities are a third more likely to experience food insecurity than those living in capital cities. (WA Council of Social Service, 2020) Aboriginal people make up 3% of the WA population.

This group, families, and children in particular, is known to experience significantly higher levels of food insecurity, across both the metropolitan and regional and remote areas.

Food Availability is about the supply of food to the community and the commercial systems of access to that food. Availability considers more than the quantity of food but includes the quality and range of foods available. Availability is also influenced by geography and population.

In WA the areas of lowest population density also have a higher proportion of Aboriginal residency, 8.4% in remote areas compared with 1.7% in metropolitan.

Food Access refers to having economic and physical resources to obtain appropriate foods for a nutritious diet, utilisation is knowledge of basic nutrition

and cooking skills, and stability refers to continued access that can withstand climatic or economic disasters or seasonal events.

### Unique Branding Approach

As discussed above, the First Nation Foods partners each operate specialist commercial businesses delivering products and services to specific markets – retailers, food service outlets, mining towns, maritime vessels, etc. As a partnership with an additional dedicated supply chain focus on remote Indigenous communities, they have effectively established a supply chain and product line extension to service an additional target market at marginal costs.

They have long serviced established mining businesses, but now work together to create an economic value proposition to support remote Indigenous communities. The additional Indigenous supply chain to communities is piggybacked at marginal cost onto their exiting supply chain to remote mining communities. From this review, it appears to be a win-win for both the supply partners and Indigenous communities.

The creation of the partnership (and integration and training of Indigenous leaders and managers) with its own brand will clearly deliver economic gains to Indigenous communities. Unlike all other enterprises in this report the *First Nations Food* brand is not offering Indigenous sourced products. Rather, the brand is used to attract an Indigenous market for nonIndigenous food. This is quite unique, and the mirror of our other branding enterprises discussed in this report.

The partnership brings together Western and Aboriginal approaches to conducting business, essentially combining Indigenous culture and skill development with the operational expertise of a major state-wide food services enterprise.

The partners claim this “unique and complementary partnership will deliver tremendous value to the client base, as well as to the regions in which they operate, and will ultimately assist Aboriginal and non-Aboriginal staff, partners, customers, suppliers and community members to work and live better together.”

## CONCLUSIONS

### First Nation Foods

*First Nation Foods* established as a supply partnership in 2020.

The brand is active as a supply chain corporate brand for service to remote Indigenous and nonIndigenous communities. It is not used as a product brand in retail or food service.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	<p>Yes. This enterprise is quite unique compared to all others in this report.</p> <p>The First Nations Foods partnership is intended to increase Indigenous community access to its common supply chain and therefore, sales volume of wholesale grocery and food products. First Nations Foods is not evident from this research as a food "brand", but its profile across WA has differentiated its supply chain and therefore had some indirect positive impact on remote communities as a corporate brand.</p>
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	<p>No. There is no evidence to suggest the partnership uses the dedicated common supply chain to raise prices in the absence of competitors. It could be argued their aim is to lower sales prices of delivered foods while maintaining quality.</p>
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	<p>Uncertain. There is no evidence to suggest the partnership uses the dedicated common supply chain to raise or lower margins. However, it is to be expected that the increased scale of this common supply chain will reduce unit costs (both fixed and variable) and therefore increase unit margins. The extent to which this margin improvement is shared with Indigenous communities as an incentive, is unknown</p>
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	<p>The aim of the partnership is to improve food service to remote communities, and in so doing employ Indigenous people and assist Indigenous communities. It appears to do this very well.</p>
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	<p>The economic beneficiaries are the remote WA Indigenous communities that benefit from improved food quality and services, as well as partnership members and employees along the supply chain. Minor beneficiaries include agencies, researchers and other nonIndigenous local consumers.</p> <p>The sales price data is private and not available to determine price movements.</p>
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	<p>As noted, the data is private and confidential. But increased scale may result in lower margins and so could reduce prices to communities for food of the same quality.</p> <p>This is a benefit to Indigenous communities directly in cost savings but also in reducing risks associated with food security, availability, and access.</p>

## E. NUNGA PRODUCE PARTNERSHIP<sup>39</sup>

### ABOUT THE ENTERPRISE

Nunga Produce is a commercial partnership that collectively markets fresh horticultural produce grown by Aboriginal growers in regional South Australia. It has undergone rapid expansion since its inception in 2005.

'Nunga' is a term of self-reference for many of the Indigenous peoples of South Australia.



Non-Aboriginal couple Juliette and Nigel Tripodi, are 50%/50% co-owners of the enterprise with Indigenous couple Ron and Elizabeth Newchurch. Both families have a long history of successful produce production and marketing of fresh produce to commercial customers.

Ron is the General Manager. He and his family run a successful farm enterprise "Bookyana" at Port Victoria on the Yorke Peninsula and produce mainly herb lines along with some bush food products. Juliet and Nigel are responsible for sales, distribution, and production.

In its early days, Nunga operated as an enterprise supporting other local Aboriginal farmers to launch economically sustainable businesses, by sharing knowledge to improve the quality of crops and providing a market for their produce. Ron grew up on the Yorke Peninsula, known for its rich agricultural heritage, and his family grows its produce at Port Victoria. He says he was the first Aboriginal grower to supply the Adelaide Produce Market.

Juliet's family own and operate Rainbow Fresh, a large salad production and wholesaling Adelaide business, that has well established inter-state freight arrangements, logistical expertise, and commercial relationships in place.

Nunga Produce draws on Juliet's professional experience in the wholesale business and has access to all important wholesaling and distribution infrastructures, contacts, and expertise.



Importantly, Juliet notes this means Nunga Produce can provide sustainable supply chain pathways for small and micro growers – people who might only grow for a few months of the year – to efficiently access commercial markets, rather than rely on sales to local stores or markets. The business partners with Indigenous and nonIndigenous growers and provides support and mentoring to

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<sup>39</sup> Sourced from various websites, including Coles Ltd, Primary Industries SA, BankSA, and Indigenous Business Australia

small and micro growers to help them build the skills and capacity to produce product that can meet the quality requirements of the commercial market.

### MARKETS, PRODUCTS, BRANDS

This enterprise has a long-established Indigenous food consumer brand *Matjarra*.

Nunga Produce grows and distributes some 10,000 bunches of fresh produce per week to wholesale customers such as restaurants, fruit and vegetable stores and supermarkets. The product range includes spring onions, packs of fresh herbs, chillies, Pak choy, as well as combinations of herbs matched to meats, seafood and cooking styles.



*Matjarra* brand, owned by Nunga Produce, was launched in July 2009. The launch and success of the *Matjarra* brand over the last decade highlights opportunities that Nunga Produce is creating for small growers – opportunities they welcome other small and micro enterprises to explore with them.

The partners note that the “Aboriginality” of *Matjarra* is a marketing angle that a lot of retailers are keen to get on board with.

*Matjarra*, which means silver wattle, employs 25 Indigenous workers and its affiliated farms are found as far afield as Ceduna and Port Lincoln. Their products are sold to supermarkets, restaurants, and fruit and vegetable retailers.

Through Indigenous Business Australia, Nunga Produce has received business support to develop a website, logo, and other marketing resources to promote the *Matjarra* line.

The business supplies a portion of Coles’ state fresh produce supply, as well as specific lines through private greengrocers, IGA stores and Foodland supermarkets under the *Matjarra* brand.

### ECONOMIC IMPACTS

The Nunga Produce business and *Matjarra* brand are commercially focussed on profitable business outcomes. Their business model is based on a shared supply chain that engages and supports willing Indigenous producers who can comply with common quality and farm management practices.

Nunga Produce is a business that encourages private Aboriginal farmers to produce herbs and bunch lines on their own land – to be a financially self-sustaining enterprise. The partners aim is to empower growers through support, guidance, and training, with benefits shared by their wider communities.

The supply chain provides a unique vehicle for Aboriginal growers to run sustainable businesses producing a range of Nunga Produce. The business provides the wholesaling, distribution, and marketing wherewithal to coordinate and enable small producers to efficiently access the wholesale market and be collectively marketed under the *Matjarra* branding.

A core aim of this unique business is to enable Aboriginal people to be recognised as viable and professional growers and employers in the industry. A large part of this is the link to the shared brand. When people buy *Matjarra* products, they are supporting Aboriginal enterprise, Aboriginal employment and the future support of Aboriginal employment, training and enterprising.

The *Matjarra* product line is the manifestation of a shared vision by Ron, Juliet, and Nigel, who established Nunga Produce as both a commercial enterprise and a way to encourage economic independence and sustainability among South Australia's Indigenous families and communities.

Based at Lewiston, between Gawler and Two Wells north of Adelaide, Nunga Produce currently works with Aboriginal growers in Port Lincoln, Mount Gambier, Ceduna, Port Victoria on Yorke Peninsula, and the Riverland. The partners have been approached by farms in Western Australia and northern Queensland.

Nunga Produce believe they have in place the networks, freight arrangements and other strategies to appropriately assess and address the logistical challenges often posed by connecting remote and regional growers to commercial markets. Sourcing off-season produce and different lines from inter-state is quite common in the mainstream wholesale produce market and Nunga Produce is keen to work with Aboriginal growers to source off-season produce and new lines from areas outside South Australia.

The business partners are focused on the challenge of ensuring that the growers receive mentoring and hands-on support from the ground up, to provide each with a sense of personal and private ownership over their future as commercially viable enterprises.



## CONCLUSIONS

### Nunga Produce

*Matjarra* brand was established 2009.

The brand is active in the fresh specialist horticulture supply chain for Indigenous producers, and retail and food service outlets.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Yes. The brand is managed by experienced produce market professionals (nonIndigenous part owners of the business) who manage the common supply chain and sales volume of specialist horticultural products.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Uncertain, but very likely. The brand may increase sales prices over comparative nonIndigenous product. The brand has attracted a larger volume of supply which means the underlying enterprises and business model are more stable and financially viable, and therefore attractive to larger buyers on a long-term basis. It certainly attracts national specialist buyers who are seeking to support Indigenous people and organisations into commercial markets and that will draw increased supply volume. But price is variable across product lines subject to market segments, so sales prices for some lines are boosted by the Indigenous brand while others are not on a case-by-case basis.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	No data available to confirm. The brand targets market segments that value Indigenous participation. At a national level this demand is now increasing beyond partial supply to Coles, to include Aldi and Foodland. However, this is quite uncertain (with sales data held in confidence) as supply scale, chain costs, and specific product lines and formats are prescribed by each chain on a case-by-case basis.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Indigenous owners, producers (under the <i>Matjarra</i> brand and other affiliates) with approved access to the brand and their regional farm employees and communities are the main economic beneficiaries of volume gains. These producers have traditionally been based in SA and western VIC but are soon likely to include Indigenous producers in other states as confirmed by the company. Other minor beneficiaries are supply chain partners (e.g., transport companies), agencies and consumers. The supply chain managers (owners of the enterprise and <i>Matjarra</i> brand) are also beneficiaries due to the increased volume, product range and potential unit price margin of the supply chain, and its enhanced reputation for supply integrity.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The enterprise partners and their Indigenous producers, employees and communities are the beneficiaries of any sales prices gains, subject to any additional supply costs incurred on a product line by line basis. Other beneficiaries are producer suppliers, and employees.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	As noted above, a confirmed sales margin gain (due to increased price and or lower costs) would economically benefit the company and the Indigenous suppliers of that product line, on a line-by-line basis. The beneficiaries are producer suppliers, and their employees.



## F. NORTHERN AUSTRALIA ABORIGINAL KAKADU PLUM ALLIANCE



Kakadu Plum (*Terminanlia fernandiana*) is a native food with high antioxidant properties and the highest known levels of Vitamin C content of any fruit.

Aboriginal communities and families have been harvesting and using Kakadu Plum for millennia, have acquired detailed knowledge of the plant's characteristics, growing patterns and uses, and have woven this into their traditional knowledge.

In 2019-20 the Australian bushfoods sector had a farmgate value of about \$21 million, with Kakadu Plum representing about \$1.6 million of this output (see Figure 7). According to Farming Cooperative<sup>40</sup> these values are forecast to grow to \$40 million and \$3.5 million respectively in 2025. In 2016, the industry comprised many small producers, and relied on merchants to access markets to sell their produce. Volumes were still small and supply chains unreliable, and the industry's viability was tenuous.

### ABOUT THE ENTERPRISE

The following discussion relates to the formation and purpose of the Northern Australia Aboriginal Kakadu Plum Alliance<sup>41</sup> (NAAKPA). The discussion concludes below with a brief reference to a separate nonIndigenous brand enterprise, Kakadu Plum Company.



In August 2018 the non-distributive (i.e., profits or surpluses cannot be distributed to members) cooperative alliance was formed as a consortium of Aboriginal enterprises ethically harvesting and processing Kakadu Plum across Northern Australia.

It currently consists of eight Aboriginal Corporations involved in the harvesting and processing of Kakadu Plum ("gubinge" in native languages) across northern Australia. NAAKPA aims to support its members to become industry leaders in the research, harvest, processing, and marketing of Kakadu Plum by

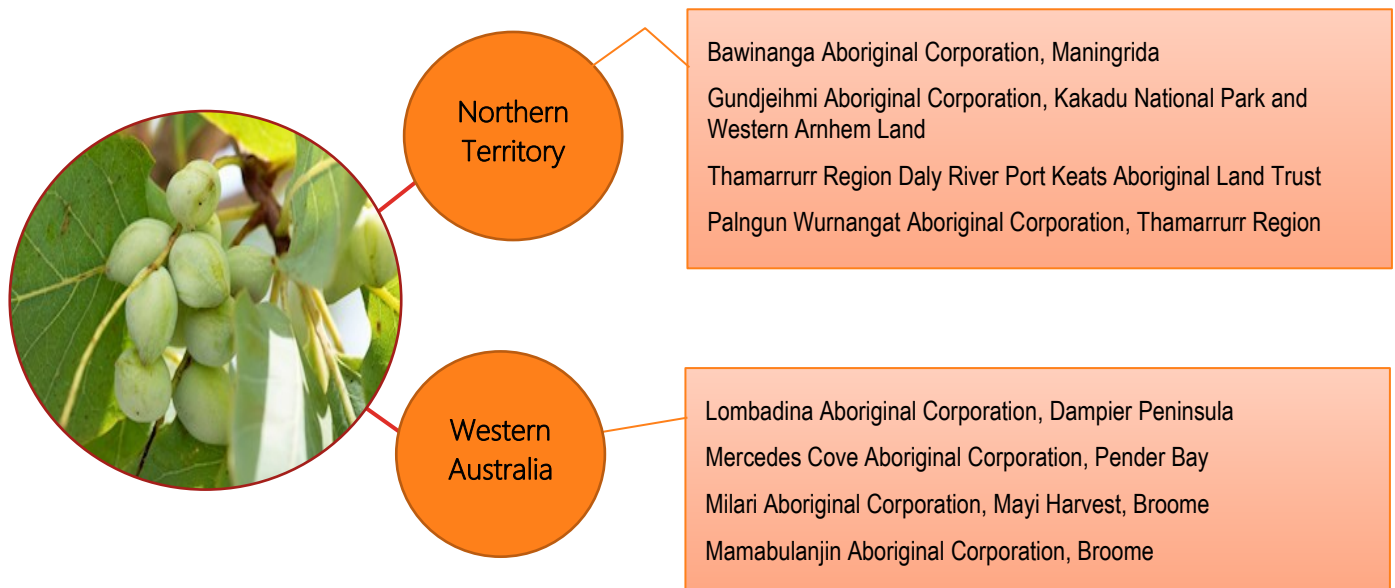
empowering Aboriginal enterprises and families across northern Australia to draw on land assets and intellectual property within their communities<sup>42</sup>.

IP Australia notes that the NAAKPA Alliance Model, with NAAKPA as the Aboriginal Enterprise, straddles two specific spheres – the Prior Informed Consent and the Mutual Agreed Terms to create an Access and Benefit Sharing (ABS) Framework, consistent with the Nagoya Protocol (see Figure 15).

<sup>40</sup> [www.coopfarming.coop/stories/naakpa](http://www.coopfarming.coop/stories/naakpa)

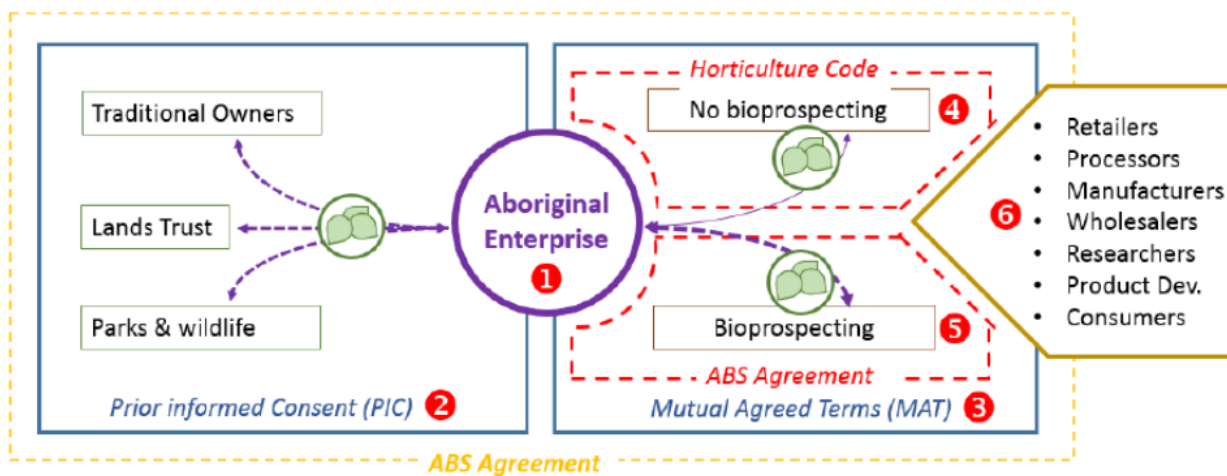
<sup>41</sup> <https://naakpa.com.au/>

<sup>42</sup> Northern Australia Aboriginal Kakadu Plum Alliance submission on Protecting Indigenous Knowledge to IP Australia, 2018



This means that third parties along supply chains or in markets do not need to negotiate directly with traditional owners or apply for access permits to parks or trust lands, thereby making Kakadu Plum product merchandising less complex and cheaper.

Figure 15. NAAKPA Alliance Enterprise Model



The Alliance aims to assist member companies in:

- Growing, propagating, fostering, obtaining access to, and harvesting Kakadu Plum,
- Processing Kakadu Plum, including into powder, pulp or puree and development of products derived from and using Kakadu Plum as an ingredient,
- Sales of Kakadu Plum and its products, including online sales, both wholesale and retail,



- Supervision, management and facilitating the fulfillment, both wholesale and retail, of contracts in the Kakadu Plum industry,
- Research into matters relating to Kakadu Plum, including funding and management,
- Advocacy for the Kakadu Plum industry, including governance and public policy,
- Protection and development of Aboriginal intellectual property and land rights relating to Kakadu Plum.

Project team discussion in late 2022 with the NAAKPA CEO, confirms that the structure has recently been registered as a Co-operative under Australian law, led by a board of representatives of the various regional Indigenous Corporations. A board of nine Indigenous directors represents all member organisations in the co-operative. However, these entities vary greatly by scale and scope of business activities (including and beyond Kakadu Plum harvesting), and by purpose and community aspiration. This diversity tends to slow progress to establish shared commercial direction regarding NAAKPA.



NAAKPA producers represent about 40-45% of national Kakadu Plum supply, unlike other bushfood sectors where Aboriginal engagement is low. Most Kakadu Plum product harvested by NAAKPA comes from NT based corporations. NAAKPA supports the various wild harvest producers, undertaking activities including common supply chain quality testing, HACCP systems, human skilling and succession, operational support (insurance, logistics, centralised toll processing, product sale negotiations, etc). At no stage does the co-operative own any product, although this and related downstream branding and exporting opportunities are being considered by the newly established NAAKPA Board.

The organisations have come together to consolidate the supply chain for Kakadu Plum to make it easier for business to access this superfood.

### MARKETS, PRODUCTS, BRANDS

The impetus for the collaboration was the need to consolidate the Kakadu Plum supply chain as an industry, which has until recently suffered from supply and demand issues at the producer level. Specifically, this refers to the high level of supply chain control by non-Aboriginal “middlemen” who control access to buyers. NAAKPA will link producers directly to potential buyers and improve quality outcomes for the supply chain.

To facilitate this, NAAKPA is working to develop a business model which will make it easier for consumers and business to access Kakadu Plum, in an ethical manner consistent with statutory requirements. This includes meeting the requirements of prior informed consent with Traditional Owners and access to land with responsible authorities.



NAAKP provides stability and reliability to the Kakadu Plum supply chain. The NAAKPA business model (see Figure 15) puts Aboriginal enterprises growing, harvesting, and processing Kakadu Plum at the centre of the chain and business relationships. Together the two spheres (Prior Informed Consent and the Mutual Agreed Terms) in this business model boost economic efficiency and outcomes for Indigenous supply chains and communities and creates an Access and Benefit Sharing Framework consistent with the Nagoya Protocol.

The Alliance is a supply chain and harvest access entity. It has not yet developed a consumer food brand. The project team understands the new cooperative structure is considering potential proprietary food branding at the consumer market level.

NAAKPA has achieved a lot in the last twelve months regarding a professional supply chain and market approach, including;

- Establishing a formal cooperative trading entity,
- Undertaking a HACCP Food Safety Audit of NAAKPA enterprises during harvests, providing QA gap analysis for NAAKPA enterprises as well as HACCP certification for two enterprises,
- Helping connect NAAKPA enterprises directly to buyers - this has created greater confidence for NAAKPA enterprises and as a result most NAAKPA enterprises doubled their harvest volumes in 2019 (pre Covid-19),
- Developing enterprise videos for each enterprise to tell their story of Kakadu Plum as well as media kits to promote their message,
- Facilitating food safety tests through the National Measurement Institute which included chemical analysis and microbial analysis of NAAKPA enterprise fruit harvested in 2019.

The NAAKPA leadership does not anticipate a supply margin will be available to the plum producers in the near term (1-3 years). The executives and board believe there is a much more pressing need to establish the integrity and economic scale of the production based and supply chain first, before any integrated marketing and branding is undertaken.

### ECONOMIC IMPACTS

The NAAKPA website states that this alliance “places Aboriginal enterprises in control of the Kakadu Plum supply chain, providing greater economic returns to communities, greater influence in how their products are used and greater ability to protect their Traditional Knowledge”.

The economic impacts of the alliance since its formation include:

- Formalisation of economic ownership, interests, and rights in a legal cooperative entity,
- Providing support and collaboration on Access and Benefit Sharing Agreements and developing practical business templates for Access and Business Sharing and sales agreements,



- Providing advocacy on protecting Traditional Knowledge- including a submission to IP Australia about Protecting Traditional Knowledge in the bushfood sector,
- Providing a focal point for other organisations to collaborate, such as SAI Global, Australia's Nuclear Science and Technology Organisation, National Measurement Institute, and University of New South Wales.

The NAAKPA Board governance model facilitates collaborative decisions and provides a pathway to greater Aboriginal leadership of the Kakadu Plum chain.

#### KAKADU PLUM CO<sup>43</sup>

Kakadu Plum Company describes itself on its website as “a social enterprise that celebrates Indigenous culture and traditional Australian bush foods”. This enterprise is a separately owned and operated business, not part of the NAAKPA structure. The company website says it (Kakadu Plum Co.):

“Will partner and collaborate with enterprises (many that are Indigenous) that share our vision in celebrating and showcasing Indigenous products and bush foods.”

“Exists as a vessel to celebrate Indigenous culture everyday through food, broadening the exposure of traditional Australian bush foods and ingredients. We are not an Aboriginal owned business.

“Work[s] directly with Traditional Owners and Indigenous Australians who wild harvest many of our foods, including Kakadu Plum and our bush tea range. The communities and individuals we work with set the price for the foods grown on their land and we pay them directly. We believe that the more we can foster and help engage Indigenous Australians forage and engage in traditional practice and help them grow their bush food business on country, the more impact we make.”

The company offers a wide branded range of foods, oils, chocolates, jams, supplements, and consumer products online. It notes the enterprise has become a platform and “vessel to showcase products made by Australian and Indigenous businesses and enterprises.”

Company founder and director Tahlia Mandie says on the website:

*"I started Kakadu Plum Co. because I saw too many Australians opting for international superfoods for their health. I connected with country and community and knew I had to share this incredible fruit - the Kakadu Plum. I was driven about sharing this incredible product and story and highlighting the amazing foods that have been growing on this land for thousands of years. To be connected to Traditional Owners and communities is an incredible honour."*

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<sup>43</sup> <https://kakaduplumco.com/pages/about>

## CONCLUSIONS

### Northern Australian Aboriginal Kakadu Plum Alliance

NAAKPA members are currently considering the business case and options for Indigenous branding.

The corporate brand (NAAKPA) is active as a supply chain brand for Indigenous producers but not yet formally branded in markets.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	No data currently available. However, the creation of an Indigenous brand will likely leverage and further differentiate the Alliances' offer in the minds of national retail and/or food service buyers who are familiar with the existing and proposed product range.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	No data currently available. This is likely to occur, but there is not yet available any public data to determine sales price impacts.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	No data currently available. This is likely to occur, but unit margin gain is subject to both unit price increases and unit cost decreases. Remote food processing enterprises typically require significant capital investment which will increase fixed costs per unit of sales. Greater unit volume may reduce unit costs (especially fixed costs) but poor management and low productivity could well mean unit costs rise as much as prices and therefore sales margin actually falls. There is not yet any public data to determine margin impacts.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	There is not yet sufficient data available publicly to determine economic impacts. But it is very clear from available data that venture leaders expect the primary beneficiaries will be Indigenous corporations, and communities, as owners and employees.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Other beneficiaries in economic terms (direct and indirect) will be local and national supply partners (horticultural managers, logistics companies), community entities that benefit from increased local economic flows (e.g., local stores), agencies, and R&D project participants.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The Alliance entity forecasts (with adequate cause) that increased sales volume and margins will increase the demand for unskilled and skilled employee roles, and related wage rates. As owners of the venture the communities will expect over the long term that dividends and distributions will also increase. This will provide the funds to increase investments in social and educational benefits for communities.



## G. FLEURIEU MILK COMPANY PTY LTD

### ABOUT THE ENTERPRISE



Fleurieu Milk Company (FMC) is a private enterprise that operates a dairy milk receiveal, processing and manufacturing plant, and dairy product marketing business. The dairy farms and manufacturing plant are based at Myponga in dairy country 100 kims south of Adelaide. The business is owned and supplied by three local dairy farming families, with another five local dairy farms also as suppliers contributing fresh milk daily to the Myponga factory.



In 2019 FMC completed initial product development and market research to launch a new range of yoghurt products variously infused with four native plant flavourings –Kakadu Plum, Davidson's plum, Muntries, and Quandong. The main product discussed in this case is the Kakadu Plum sourced by FMC on long term supply agreements with the Thamarrur Region Daly River Port Keats Aboriginal Land Trust (see previous case analysis) from fruit harvested by Indigenous people in the local Wadeye Area of the NT.

The harvest and postharvest logistics and processing activities for Kakadu Plum were to be undertaken according to agreed food supply chain and food safety protocols and HACCP principles and standards. After the harvest in remote communities the fruit would be trucked ~3500 kims under agreed cool chain conditions to Southeast Qld where it was to be processed into puree, and then the puree trucked ~2,000 kims to the Myponga dairy processing factory for final manufacture as a consumer tub of yoghurt.

Critically, fruit puree has a relatively short shelf life and therefore the management of the cool chain and the length of the logistics chain up to final manufacture are key quality and food safety risks for FMC.



Kakadu Plums were to be sourced from Indigenous producers (wild pick and potentially longer-term cultivation) across northern Australia on multiyear supply agreements. FMC developed the Kakadu Plum flavoured dairy yoghurt product and related supply chain with assistance from the Motlop Family, a northern Australian Indigenous family who own and operate the *Something Wild* business and Indigenous branded (fresh produce, food, Green Ant Gin) from their Adelaide base.

Under the supply chain arrangement FMC would pay a royalty to the Motlop business for its services to source, coordinate and manage the quality and volume

supply of fresh fruit to the east coast puree processor. A specialist food consultant was also retained by the venture to advise on product, supply chain and market issues.

### MARKETS, PRODUCTS, BRANDS

Consultation with FMC executives confirmed that this Indigenous joint venture opportunity to integrate Kakadu Plum essence into yoghurt products (which Austrade was keen to market in Japan and overseas) did not proceed longer than a few months after launch, due to a number of factors. Primary issues included a non-food focus on Kakadu Plum from selected communities; plum supply and cool chain quality risk; poor commercial alignment of fruit supply chain with downstream processing, manufacture, and market needs; and uncontrollable commercial risks arising from Covid-19 pandemic logistics issues.

FMC's new Indigenous yoghurt brand product range was developed as a niche dairy offering to premium consumers of dairy foods. Kakadu Plum flavoured yoghurt was the lead product to be offered, and the only one that is discussed in this review of Indigenous branded foods.

The new products and Indigenous branding were designed to target premium consumers in domestic urban markets (Adelaide, Sydney, Melbourne), Australian airline caterers, and select overseas premium dairy food markets (initially Tokyo in Japan). FMC identified these market segments to be the only ones who would sufficiently value the product and its branding and be prepared to pay the premium prices that enable modest scale manufacturing, high logistics costs, and the high import tariffs required to export to Japan.

The FMC's Indigenous brand strategy (differentiation, positioning, and identity) in these market segments was anchored in three key facts:

- The Kakadu Plum is an Indigenous Australian fruit,
- The Kakadu Plum harvest was to be conducted "on country" by Indigenous Australians, and
- The new dairy products were being added to an existing well-regarded family of Australian dairy food brands under the corporate banner of an Australian dairy company.

### ECONOMIC IMPACTS

This FMC Kakadu Plum flavouring project offered a number of commercial and social benefits to participants, including:

- Long term commercial contracts for employment of people in Indigenous communities for fruit harvest and supply,
- Direct participation of Indigenous people in remote communities in a commercially significant long term food manufacturing venture, based on existing commercial supply chains, and sustainable competitive advantages,



- First stage launch for a differentiated Indigenous branded dairy food product in both domestic and export food markets,
- Professional input from expert Indigenous food business practitioners and advisors,
- An attractive profit margin per sales unit, and economic return on investment to FMC and its shareholders and suppliers (of milk and Kakadu Plums) based on scaled up production and sales forecasts.

The original value proposition confirmed by FMC would deliver a tub of Kakadu Plum flavoured yoghurt to a target domestic consumer in Adelaide for around \$1.30 per tub. This budget price would cover all harvest, logistics, processing, manufacture, and distribution costs, pay a royalty to the Motlop Family service enterprises, and enable an adequate net return to FMC and suppliers. For export markets, the product would be repriced accordingly to cover costs and achieve a positive financial return at breakeven sales volumes.

In any year this proposed FMC venture would face significant logistics challenges - sourcing product in remote northern Australia, early-stage processing in SE Qld, final dairy food manufacture in Myponga, SA and then distribution to targeted premium consumers in Australia and overseas. But in 2020 the launch of the product range also had to manage risks arising from a global Covid-19 pandemic with related uncertainty around transport and shipping costs, consumer market demand uncertainty, and shifting eat-at-home food preferences, etc. Unfortunately, the pandemic was not the main reason the venture was suspended by FMC in mid-2021; the main issue for FMC was the uncontrolled Kakadu Plum supply chain risks that ultimately proved excessive.

Consultation with FMC executives in mid-2022 identified the following learnings regarding this project:

1. The project concept (Indigenous fruit product, Indigenous sourcing, in a premium branded dairy food under an Indigenous brand) was and remains attractive to FMC directors and the company,
2. The Kakadu Plum harvest by Indigenous communities in northern Australia was unable (for various logistic, governance, and social reasons) to deliver on time to specification, the volume of fruit contracted,
3. The quality of fruit supplied by communities was adversely impacted by the high content of sticks and leaf litter, resulting in higher processing costs, reduced output quality, and high wastage costs,
4. Record keeping and communications along the fruit cool chain was inadequate to ensure food safety and quality within the agreed HACCP Plan,
5. The company may revisit the project in the future when supply chain risks related especially to fruit volume and quality can be controlled, in a pandemic-free environment.

## CONCLUSIONS

### Fleurieu Milk Company

*Fleurieu Milk Company* is a corporate brand leading a family of inhouse product brands. The company developed an Indigenous branding concept in 2021, which was put on-hold due to Covid-19 and supply chain issues.

The target yoghurt product is not active now as a food brand for Indigenous producers but may be in future when supply chain risks can be better controlled.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Yes, product development and market research suggest Indigenous branded product volume could expand significantly in some premium niche dairy food markets in Australia and overseas.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Yes, product development and market research suggest Indigenous branding will increase consumer market dairy food prices (retail and food service) in some premium markets.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Yes, product development and market research suggest Indigenous branding of Kakadu Plum yoghurt (and other Indigenous harvest native plant ingredients) will increase sales margins (retail and food service) in some premium markets.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The forecast beneficiaries from this proposed Indigenous food brand include, Fleurieu Milk Company and shareholders, Indigenous communities, employees, and Traditional Owners and people undertaking the fruit harvest in northern Australia, Indigenous consultants and advisors, supply chain partners, and premium dairy food consumers.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Supply chain partners all benefit from the economic activity flowing from a forecast sales price, including Indigenous harvesters and processors, community logistics managers, supply chain advisors, puree processors, trucking companies, and 3 <sup>rd</sup> parties such as ILSC.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Increased margin accrues directly to FMC as the manager and controller of the supply chain, but indirect benefits from increased sales margins also accrue to the Indigenous people (owners, employees, community members) through expanding employment and add-on commercial opportunities and local development of social capital in support of the supply chain.

## H. AUSTRALIAN NATIVE FOOD COMPANY PTY LTD

### ABOUT THE ENTERPRISE



The Australian Native Food Company is a family business producing and marketing artisan foods and specialist lifestyle products.

It is a well-regarded example of the broader sale of native foods and Indigenous branded products and services offered online by many enterprises, listed in Figure 10 and Figure 11.

The Australian Native Food Company is an Adelaide based, selective regional retailer and online merchandiser.

Established by Ms Rebecca Paris as a registered business in 2020, the Australian Native Food Company and related brand arose from training and teaching activities she was undertaking to support Indigenous and troubled children.

The company website<sup>44</sup> notes:

*"We are committed to supporting local communities and as such part of all profits made from this venture are reinvested back into the community via literacy and numeracy programmes thereby creating brighter futures for all South Australians."*

*Australian Native Food Co., as part of the Rejuven8 Group are proud to announce we [are] finalists for the S.A. Telstra Business of The Year 2019 – Social Inclusion Division."*

In 2021-22 the business received two small business awards from Telstra (Best of Business Awards S.A. – Building Communities), and the SA Government (Small Business Award).

### MARKETS, PRODUCTS, BRANDS

The company merchandises and markets a range of products including niche wild harvest or native foods, bush tucker, preserves and jams, marmalades, relishes, native bush dukkha, fruit and bush food powders, native herbs, loose leaf and wild harvested tea, vegan and gluten-free chocolates, reed diffusers with quandong seeds, cosmetics and body treatments, aromas, scented diffusers, native soy candles, handwash, rubs, and powders made from locally sourced and manufactured Australian plants, extracts and salts.

Products are available online and at a few retail outlets in Adelaide.

### ECONOMIC IMPACTS

The business is not Indigenous owned or operated, but employs many Indigenous people, including students. The website advises the workforce comprises 70% Indigenous employees. Product sourcing supports communities and local farmers and growers.



<sup>44</sup> <https://www.austriannativefoodco.com.au/>

## CONCLUSIONS

### Australian Native Food Company

*Australian Native Food Company* is an existing corporate brand for use in retail and online.

The brand covers a wide range of food and non-food products

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	<p>Yes. This enterprise is informative as it is illustrative of activities for many small Australian Indigenous branded food enterprises identified in desk research by the project team.</p> <p>It is:</p> <ul style="list-style-type: none"><li>• Professionally presented and branded,</li><li>• A merchandiser of high margin niche native foods (packaged with long shelf life – not fresh produce),</li><li>• Frequently awarded by industry bodies and agencies,</li><li>• Owned and managed by nonIndigenous people but retains a significant number of Indigenous employees.</li></ul> <p>Indigenous branding is very prominent and a fundamental driver of sales volume to consumers in this niche market, especially online.</p> <p>Sales <u>volume</u> is clearly growing (as evidenced by the number of enterprises offering similar products online). The project team has been unable to access any independent reporting of this trend other than selective analysis from the recent pandemic disruption to sales and margins.</p> <p>It is impossible to assess or confirm that the sales <u>prices and margins</u> achieved across the product range are equivalent to or at variance with comparative nonIndigenous brand products. In both cases the impact of the pandemic has been significant. Online sales reduce unit costs, in a market where there are very few barriers to competitor entry, so it is likely that most online sales margins for most companies are very small, even for Indigenous branded products.</p>
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	<p>This commercial enterprise arose from innovative engagement with Indigenous students.</p> <p>The level of ongoing engagement and training with students and Indigenous communities is uncertain although the percentage of jobs held by Indigenous employees is stated to be 70%.</p> <p>The research suggests all returns from this business are received by nonIndigenous owners and managers. It is not possible to assess or identify other enterprise or supply chain beneficiaries.</p> <p>As noted, there are many other small Indigenous brand enterprises servicing similar markets, either online and/or in food service areas such as catering or casual bistro foods.</p>
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	

### 3. AUSTRALIAN SEAFOOD ENTERPRISES

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#### A. TIDAL MOON PTY LTD<sup>45</sup>

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Australia's first export trade was comprised of Sea cucumbers (also called Trepang, or Beche de Mer, or sandfish) exported by Kimberley Region Indigenous people from northern Australia in the early 1700s.

Makassan crews, originating from what is now called Sulawesi in Indonesia, established themselves at various semi-permanent locations on the coast, to boil and dry the Sea cucumber before the return voyage home, four months later, to sell their cargo to Chinese merchants. Matthew Flinders, in his circumnavigation of Australia in 1803, met a Makassan trepang fleet near present day Nhulunbuy.

In 2017 the total production of Sea cucumber in China amounted to 200,000 tonnes and retail value of Sea cucumber products was US\$4.44 Bn<sup>46</sup>. However, the quality of the product from China suffered due to "poor production environments" including high disease and pollution rates.



#### ABOUT THE ENTERPRISE

##### Blue Ocean Joint Venture

Blue Ocean Health seeks to access premium Sea cucumber sourced from pristine Shark Bay waters harvested by Tidal Moon Pty Ltd (established in 2017). Tidal Moons' rights to harvest arise from its ownership by local Aboriginal people.

Blue Ocean Health is an operating division of A1 Investments & Resources Limited, a company listed on the Australian Stock Exchange. The latter company is controlled by a Japanese parent company.

Blue Ocean Health acquires all its Shark Bay Sea cucumber from a joint venture between Indigenous fishers and A1 Investments & Resources Limited. Indigenous fishers are a collaboration with three WA Aboriginal communities, Mulgana (Shark Bay), Bayungu (Coral Bay / Exmouth) and Thalanyji (Onslow), aiming to develop a viable commercial Sea cucumber business while maintaining cultural heritage and environmental stewardship. They have the right to commercially harvest Sea cucumber by hand from Shark Bay and a further 1000 klms of WA coastline.

Blue Ocean Harvest acquires all the harvested Sea cucumber and dries and processes them in a dedicated facility in Denham in WA. Michael Wear is a Mulgana Traditional Owner, and Tidal Moon's Managing Director

Thereafter Blue Ocean Health exports the product to Japan for manufacture into health food supplement tablets, by an associated company which is wholly owned by A1 Investments & Resources called Blue Ocean Japan Co., Ltd. Blue Ocean Japan is currently selling the supplement in Japan and China.

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<sup>45</sup> [www.BOcean.co](http://www.BOcean.co)

<sup>46</sup> A1 Investments & Resources Ltd, ASX Announcement, 30 Sept 2019

In 2019 Blue Ocean Health and Tidal Moon received two seed funding grants, from the WA Government (\$250,000) and the ILSC (\$92,000) to assist in harvesting and drying wild Sea cucumber. The funding has enabled the purchase of a heavy-duty cooker for blanching, a temperature-controlled greenhouse for drying, a specialised dive vehicle for harvesting and training, a dome shelter and storage shed, and related building and electrical works.

### MARKETS, PRODUCTS, BRANDS

The Tidal Moon enterprise does not own or hold a food or seafood brand but is contracted to Blue Ocean Health to supply under that *Blue Ocean Health* brand, in human health supplement and therapeutic product consumer markets.

The Blue Ocean Health enterprise (wholly owned by a company based in Tokyo, Japan) produces dried Sea cucumber powder as an ingredient to cosmetic supplements and human therapeutic foods in southern and east Asia.

Blue Ocean Health has access to successful Japanese breeding technology and commenced a sea ranching trail program at Denham in early 2020. The company cites UN FAO data that the market for Sea cucumber products exceeded US\$5 Bn in Asia in 2017.

The commercial business will initially supply the Sea cucumber to the domestic market via a Perth wholesaler, with plans to expand to more lucrative international markets.

Since the agreement was signed in 2019 between Tidal Moon and Blue Ocean Health, the venture has experienced unforeseen problems and delays. The filed half year (31 Dec 2021) statutory reports for the Japanese side of the venture (A1 Investments & Resources) note:

- The business was severely impacted by the international travel ban during the Covid-19 epidemic,
- The company's "dispute with our dedicated contractor at Shark Bay remains unresolved",
- The parent company in Japan has used Peruvian Sea cucumber to manufacture supplements for sale in Japan, China and Asia,
- Consideration is also being given to marketing therapeutic product in Australia, but TGA regulatory approval will be required. Blue Ocean Health is seeking to fast track this approval but to achieve this the product will carry no representations as to the products possible therapeutic benefits.
- The parent company in Japan has another subsidiary in Australia that is seeking to acquire and develop a sandalwood timber plantation and extract essential oils.

### ECONOMIC IMPACTS<sup>47</sup>

Tidal Moon is keen to see traditional knowledge passed from one generation to the next in support of social and cultural wellbeing and will train and employ local Indigenous people.

Initially, the business is expected to employ four Indigenous people and provide training for 10 Indigenous job seekers, with employment expected to grow to 25-30 Indigenous people in the first five years.

Certified training in marine industry operations will be delivered through Tidal Moon's partnerships with the National Indigenous Australians Agency (NIAA), CSIRO, the Challenger TAFE WA Maritime Centre, and the Swan Maritime Institute

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<sup>47</sup> [www.ILSC.org](http://www.ILSC.org)

## CONCLUSIONS

### Tidal Moon

*Blue Ocean Health* brand established 2019.

Established and supported by Indigenous producers but not yet operational.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Uncertain. The brand is not yet visible in Australia, largely due to unforeseen delays due to Covid 19. Desk research suggests the brand will be used overseas and in Australia, if TGA approval is secured.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Uncertain. The brand is not yet in markets in any volume. But the desk research reveals that the existing competitor product (mostly from China) is of poor quality and from unsustainable production systems.  Opportunity exists therefore to promote the Australian sourced Sea cucumber products as premium products in consumer markets. It is unknown if the brand will feature and leverage its Indigenous harvest in Australia to any specific market segments.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Uncertain. Based on the above discussion it may be an opportunity for the brand manager to leverage margins in some human therapeutic markets that value Indigenous sourcing from sustainable production systems.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Uncertain, although the complex structure of the various entities in the supply chain would suggest the flow of economic benefits will include to Indigenous Traditional Owners, seafood owners, employees, harvesters, and communities. Minor beneficiaries would include local processors and partners, agencies and national consumers.  Tidal Moon Indigenous producers/fishers (under the <i>Blue Ocean Health</i> brand) will potentially benefit from any increase in sales volume due to the increased scale and productivity of their contribution.  But the details of beach sale prices agreed between Tidal Moon and the Owners of Blue Ocean Health brand are unknown and therefore the extent of sharing of economic benefits back up the supply chain to Indigenous fishers and communities is unknown.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	



## B. GOOLWA PIPi CO. PTY LTD – KUTiCo

For millennia the Ngarrindjeri people have been and remain the traditional Aboriginal people in southeast SA, including the lower Murray River, eastern Fleurieu Peninsula, and The Coorong coastal ecosystem. The Ngarrindjeri comprise several related tribal groups including the Jarildekald, Tanganekald, Meintang and Ramindjeri, originally representing 18 language groups<sup>48</sup>.



SA's marine coastal shore on the Younghusband Peninsula in The Coorong is Australia's largest wild Pipi (an edible bivalve) fishery. The fishery is restricted to a 70-kilometre stretch of beach located adjacent the Coorong National Park and inside the Ngarrindjeri Native Title Determination Area.

The fishery contributes around 400 tonnes (65%) of the 2022 reduced annual national Pipi TACC of 611 tonnes.

### ABOUT THE ENTERPRISE



For decades Pipis were only used as fishing bait. In the last decade increased seafood demand (in part generated by industry marketing), and talented chefs have moved the species up the product value curve as a higher priced seafood in domestic and overseas markets. This shift has opened the door to further innovative ready-to-eat meal and food service options, better suited to feeding high value consumer niches and online markets than servicing recreational fishers.



Pipi harvest quotas were introduced by the SA Government in 2008 after industry and regulatory concerns about overfishing, so the industry realised they must value add and make a higher return from each kilogram of the limited harvest.

### Goolwa Pipi Co.

In 2014 a group of SA licence holders in the fishery joined together to form the Goolwa Pipi Company Pty Ltd, based at Port Elliot, SA. Collectively they currently own 70% of total SA Pipi quota and catch (i.e., around 280 tonnes) and are the largest producer of Pipis in Australia.



The company's harvest methods and annual allowable catch have minimum ecological impact, having been certified since 2008 by the Marine Stewardship Council to run a fully sustainable fishery.

Over the last five years the company has upgraded its processing and grading facilities to optimise harvest yields while preserving juvenile unharvested Pipi stocks for future harvest. Processing facilities have also been upgraded to enable new modified atmosphere packaged product that extends product shelf life and eating quality, expands the product range, and facilitates branded high-margin value-added consumer gourmet seafood products to replace existing commodity seafood lines.



The company has recently also enhanced its harvest and trade flexibility by acquiring an existing Pipi bait processing company now collocated to Port Elliot.

<sup>48</sup> [https://guides.slsa.sa.gov.au/Aboriginal\\_peopleSA/Ngarrindjeri](https://guides.slsa.sa.gov.au/Aboriginal_peopleSA/Ngarrindjeri)

As a result of a 2019 corporate transaction, 23% of Goolwa Pipi Co. shares are held by a new Ngarrindjeri Community company, KutiCo Pty Ltd. Kuti is the Ngarrindjeri word for **the mollusc**.



### KutiCo

It had long been an aspiration of the local Ngarrindjeri people to acquire a commercial fishing licence and participate in the fishing economy.

In December 2019 the Ngarrindjeri invested \$100,000 to match a \$5m ILSC contribution to establish their Indigenous fishing company, KutiCo Pty Ltd. The entity is jointly owned by the Ngarrindjeri Aboriginal Corporation, which represents Native Title holders, and Ngopamuldi Aboriginal Corporation, a small corporation with experience in successfully managing land-based enterprises. Derek Walker, a Ngarrindjeri leader is Kuti Co's Chairman.

As a result of the transaction around 20% of the harvest quota contracted to Goolwa Pipi Co. is now owned by the local Indigenous Ngarrindjeri People. Goolwa Pipi Co. has therefore been able to increase its quota share of the total SA Pipi fishery due to this transaction.



The ILSC<sup>49</sup> funding (\$5 m over four years) and related support is enabling direct Indigenous participation in both the commercial fishery and in an established national seafood supply chain and respected market brand owned and managed by Goolwa Pipi Co.

The Goolwa Pipi Co. - KutiCo venture is providing direct employment and training opportunities for more than 30 local Aboriginal people over the next five years, as the partnership develops and evolves. In the last reporting year, the Goolwa Pipi Co. reports that their Ngarrindjeri Community harvest crew (mostly young tribal members) made substantial progress towards a fully commercial operation and harvested around 70 tonnes of quota, including every kilogram of the quota owned by KutiCo, as well as some of the other quota managed by the Goolwa Pipi Co.

### MARKETS, PRODUCTS, BRANDS

The project team has identified the Goolwa Pipi Co - KutiCo case as the most advanced and sophisticated of Australia's current Indigenous seafood brands. Drawing on expanded consultation graciously provided by Goolwa Pipi Co's leadership team, the following summary reflects a deeper understanding of the strategic value (both cultural and economic) of the emerging family of brands in the enterprise.

The challenge for both Goolwa Pipi Co. and KutiCo is to leverage the most community and consumer value, and economic return from the available wild harvest quota, while optimising the sustainability of the fishery, the cultural and heritage value to Ngarrindjeri people on country, and returns to shareholders. Their track record since 2014 is quite impressive, having taken a low value bait



<sup>49</sup> <https://www.ilsc.gov.au/home/project-profiles/kuti-co-pipi-project/>

fishery valued at \$6 per kg and transformed it into a high value seafood fishery now sustainably monetised at approximately \$18 per kg.

Fishery yield is a real limit to further growth in the business. In the near term (3-5 years) aquaculture systems are not expected to have the capability to create and deliver attractive and viable Pipi substitute seafood products. So, the imperative is to fully leverage the market value of every existing wild harvested quota kilo. Branding will be essential to this value-creation task. And the critical drivers for brand trust are coming together, as follows:

- Proven fishery sustainability - MSC certification and SA Government quota management,
- Integration of cultural heritage - Ngarrindjeri people on-country after 19,000 years of hand harvesting kuti,
- Improved human capital - direct employment of the Ngarrindjeri mob builds human capital via skills, careers, and joint cultural and corporate governance,
- Brand integrity and trust - the two professional brands are upfront in presenting their authentic local on-country story. (It is recalled from prior desk research that the Productivity Commission found that most Indigenous souvenirs on sale in Australia are made in China).
- Economic - demonstrated track record of a viable, sustainable, and expanding value proposition being funded by a local enterprise supported by willing seafood consumers.

East coast seafood markets consistently sell Papis above \$20 per kilogram, with Sydney Fish Market wholesale prices in 2021-22 peaking at \$50 per kilo due to NSW and VIC supply shortages as a result of unseasonal floods.

KutiCo has created an Indigenous seafood consumer brand (*KutiCo*) and, in partnership with Goolwa Pipi Co., facilitated establishment of a dedicated food service outlet (*Kuti Shack*) owned and operated by two independent chefs.

The corporate brands (Goolwa Pipi Co. and KutiCo) sit well together as a complementary seafood consumer offer. Goolwa Pipi Co. is established in national retail markets and is used by food service outlets. The *Kuti Shack* brand is an Indigenous specific brand that is currently used in a single seafood food service location on-country and increasingly known to South Australian foodies. The Indigenous brand offers the potential to further differentiate and leverage the existing Goolwa Pipi Co. and KutiCo offers in the minds of retail and/or food service buyers who are familiar with the product and existing brands.

Engaging and educating the local SA community is an important part of the business, where Kuti / Papis will most likely appear on menus first, and most often.



In a longer-term strategy to grow the joint business, Goolwa Pipi Co. and KutiCo seek to expand their joint business, brand depth and collaboration. They are increasingly well positioned to leverage their consumer offer via brands that fully value the Ngarrindjeri cultural values and community pride anchored by both their sea country and a hand harvesting kuti heritage for 19,000 years.



They also aim to support existing local and national retail partners across the whole retail seafood year. To this end the companies have launched a new seafood composite brand, *Good Sea\*Co*. This brand offers the best of SA value-added seafood and is therefore including other seafood and fishery species. Ready-to-eat Pipi meals will be joined by products including Mussels, Southern Bluefin tuna, Kingfish, Ocean jacket, Australian carp, Australian salmon, Arrow squid, and Rock Lobster. Goolwa Pipi Co. expects to launch its “Good Sea\*Co” range in Costco, Woolworths, and other retail outlets in 2024.



This is a logical strategy and will extend the existing brands across more products in the trusted seafood family product line, reduce supply chain unit costs, appeal to more seafood consumers in retail and food service outlets, and capture more absolute economic margin.

### ECONOMIC IMPACTS

The Goolwa Pipi Co. Annual Report 2022 (a confidential) highlights the significant growth in Pipi sales return per kg from 2015 to 2022. This reflects data confirming the increased emphasis on value added seafood sales.

ILSC has invested \$5 million to enable the venture to mature its Indigenous participants, create jobs, and build training opportunities for Ngarrindjeri people. KutiCo is expected to return significant long-term economic, environmental, social, and cultural benefits for the Ngarrindjeri people. Goolwa Pipi Co. directors highlight the economic and social impacts that they are creating including:

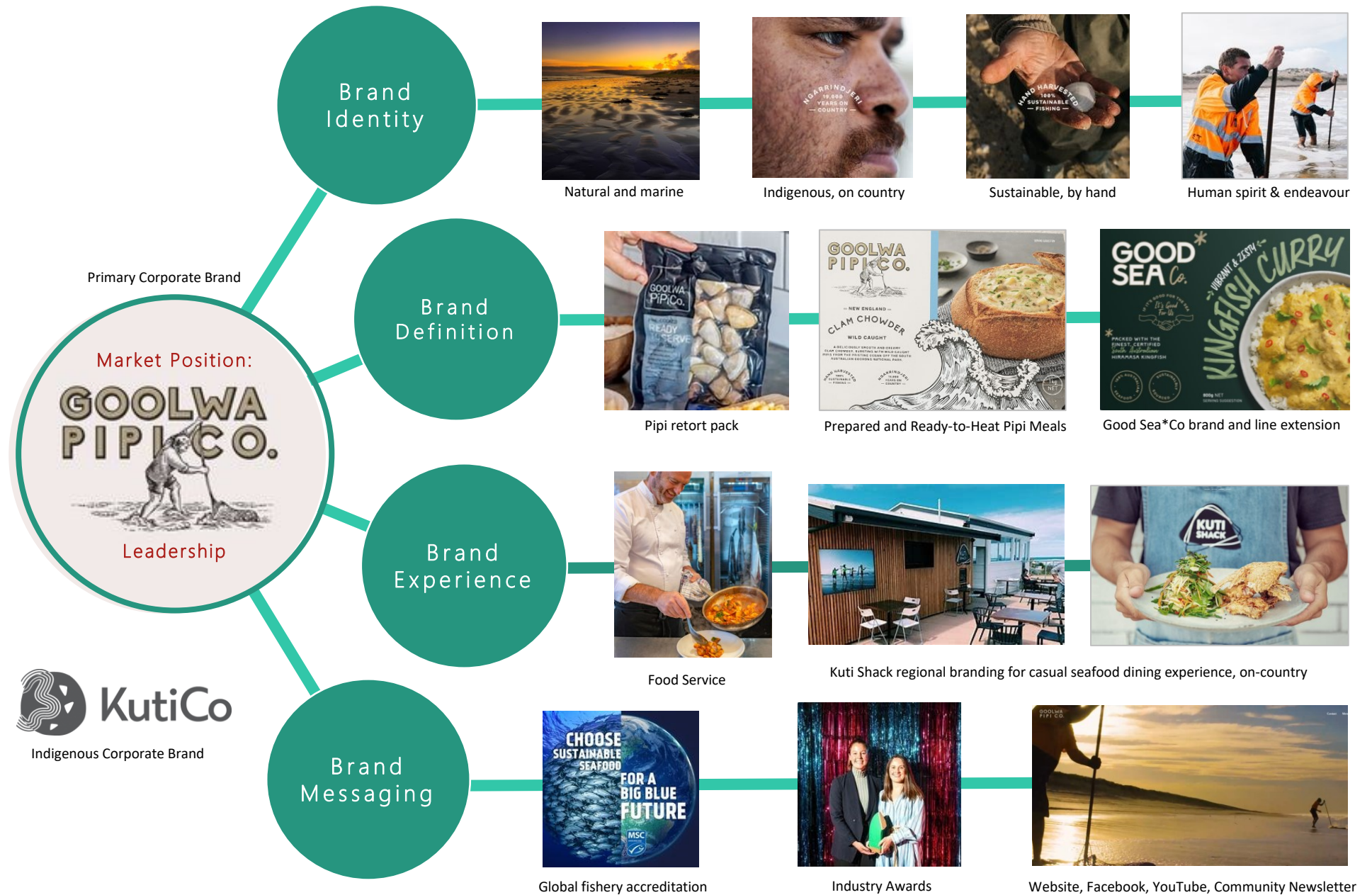
- Giving Indigenous people an opportunity to work on country,
- Telling the Indigenous story through the Kuti Shack and to the board, shareholders, and related stakeholders,
- Assessment of pathways to enable the Indigenous community to access private housing and Pipi fishery quota.



Over the last decade Pipis have moved from bait to seafood and the product evolution continues as part of the sales margins from high-end restaurants nationwide are reinvested in the Ngarrindjeri community, jobs, and social capital. The venture has and will create more direct full-time employment positions, training opportunities for others in Pipi harvesting and processing, and leadership and governance roles. In addition, the Ngarrindjeri people can continue cultural practices and knowledge associated with the harvest, trade and consumption of Pipis, and are directly involved in the sustainable management of the fishery.

The following illustration teases out more of the brand capital and strategy employed by Goolwa Pipi Co. and KutiCo. This illustration is not exhaustive, rather to show the scope and sophistication of seafood branding employed generally, and the contribution of Indigenous culture and branding in particular.





## CONCLUSIONS

### Goolwa Pipi Co. and KutiCo

*Goolwa Pipi Co., KutiCo, Kuti Shack, Good Sea\*Co.* brands variously established since 2015.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Yes, it motivates new consumer demand, but volumes are difficult to quantify. This requires a detailed market segment analysis to fully answer the question. The Indigenous brand will leverage and further differentiate the GPCo/KutiCo offer in the minds of existing and new retail and/or food service buyers who are familiar with the product and Goolwa Pipi brand. But the fact is that this SA wild fishery is fully fished - there is no/limited immediate opportunity for the company to increase supply of Papis. Options include buying other SA quota, sourcing Papis from the VIC Pipi fishery, investing in beach seeding and aquaculture techniques, or non-Pipi product line extensions.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	In principle Yes, for consumers who value that brand. But there are many complex drivers for Pipi and seafood sales prices which are not yet fully articulated. This requires detailed market segment analysis to determine optimal price points. Positive price correlation with branding does not prove causation. And the issue is complicated by uncontrollable external impacts on costs and markets such as Covid-19, competitor behaviour and supply, critical mass of supply to attract and retain merchandisers and down steam partners, etc.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	In principle Yes, but not for every customer segment and not in a uniform way across all segments. Margins will increase where the sale is to consumers who value that brand. Again, this requires detailed branded product and market segment analysis to determine the answer. Margin has two components: price and cost. The price issue is addressed above and difficult to establish like for like, and then determine causation. The cost base for GPCo has been made more efficient by adding extra throughput from the Kuti Co quota. And other fine tuning may reduce the cost base further (e.g., centralise value added manufacturing on a single site). So, the simple answer is Yes, Indigenous branding has improved related product margins. But when we take a like-for-like Indigenous and nonIndigenous brand product and offer them to the same market, will the Indigenous product always attract a higher margin? The answer is No, unless the consumer believes and values the Indigenous brand.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The current direct beneficiaries at GPCo/Kuti Co are the Indigenous Traditional Owners, employees retained in new permanent pipi harvest and management/governance roles, and communities. While harvest and operational jobs may be seasonal, more job opportunities will follow along the chain which may not be sensitive to increased volume or seasonality (e.g., employment as an office worker or in a processing or food service role). In addition, there are new senior governance roles filled by Indigenous leaders who are remunerated economically and socially for this contribution. In summary the direct investment and the Indigenous brand, have collectively increased the engagement and active participation of Indigenous people in an expanding business. This enables transfer of skills and careers to Indigenous people as well as increased personal wellbeing and share in economic return.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Increased sales prices associated with an Indigenous branded product do not readily translate to benefits for specific beneficiaries. Price growth may be due to surges in market demand (good), or due to uncontrolled cost recovery in a market where there are few competitors (bad). There is insufficient economic and financial data available to assess what might drive up prices for Indigenous branded Pip sales, retail, online, or food service. If the price gain is sustainable the beneficiaries are the companies and shareholders, employees, and supply chain partners.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	These are commercial private entities, so the first beneficiary of any gain in sales margins and profits are the companies. The Boards will then have to decide how to use their increased surplus funds, either as reinvestment (retained earnings) in the viability or growth of the business (which may be more jobs), or as increased cash dividends to shareholders. The evidence in this case suggests the companies are in a growth phase and is therefore directing margin growth and profit captured into business expansion and resilience, rather than returns to shareholders.

### C. OCEAN BLUE DIVING<sup>50</sup>

#### ABOUT THE ENTERPRISE

Brian Denny is an Indigenous professional fishery diver on Bruny Island, Tasmania, on the traditional country of the Nuenonne language. Brian and wife Robyn own Ocean Blue Diving, an enterprise business name that has been diving for Abalone, and Periwinkles in Tasmania waters for 28 years.

Brian is a graduate of the Australian Maritime College, and over his career has been active on the Tasmanian Seafood Council, the Land and Sea Council of Tasmania, and the Tasmanian Regional Aboriginal Councils.



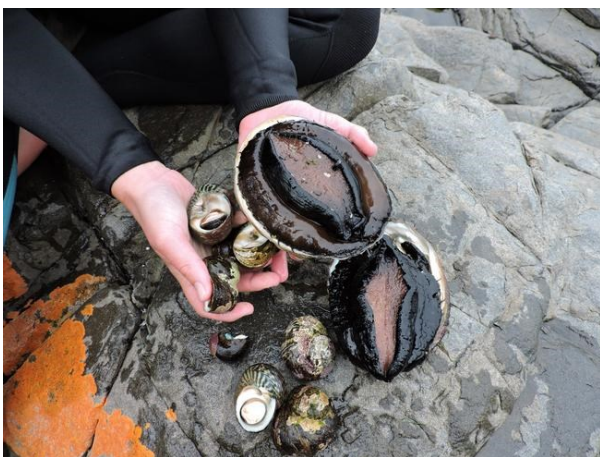
Tasmanian fisheries are governed under the *Living Marine Resources Management Act 1995* ('Act'). Under the Act there are three options in which Aboriginal Tasmanians can participate in Tasmanian fisheries: recreational, commercial, and Aboriginal customary activity.

Under this pre-existing Act, commercial activities do not distinguish between Aboriginal Tasmanians and any other group of people. Commercial activities are primarily driven by the regulations upon which seafood and other marine resource businesses can engage with the Tasmanian Government to lawfully undertake fishery activities. Customary catch has, prior to 2022, not legally been available for commercial sale.

Private rights to hold licences, such as abalone quota units, were the prime mechanism by which commercial activities are regulated. There was no class of Indigenous licensing which would allow commercial-scale cultural fisheries, however this

does not preclude Aboriginal Tasmanians from infusing cultural activities within their commercial operations, so long as the Act requirements are abided by

#### New Aboriginal Fishery Abalone Quota



Since 2008, the Tasmanian Government has put 40 abalone quota units (~10 tonnes of TACC accessible across state waters) up for tender to commercial operators/divers under a 3-year lease. A 2022 agreement on these quota units reached between the state government, the Land and Sea Aboriginal Corporation Tasmania, with capital investment from the national Indigenous Land and Sea Corporation (ILSC) will see these "Aboriginal Fishery" quota units fished for commercial purposes (i.e., quota owned and dived) exclusively by Indigenous people.

Research sponsored by the FRDC (FRDC, 2019) developed a 'Wave to Plate' approach to enable commercial use and Indigenous branding of wild catch seafood. In so doing, the

<sup>50</sup> Sources include Mr Brian Denny, Fisheries Research and Development Corporation ([www.FRDC.com.au](http://www.FRDC.com.au)), and Tasmanian Government.



research has effectively established a market pathway for cultural or Indigenous fisheries in Tasmania. Bryan Denny is the professional diver confirmed by all parties, who will be harvesting the abalone from the 40 quota units provided to Indigenous people for their abalone product.

Commercial enterprises must be viable, by definition. Brian notes that the 40 abalone quota units will be owned by the Land and Sea Aboriginal Corporation Tasmania, but this scale will not enable a viable living for one diver, in the absence of other commercial work.



### Periwinkle Fishery

A commercial periwinkle fishery has been operating in Tasmania for almost 40 years. Periwinkles (*Lunella undulata*)<sup>51</sup> are a 55-tonne state fishery across 52 licence holders, harvested commercially by hand from subtidal reefs in Tasmania and several other Australian states.

Ocean Blue Diving has fished its wild catch licences for a number of species for decades, including periwinkles from waters off the south-east coast of the state.

### MARKETS, PRODUCTS, BRANDS

Ocean Blue Diving has an existing Indigenous fishing brand related to wild catch diving for abalone and periwinkles. The brand differentiates the enterprise in its existing wholesale markets including Sydney Fish Market (but not yet in any consumer market).



The enterprise is assessing and trialling the opportunity to establish a consumer brand for retail and food service markets. This opportunity is being pursued with support from professional seafood chefs.

The Tasmanian Aboriginal Abalone Fishery (TAAF) quota owners are now developing a feasibility study to look at the supply chain and marketing pathways for their 10 tonnes of annual production.

Abalone production across Green lip, Black lip and Roei species, from wild catch and farmed sources, have well established large scale frozen and value-added markets across Asia primarily, as well as in Australia.

Active marketing of periwinkles has been limited due to the minor scale of the national fishery. A 2014 study (IMAS, 2014) concluded that Periwinkles lack an identity in the broader marketplace, with many distributors and retailers reporting they lacked knowledge about the

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<sup>51</sup> The species has other common names including turban shells, snails, turbos, wavy turbo, and warrener.



fishery as well as processing methods and uses as a food product. The report noted that no periwinkle branding was evident in any Australian seafood market. However, the report did foresee increased demand from the seafood food service and restaurant sector as the species became more familiar to seafood chefs. Such branding could potentially leverage the ancient “wild seafood” harvest of the species by Indigenous people.

As the Water to Plate Report noted: Indigenous wild catch, as an Aboriginal activity, is essentially a cultural activity that depends upon Aboriginal Tasmanian sea country knowledge and connections. These connections can build a brand that highlights its marketing difference, namely a cultural process that forms the core of a cultural fisheries and Indigenous food tourism.

### ECONOMIC IMPACTS

Tasmanian Aboriginal people now hold rights under Tasmanian legislation to fish for abalone and profit from their catch. This is a fundamental change that economically impacts them, their businesses, and their local economies.

At a local level, this agreement will create nine full-time equivalent direct and indirect jobs enabling Tasmanian Aboriginal people to gain skills and experience that will provide new pathways for career, culture and business development, including meeting the demand for Indigenous produced abalone.

Profits from the Aboriginal Abalone Fishery operations would fund badly needed new Indigenous youth justice diversion programs in Tasmania, and train young Indigenous abalone divers, giving them jobs.

Tasmanian Primary Industries and Water Minister the Hon Guy Barnett says associated fisheries rules will still apply and the agreement means Tasmanian Aboriginal people will have long-term access to the Abalone fishery to develop cultural and commercial fishing activities that have a local, national and international benefit.

The Wave to Plate Report recommended that Aboriginal people do not export the product but build cultural experiences so people can come to Tasmania to eat the abalone. The comment was made that “There will be a huge amount of interest because we rarely see Tasmanian Abalone in restaurants because so much of it is exported.” It should be noted, in that event, that domestic market sales will need to return a sales margin to the Indigenous community that is equal to or greater than export sales, otherwise the Aboriginal fisher or diver will be subsidising local consumers.

The Land and Sea Aboriginal Corporation Tasmania hopes to value-add to local restaurants and hospitality venues while building the relationship between Aboriginal people and other Tasmanians through consumption of this seafood. A sea country program is proposed so that Aboriginal young people have pathways to employment, and to businesses and social enterprise, rather than the “jail and fail” model many young people currently face.

## CONCLUSIONS

### Ocean Blue Diving

*Ocean Blue Diving* brand established in 1994.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Yes. The proposed Ocean Blue Diving Indigenous brand will leverage and further differentiate the company's offer of abalone and periwinkles etc in the minds of wholesalers, retailers and food service outlets.  The same will apply to any Indigenous brand that may be developed by Indigenous people for the Tasmanian Aboriginal Abalone Fishery (TAAF).
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Yes. It is intended the Ocean Blue Diving brand will increase the comparative sales price of periwinkle products sold. The same will apply to the TAAF abalone brand product.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Uncertain, but probably "Yes" for both brands. This will depend on the volume of product, costs to create and service the brand, and the supply chain chosen, etc.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Ocean Blue Diving volume gains will benefit the owners of Ocean Blue Diving, its employees and community. TAAF volume gains will benefit the quota holders, Tasmanian Indigenous community and related divers and employees.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Ocean Blue Diving periwinkle and TAAF abalone price gains will boost financial returns to the business owners, quota owners, employees, and community, in the absence of additional costs.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Ocean Blue Diving periwinkle and TAAF abalone margin gains will boost financial returns to the business owners, quota owners, employees, and community.

## D. WANNA MAR STEHR PTY LTD<sup>52</sup>

### ABOUT THE ENTERPRISE

Farming of wild caught Southern Bluefin Tuna (SBT) is a large and viable industry at Port Lincoln, SA, turning over \$130 million annually. The Stehr Group has been involved as a quota owners, fisher, and farmer in the industry for 50 years and is one of Australia's largest tuna producers.



In a first for the industry, traditional owners in the Eyre Peninsula have joined forces with Stehr Group to acquire quota, skills, and equipment, and start building an Indigenous commercial tuna business. A \$3.565 million dollar investment from the ILSC have enabled the Indigenous Wanna Mar Group to acquire 25 tonnes of SBT quota and launch a 50-50 joint venture with Stehr Group, incorporated as Wanna Mar-Stehr Pty Ltd.

Wanna Mar, which means 'sea food' in Mirning and Wirangu languages, is a 100% Indigenous-owned commercial fishing venture. Wanna Mar is supported by the Far West Coast Aboriginal Corporation, an organisation representing the interests of Native Title holders of the region. Paul Vandenberg, Wanna Mar Group Director, is a Wirangu man and member of the Far West Coast Aboriginal Community.



As part of the new venture, Wanna Mar fishermen go out and catch the tuna under the supervision of Stehr Group managers. The tuna is brought back to the inshore pens to be fed and fattened for market. In its first few months of operation in 2020, the company, Wanna Mar-Stehr Pty Ltd, has caught 50 tonnes of SBT

and is currently feeding these fish anticipating sales to Japanese buyers. Wanna Mar will work with the Stehr Group on selling their part of the quota.

### MARKETS, PRODUCTS, BRANDS

The Wanna Mar Stehr Group enterprise has not yet established and launched an Indigenous brand, but the opportunity exists (as outlined below) to develop and align a current domestic market and branding initiative, with Indigenous harvest and branding in the domestic market under the same company – Wanna Mar Stehr.

Traditionally, the bulk of the 6,165 tonnes of the Australian quota of SBT has been fattened in holding pens off Port Lincoln and exported as whole fish to Japanese

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<sup>52</sup> Sources for this enterprise include ILSC Annual Report 2020, and <https://www.abc.net.au/news/2021-07-08/lin-wanna-mar-venture/100274424> <https://www.abc.net.au/news/2020-09-15/southern-bluefin-tuna-companies-unite-for-new-markets/12656368>

buyers. Australia's farmed SBT has previously been sold unbranded as whole fish to the Japanese market.

But due to slumping sales to Japan due to the coronavirus pandemic the industry's sales have fallen 20% in Japan after two decades of boom times. In the light of this challenge, three Port Lincoln tuna farming companies have united to form a new company that will value add and offer tuna seafood portions to the Australian domestic seafood consumer at retail and food service outlets. Stehr Group is one of the three companies in this domestic market venture. This is a separate initiative to the Wanna Mar-Stehr venture but highly relevant to this case analysis.



The three companies, Stehr Group, Blaslov Fishing Company, and Dinko Tuna Farmers have formed Kin Premium Australian Seafood<sup>53</sup>. Consumption of Australian SBT in the domestic market is currently only about 250 tonnes a year. The three companies under their new tuna consumer brand *Kin*, believe the domestic market has the potential to increase toward 1,000 tonnes.

Kin Premium Australian Seafood processed its first batch of 10 tonnes of SBT bound for the domestic market in late 2020. The new approach in consumer marketing is being led by the younger generation of tuna farmers who (it is understood) have a better understanding of consumer-based business modelling and marketing.

Kin Premium Australian Seafood has launched a consumer brand and opened a high-quality seafood outlet in suburban Adelaide. Kin project manager Tom Robinson is the experienced executive director leading the development of value adding and consumer branding at Goolwa Pipi Co. since 2014.

The venture and marketing approach will enable year-round supply and value adding of SBT for selected consumer market segments. The strategy will also assess the retail market options to create new products such as bone broth, mojama (a ham-equivalent using tuna that's a super-premium product in Europe), ready-to-eat meals, and other product lines that use the whole frame of the fish. Value adding will create around 20 different cuts that can be sold in smaller portions direct to Australian consumers.

The domestic market project would mean new jobs for South Australians in processing and developing the tuna products, some of which would be tuna portions or ready-made, take-home meals.

An Indigenous brand has not yet been established in a commercial tuna seafood market although this case reveals a number of enterprises well positioned to do so. With common shareholders (Kin Premium Australian Seafood, and Wanna

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<sup>53</sup> [www.kinseafood.com](http://www.kinseafood.com)

Mar Stehr) and executives, the opportunity exists for the corporate groups to collaborate and launch an Indigenous tuna brand in Australian domestic markets. The project team understands a farmed tuna supply chain brand will be established for Indigenous ranched tuna producers, in domestic and export retail and food service outlets. The enterprises to support this opportunity are yet to be revealed.

### ECONOMIC IMPACTS

With a strong connection to saltwater country, engagement in the commercial fishing sector has been a long-term aspiration for the Far West Coast Aboriginal Community.

The opportunity to acquire water-related rights in an industry where there are low levels of Indigenous participation nationally will see strong revenue streams flow back to Native Title holders from their traditional fishing areas. In the long term these funds will be reinvested in commercial and social initiatives determined by the community.

For Stehr Group, pioneers in the industry and leaders in sustainable Southern Bluefin Tuna management, the partnership is an opportunity for value-adding to their product through Indigenous branding, improved community engagement and new possibilities for business expansion.

A big part of working with Stehr Group is the training aspect for Indigenous crew and managers. The Wanna Mar directors aspire to one day have their own tuna fishing boat with a full Aboriginal crew, fattening pens, processing plant and factory, all under Stehr supervision within the Wanna Mar Stehr enterprise.

The Wanna Mar Stehr enterprise is a \$7.45 m joint venture, where the ILSC's \$3.565 m investment was combined with \$200,000 capital investment by Native Title holders and \$3.7 m in Stehr Group capital and assets. The ILSC investment will therefore leverage private capital from an experienced tuna company and their expertise to benefit Indigenous Australians and the investors.

Future profits from the venture would be used to address disadvantage and strengthen local Aboriginal communities, including through education and sports scholarships.

This enterprise has not yet established an Indigenous brand in a commercial seafood market. The project team understands a farmed tuna supply chain brand will be established for Indigenous ranched tuna producers in retail and food service outlets.

This enterprise has not been fully assessed against the IRG criteria due to the lack of data and enterprise immaturity.



## E. ZENADTH KES FISHERIES LTD<sup>54</sup>



### ABOUT THE ENTERPRISE

Zenadth Kes Fisheries (ZKF) is an Australian public company limited by guarantee. It is a not-for-profit entity.

### The Akiba Sea Claim Decision

The 2013 High Court decision provides legal recognition of the historic and cultural significance of marine resources to Torres Strait Islander and Aboriginal People and recognises a native title right to take fish and other marine resources for any purposes including commercial purposes. The decision supports the transition of fisheries to 100 percent Torres Strait Islander ownership, an aspiration that will work towards Closing the Gap targets in the Torres Strait while also acknowledging the cultural and Native Title significance of commercial fisheries and the economic opportunities they provide.

A 2020 summit convened by the Torres Strait Regional Authority confirmed that the new entity would be called Zenadth Kes (meaning four winds of the Torres Strait in local languages). The entity was designed to aggregate, own and manage Torres Strait Fisheries assets on behalf of members of the Torres Strait Indigenous communities.



ZKF has five interim Directors on its board and 25 Company Members – all are Torres Strait Islander or Aboriginal. The Torres Strait community is evenly represented by members, five from each of the five community cluster groups. Company Members will have the opportunity to provide input to board decisions impacting Torres Strait commercial fisheries.

On its website the company notes:

*Rooted in our deep respect for nature, we control, manage, care for, and promote sustainable local fisheries that are WILD, NATURAL, and PRISTINE. We strive to protect and grow our Traditional Inhabitant fishing sector for economic, customary, and social benefit.*

*We are proudly a locally owned and independent commercial business founded in December 2020. We have 25 inaugural members – with five members representing each of the five island clusters of the Torres Strait. Kaiwalagal, Kulkalgal, Maluilgal, Gudamaluilgal and Kemer Kemer Meriam.*

The objectives of the new Indigenous fishing entity are to:

- Maximise local ownership,

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<sup>54</sup> <https://www.zkfisheries.com.au/about/>  
[https://www.tsra.gov.au/\\_data/assets/pdf\\_file/0006/27393/ZK-Fisheries-v5.2.pdf](https://www.tsra.gov.au/_data/assets/pdf_file/0006/27393/ZK-Fisheries-v5.2.pdf)  
[https://www.pzja.gov.au/sites/default/files/fwg\\_25\\_nov\\_20\\_final\\_record.pdf](https://www.pzja.gov.au/sites/default/files/fwg_25_nov_20_final_record.pdf)

- Grow and support the local workforce,
- Support employment and ownership,
- Economic development,
- Generate wealth for traditional owners,
- Preserve and protect local fisheries,
- Maximise growth and opportunities,
- Support collaborative relationships.

For a new Indigenous company there is much to do - it its first year of operations the company has prioritised four goals:

1. Establish the business as a viable supplier in the Torres Strait wildcatch fishing and seafood industry,
2. Establish a market presence and communications capacity,
3. Establish a stakeholder and management governance structure,
4. Conduct due diligence and research as a basis for a sound long term seafood marketing strategy.



### MARKETS, PRODUCTS, BRANDS

The new Zenadth Kes Fisheries entity has not long been established. One early outcome is the formal creation and launch of a product certification mark for all seafood product that will be sourced from fisher suppliers and offered to markets through the company.

The three wild catch species that ZKF will target are supported by 2019 research regarding the dominant commercial species in the Torres Strait:<sup>55</sup>

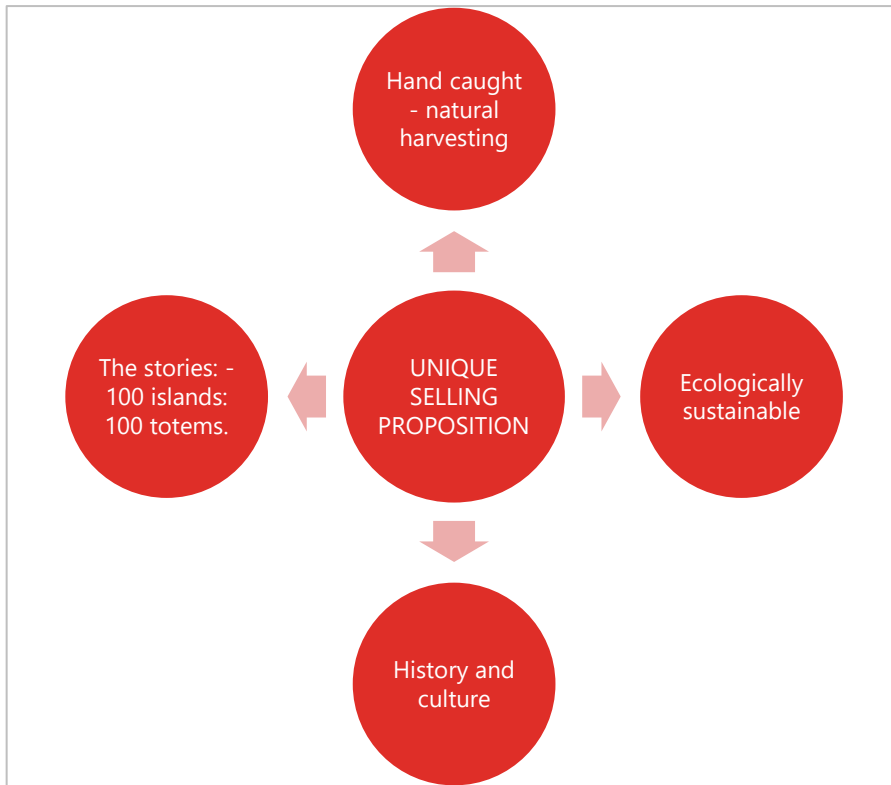
1. Tropical Rock lobster as fresh live, or processed. This is the most valuable of the Torres Strait fisheries. The vast majority of product is exported live to undifferentiated markets in Hong Kong/China, and more broadly in Asia.

2. Coral trout as fresh live or processed product. This finfish species is the key target species in the Torres Strait. It is sent live or chilled to Hong Kong, and Singapore where it demands a high price. Reef fish are also targeted for similar



<sup>55</sup> Current activity drawn from ZKF website and Mantilla, E.A. et.al., Honey & Fox Pty Ltd, 2019, *Assessing Direct Export Feasibility, Marketing and Branding Opportunities for Torres Strait Fisheries Derived Products*. FRDC Project 2016/244





markets. The level of participation in the commercial fishery is low due to other fisheries being relatively more profitable. There is a potential for export markets to be explored including value adding opportunities.

3. Sea cucumber, particularly three species (Prickly redfish, White teatfish, and Black teatfish) as blanched, gutted, salted, or dried products.

Other species include Prawn, Spanish Mackerel, Pearl Shell, Barramundi, and Trochus.

In 2019 an independent market review of the Torres Strait Indigenous fishery (Mantilla, 2019) determined the optimum marketing strategy for

differentiation and branding of the Torres Strait Indigenous commercial fishery harvest was a focus on four unique selling propositions for their luxury product:

On its website the company identifies seven market pillars:

1. **INCLUSIVITY** - For the strategy to work, it must avoid commercial conflict with existing traders, processors, wholesalers – lobster and finfish are already well established and dominated by small, medium and large processors.
2. **NICHE AND RARE PRODUCTS** - Focus on rare/luxury products that are not mainstream and can be expanded branding stories and value-adding.
3. **LUXURY 'HIGH VALUE HERO' PRODUCT** - Develop one luxury hero product that tells the Torres Strait Island story – rarity, uniqueness, etc. This can flow to other products over time once structures and branding are in place.
4. **LUXURY 'PULL' STRATEGY** - Build demand from outside through high-end aspirational consumers (e.g., Chinese luxury buyers in Brisbane, Sydney, Melbourne, Shanghai and Beijing).
5. **QUALITY ASSURANCE** - A luxury product must do what it says it will do – delivery of the promise. Quality assurance is, therefore, very important.
6. **REGIONALITY** - Added value from sub-regions (islands) identified by totems – some may be rarer than others or have different flavour characteristics.
7. **HEALTH** - Heightened health awareness by Chinese affluent consumers leads to demand.

## ECONOMIC IMPACTS

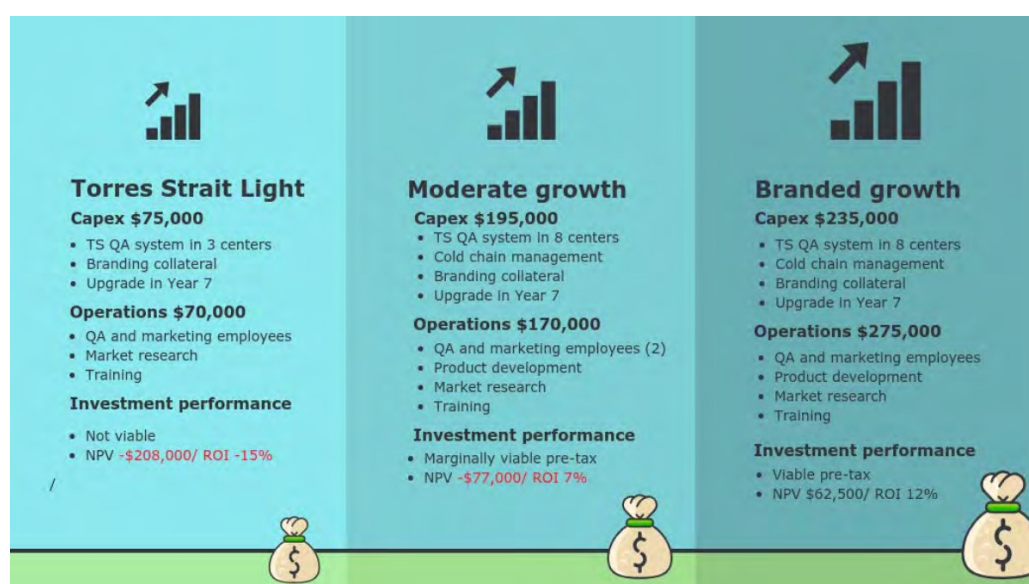
It is too early to determine if the Indigenous branding strategy will leverage the Indigenous and cultural seafood assets of the Torres Strait communities.

ZKF says on its website that

*"we will have to compete for your business – the same as any other fisheries business in the area. ZKF will be working to establish trade links and logistical relationships in the first two years. It is unlikely that ZKF will be buying or selling product during the 'start-up' phase."*

*ZKF is a commercial fisheries company, the same as any other fisheries company in the region.*

The 2019 FRDC study and related research determined three optional investment pathways for the development of Indigenous Torres Strait seafood. A branded



scenario was the preferred pathway as it results in highest expected returns on investment.

An Indigenous brand (*Zenadth Kes*) has been established in commercial seafood markets. The project team understands there is yet, insufficient information publicly available to assess the economic impacts and identify supply chain beneficiaries from the brand.

This enterprise has not been fully assessed against the IRG criteria due to the lack of data and enterprise immaturity.

## F. ABORIGINAL SEA COMPANY

In February 2022, the Northern Land Council (NLC) based in Darwin, NT, incorporated the Aboriginal Sea Company (ASC) marking a major milestone flowing the historic Blue Mud Bay settlement by the Australian High Court in 2008. This entity is gearing up to supply commercial markets with branded seafood in a similar way to Zenadth Kes Fisheries.

## E. NEW ZEALAND CASE STUDIES

### 1. BACKGROUND AND CONTEXT

New Zealand presents an increasingly mature perspective of the development and implementation of Indigenous food brands, relative to Australia.

Māori people proudly preserve their maritime South Pacific seafarer heritage that their ancestors brought to the islands of Aotearoa from Polynesia around 1000 years ago. There are distinct similarities between the Māori language and culture and others of Polynesia including the Cook Islands, Hawaii, and Tahiti.<sup>56</sup>

Through geography and culture Māori people today are very closely aligned culturally with and linked economically to their sea country (rohe moana) and the fishing and seafood industries.

### 2. NEW ZEALAND INDIGENOUS MODEL

The following discussion summarises the enterprise context for the Māori businesses that operate commercial brands, discussed in detail later in the report.

The New Zealand Fisheries Deed of Settlement 1992 restored Māori commercial fishing rights per the intent of the Treaty of Waitangi in 1840. Prior to the settlement, the rights had been widely accepted, but never defined in law.

#### Māori Fisheries Settlement Entities

At Settlement in 1992, four entities were established to enable the terms of the Deed of Settlement<sup>57</sup>:



Established in 1961, **Sealord Products Limited** was purchased by Māori in 1992 in a 50-50 joint venture arrangement with commercial business Brierley Investments Limited. The funds to purchase the Māori shares were provided by the Crown and held by the Treaty of Waitangi Fisheries Commission.



In 2004, Aotearoa Fisheries Limited assumed the shareholding through the allocation of settlement assets. Sealord Group Limited is jointly owned by Aotearoa Fisheries Limited and Japanese seafood company Nippon Suisan Kaisha, Limited (Nissui).



Moana New Zealand is the common and brand name of **Aotearoa Fisheries Ltd**, which took ownership of several Māori-owned fishing companies in 2004 through the allocation of the Māori Fisheries Settlement assets and the passing of the Māori Fisheries Act.

**Te Wai Māori Trust** was established to advance Māori commercial freshwater fisheries under the Māori Fisheries Settlement and promotes the protection and enhancement of freshwater fisheries habitats such as lakes, rivers, and streams.

<sup>56</sup> [www.newzealand.com/int/feature/arrival-of-maori/](http://www.newzealand.com/int/feature/arrival-of-maori/)

<sup>57</sup> <https://teohu.maori.nz/who-we-work-with/moana/>



**Te Pūtea Whakatupu Trust** was established in 2004 through the Māori Fisheries Act to promote Māori education, training, and research through a managed fund of \$20 million to ensure all Māori benefit from the Settlement.

### Scale and Structure

In 2022<sup>58</sup> the combined assets of Māori Iwi were valued at NZ\$16.95 Bn (**TBD Advisory, 2022**).

With their local focus, Iwi tend to have a strong home region investment bias, long time horizons, limited access to new capital and they typically have constraints on their ability to sell certain assets (due to Settlement terms). Iwi trusts (as opposed to their commercial arms) typically have social and environmental objectives in addition to their financial objectives.

Iwi distributions primarily come in the form of education, Marae (cultural buildings and grounds), housing, health, culture, sports, and community service grants.

Māori tribes (Iwi) and businesses comprise a significant proportion of the commercial fisheries and aquaculture sector, owning 27% of New Zealand quota in 2018 (**Office of Chief Science Advisor, 2021 pp. 32-33**).

The marine economy directly contributes around NZ\$3.8 Bn to the New Zealand economy, with fisheries and aquaculture contributing around NZ\$1 Bn of that. Western science and Māori traditional knowledge (mātauranga Māori) offer complementary lenses with which to view the world and solve problems. This partnership offers a unique strength to policymakers charged with managing the nation's marine assets.

Iwi business models use a common corporate structure and business model. There is typically an overarching community trust that makes decisions about distributions to Iwi members and the non-financial objectives of the group, while one or more separate commercial entities manage the group's capital allocation, commercial assets, and makes investment decisions with a commercial mandate. Typically, a distinct commercial entity will be delegated responsibility for investment strategy and asset management. Gearing (use of debt capital) is usually kept low (less than 10%) as expected, for such long term shared-community investment enterprises. Commercial entity returns help finance Trust administration expenditures and distributions and reinvested to grow asset bases.

Many Iwi hold most of their assets as property (commercial, residential, and rural land), reflecting the initial land settlements and circumstances of each Iwi, which primarily consisted of properties in their traditional tribal areas. Some Iwi have been active in diversifying their portfolios and now hold a significant proportion of assets in primary industries, particularly farming, forestry, and fishing. Most Iwi hold an interest in the domestic fishing industry, arising from the Treaty of

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<sup>58</sup> The 2022 Māori Iwi performances were significantly and adversely impacted by Covid 19 pandemic. This discussion is largely based on the 2021 data which appears more indicative of long term trends.

Waitangi fisheries settlement, providing them with fishing quota and shares in Moana New Zealand.

### Economic Performance

Most Iwi publish consolidated financial data across their corporate group – the project research found no Iwi publications for separate commercial operating arms. Mapping benefit flows from specific food and seafood brands and is therefore problematic. The subsequent assessment of New Zealand brands has been drawn from desk research and private consultation with target enterprises.

An independent analysis of Iwi investment returns (TDB Advisory, 2021 p. 7) across the period 2013 – 2021 shows their average return on assets to be 7%. This is low compared to the benchmark portfolio of NZ firms used in the report at 11.6%. However, it should be noted that a number of these Iwi assessed for this report intentionally manage passive investment strategies.

Iwi performance appears to be improving relative to the benchmark as their investment management teams become more experienced. Iwi as investors have several notable characteristics: they tend to have a strong home bias, long time horizons, limited access to new capital and they typically have constraints on their ability to sell certain assets (typically due to clauses and tax related charity issues in the Settlement legislation). Iwi trusts (as opposed to their commercial arms) typically drive social and environmental objectives in addition to their financial objectives.

All Iwi discussed in this report make distributions to their members. These distributions primarily come in the form of education, housing, health, culture, and sports or community service grants. Distributions for the nine Iwi covered in this report totalled NZ\$87 m in 2021, (across 468,000 registered Iwi members this is an average benefit of \$186 per member per year) up from NZ\$79 m in 2020.

### ESG (Environmental, Social, Governance) Activity

All Iwi in this report have a range of environmental outcomes they are working towards. Iwi environmental goals tend to be focused around sectors in which they are actively involved and/or issues within their local area. Some Iwi have changed their operations to make them more sustainable as they work towards their environmental goals.

At a governance level, as noted above, all Iwi generally have similar governance structures in line with Settlement legislation. This structure typically consists of an overarching trust that:

1. Set the vision of the group,
2. Makes decisions about distributions to beneficiaries and the non-financial objectives of the group,
3. Sets a mandate for the separate commercial entities that manage the group's commercial assets.

Overall, the board of directors/trustees for the Iwi covered in this report exhibit relatively high levels of gender diversity. In 2021, 51% of the board members/trustees were female, a decline on the 2020 ratio of 56%.

### Australian Delegation in 2008

A Northern Territory Fishing Industry delegation to New Zealand (Calogeras, 2008 pp. 55-56) noted that Māori have vertically integrated businesses and diversified into other sectors, whilst expanding and making the most of the initial quota allocation (at Settlement) by increasing market share. Systems have been established to promote cultural and social benefit from fisheries through income streams. The delegation concluded (inter alia) regarding commercial fishing, that:

- Governance structures are critical, and this could be a challenge for some Indigenous communities (expertise and resources),
- Māori have established sophisticated business structures and approach with skilled and well trained, educated, and experienced leaders. They appear organised at all levels, including succession planning.
- Integrated and vertical marketing undertaken in the Iwi offers a wider range of opportunities and spreads any risk,
- The use of an Indigenous brands can be a powerful marketing tool,
- Extension and assistance to Māori in the fishing industry from the Government appears significant in New Zealand, and greater than in the NT.

## 2. NEW ZEALAND FOOD ENTERPRISES

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New Zealand is a respected global producer and trader in premium products in at least three industries - dairy products, selective horticulture (especially Kiwifruit), and seafood. This review is focussed primarily on seafood activities in large companies or selected smaller seafood businesses.

Māori are the only New Zealanders who participate in all fishing sectors – customary, recreational, and commercial (wildcatch and aquaculture).

The New Zealand seafood industry has comparable annual turnover to the Australian seafood industry (~A\$2Bn), but New Zealand has far greater emphasis on export markets than domestic supply due to its small home market, and more emphasis on export of premium fresh and value-added seafood.

The industry has significant Māori ownership, with approximately 49% (industry advice Dec. 2022) of all fishing quota by volume and value owned by Māori. Māori also have significant and rising investment in aquaculture and land-based processing operations, including Moana New Zealand (100% Māori owned) and major holdings in very large fishing businesses Sealord Group Limited (50% Māori owned) and Sanford Ltd (20%).

In 2006 following the Crown Settlement, deep-water fishing assets were allocated based on a formulae reflecting Iwi population and coastal extent.

The following discussion considers New Zealand food businesses and their related Indigenous ownership, governance and branding from the perspective relevant to this project. Figure 16 summarises the scanned entities and those analysed in more detail.

### WAI 262 Claim and Manuka Honey

The 262nd claim lodged with the Waitangi Tribunal in 1991, is one of the largest and most complex in the history of New Zealand's Waitangi Tribunal. It was also the first 'whole of government' inquiry. <https://www.wai262.nz/>

The claim essentially seeks to restore Māori authority and self-determination (tino rangatiratanga) of those things and values which we treasure, both intangible and tangible (the whānau, hapū and iwi of Aotearoa over our "taonga"). These include language, science, technology, laws, history, systems of property and value exchange, rituals and ceremonies, arts and forms of expression, and Māori cultural values.

The WAI 262 claim also seeks effective Crown recognition of and influence over the decisions and actions of Ministers and government agencies, policy and law making.

The latest example (22 May 2023) of Indigenous food brand use and global market contention relates to the use of the term "Manuka honey".

In the case (originally lodged in 2015) New Zealand honey producers have lost their right to trademark the name manuka. The Intellectual Property Office of New Zealand ruled that the term manuka honey cannot be registered as a certification mark in New Zealand.

Honey producers in Western Australia (the Australian Manuka Honey Association) opposed the trademark application, arguing the proposed trademark was merely descriptive and not distinctive. Although Mānuka is a Māori word, the *Leptospermum* plant from which Manuka honey is sourced is also native to Australia, where it is commonly known as "tea tree".

<https://www.nzherald.co.nz/nz/how-nzs-own-law-helped-australia-win-the-manuka-honey-trademark-war/XKV3KQSNVFSHAGJFFLKH4AKNU/>



Figure 16. List of Māori enterprises identified and analysed

Business Group	Location	Structure, Incorporation, Ownership, Governance, Strategic Intent	Group Assets NZ\$m	Est. Avg ROA last 5 years	Industry Asset Allocation	Re Indigenous Branded Seafood Products
1. Moana New Zealand (seafood)	Auckland based. Operations in North Island, in Nelson, and the Chatham Islands	<ul style="list-style-type: none"> <li>1992 Fisheries Settlement</li> <li>Māori company incorporated 2004</li> <li>58 Iwi own shares in Moana New Zealand</li> <li>50% ownership of Sealord Group</li> <li>Guardian of Māori fishing assets</li> <li>Aim: wellbeing of future Māori generations</li> </ul>	NZ\$591 m (2022)	2.6% (2022) 5.1% (2021)	<ul style="list-style-type: none"> <li>100% Māori owned</li> <li>Largest Māori fishing company in NZ</li> <li>Owens 50% of Sealord Group - Japanese partner</li> </ul>	<ul style="list-style-type: none"> <li>Brands: <i>Moana</i>, <i>Sealord</i></li> <li>Species: Blue Abalone, Pāua, Rock lobster, Oysters, Finfish</li> <li>Products: fresh, frozen, ready meals</li> <li>Markets: domestic NZ, Australia, Canada, USA, other export, online</li> <li>Unique Selling Point: Māori fisheries and seafood to the world</li> </ul>
2. Ngāti Porou (seafood)	East cape of North Island – landed at, processed, distributed from Gisborne	<ul style="list-style-type: none"> <li>Māori Iwi charitable trust</li> <li>84,000 -1000,000 members</li> <li>2011 Deed of Settlement</li> <li>Operated as a branded group of enterprises</li> <li>Aim: social, cultural, economic, environmental</li> </ul>	NZ\$280 m (2022)	5.2%	<ul style="list-style-type: none"> <li>58% Financial assets</li> <li>14% Fishing quota / licences, Moana New Zealand shares</li> <li>28% Property / Tourism / Other</li> </ul>	<ul style="list-style-type: none"> <li>Brands: Local branded retailer <i>Real Fresh</i>; and smoked seafood branded <i>Ahia</i></li> <li>Species: Hoki, Gem fish, Blue Moki, Salmon, Trevally, Lobster</li> <li>Products: live, fresh, frozen, processed, and value-added seafood</li> <li>Markets: local retail, domestic NZ, Air NZ, export, and online</li> <li>Unique Selling Point: <i>Ahia</i> brand smoked fish</li> </ul>
3. Ngāi Tahu (seafood)	Most of South Island, based at Christchurch	<ul style="list-style-type: none"> <li>Māori Iwi charitable trust</li> <li>71,000 members,</li> <li>1997 Land settlement</li> <li>20% shareholding in Sanford Ltd</li> <li>Operates as branded group of enterprises</li> <li>Aim: social, cultural, economic, environmental</li> </ul>	NZ\$2,280 m (2022)	5.2%	<ul style="list-style-type: none"> <li>75% Property / Financial assets / Tourism / Other</li> <li>25% Primary Industries-fishing quota, licences, Moana New Zealand shares</li> </ul>	<ul style="list-style-type: none"> <li>Brand: Rock lobster, Greenshell mussels and Bluff oysters all branded under Indigenous <i>Tahu</i> brand – most other product unbranded</li> <li>Species: farmed and wildcatch - Bluff oyster, Rock lobster, Blue cod, Pāua, Greenshell mussel, sole, flounder and other frozen seafood</li> <li>Products: fresh or frozen, whole, or processed seafood</li> <li>Markets: domestic NZ, export and online</li> <li>Unique Selling Point: premium seafood from Māori fisheries</li> </ul>
4. Okains Bay Seafood	15 klms from Christchurch	<ul style="list-style-type: none"> <li>Māori family company</li> <li>One longline vessel</li> <li>Founded in 1987</li> <li>Farm and processing facility established in 2021</li> </ul>	n/a	n/a	<ul style="list-style-type: none"> <li>Private company – assets unknown</li> <li>100% Long line fishing</li> </ul>	<ul style="list-style-type: none"> <li>Brand: <i>Okains Bay Longline Fishing</i></li> <li>Species: wildcatch long line – deep sea cod, ling, sea perch, groper, blue nose, skate, dogfish, hake, trumpeter</li> <li>Products: packaged frozen processed seafood</li> <li>Markets: domestic NZ, export and online</li> <li>Unique Selling Point: Traceability via QR code</li> </ul>
5. Whakatōhea Mussels	Bay of Plenty	<ul style="list-style-type: none"> <li>Māori and non-Māori Trust and investors</li> <li>Settlement agreed Dec 2022, NZ\$100 m.</li> <li>Iwi resources (land and waters) typically leased out or in commercial partnerships (e.g., dairy, forestry, horticulture)</li> <li>Aim: social, cultural, economic, environmental</li> </ul>	NZ\$29 m (2018)	0.1% (2018)	<ul style="list-style-type: none"> <li>Iwi Trust company managed as a vehicle benefit</li> <li>100% owned new Greenshell mussel aquaculture ranching venture established since 2014</li> </ul>	<ul style="list-style-type: none"> <li>Brand: <i>Whakatōhea Mussels</i></li> <li>Species: farming, processing (shucking, packing, chilling, freezing,) and sale of Greenshell mussels</li> <li>Products: Greenshell mussels</li> <li>Markets: domestic NZ, export and online</li> <li>Unique Selling Point: unique deep water farming system and natural spat settlement</li> </ul>
6. Chatham Islands Food Co.	Chatham Islands, 800 klms east of Christchurch	<ul style="list-style-type: none"> <li>Family company with Chatham Island Māori and Māori Indigenous heritage</li> <li>Founded in 2011</li> <li>Premium sustainable and artisan seafood</li> <li>Deed of Settlement signed February 2020</li> </ul>	n/a	n/a	<ul style="list-style-type: none"> <li>Private company – asset values unknown</li> <li>Acquired old existing seafood processing plant on Chatham Islands in 2015</li> </ul>	<ul style="list-style-type: none"> <li>Brand: <i>Chatham Island Food Co. and product brands</i></li> <li>Species: Blue cod, Pāua, Rock lobster, Sea urchins</li> <li>Products: Rock lobster, fresh and frozen Blue cod whole and fillets, Pāua mince in pottles, Sea urchin (kina),</li> <li>Markets: domestic NZ and online</li> </ul>

						<ul style="list-style-type: none"> <li>Unique Selling Point: remote pristine wild harvest and Pāua pies</li> </ul>
7. Te Awanui Huka Pak (Kiwifruit)	Bay of Plenty	<ul style="list-style-type: none"> <li>Māori owned trusts / commercial entities</li> <li>Established 1984</li> <li>Most investment is in Kiwifruit, avocado industries and orchard services</li> </ul>	NZ\$35 m	n/a	<ul style="list-style-type: none"> <li>71% Investment property</li> <li>23% Shares in Seeka Ltd</li> <li>5% Orchard businesses</li> </ul>	<ul style="list-style-type: none"> <li>Brand: domestic and international fruit brand Seeka</li> <li>Species: kiwifruit, avocados, berries, vegetables, tropical fruit</li> <li>Products: commercial property, pastoral farming, elder care</li> <li>Unique Selling Point: leader in kiwifruit production and marketing</li> </ul>
8. Miraka Milk Ltd (dairy)	Taupō	<ul style="list-style-type: none"> <li>Private dairy processing, export company</li> <li>Established in 2010</li> <li>90% of shares held by Māori Trusts</li> <li>10% shares held by Vinamilk, Vietnam's largest national milk company</li> </ul>	n/a	n/a	<ul style="list-style-type: none"> <li>100% Dairy production, processing, marketing, export</li> </ul>	
9. Waikato Tainui	Waikato	<ul style="list-style-type: none"> <li>Māori Iwi lands Trust – 80,000 members</li> <li>1995 land settlement</li> <li>Operated as a branded group of enterprises</li> <li>Aim: – build Iwi intergenerational wealth</li> </ul>	NZ\$1,529 m	6.1%	<ul style="list-style-type: none"> <li>68% Property / Financial assets</li> <li>4% Primary Industry, fishing quota and licences</li> <li>28% Hotels / Other</li> </ul>	
10. Tūhoe Te Uru Taumatua	Te Urewera	<ul style="list-style-type: none"> <li>Māori Iwi charitable trust – 41,000 members</li> <li>2014 land settlement</li> <li>Operates as branded group of enterprises</li> <li>Aim: social, cultural, economic, environmental</li> </ul>	NZ\$420 m	n/a	<ul style="list-style-type: none"> <li>49% Financial assets</li> <li>45% Forestry / Property / Other</li> <li>6% Fishing quota / licences, Moana New Zealand shares</li> </ul>	
11. Parininihi ki Waitotara	Taranaki	<ul style="list-style-type: none"> <li>Māori Iwi charitable trust - 11,000 members,</li> <li>1983 Trust established</li> <li>Operated as branded group of enterprises</li> <li>Aim: social, cultural, economic, environmental</li> </ul>	NZ\$385 m	n/a	<ul style="list-style-type: none"> <li>Primary Industries</li> <li>Fishing quota / licences, export, Moana New Zealand shares</li> <li>Property / Financial assets</li> </ul>	
12. Raukawa	South Waikato	<ul style="list-style-type: none"> <li>Māori Iwi charitable trust - 9,500 members</li> <li>2009 land settlement</li> <li>Operated as branded group of enterprises</li> <li>Aim: social, cultural, economic, environmental</li> </ul>	NZ\$208 m	8.1%	<ul style="list-style-type: none"> <li>28% Primary Industry - fishing quota / licences</li> <li>26% Property</li> <li>46% Financial assets / Other</li> </ul>	
13. Ngāti Awa	Bay of Plenty	<ul style="list-style-type: none"> <li>Māori Iwi lands Trust – 21,000 members</li> <li>2005 land settlement</li> <li>Operated as branded group of enterprises</li> <li>Aim: social, cultural, economic, environmental</li> </ul>	NZ\$180 m	5.2%	<ul style="list-style-type: none"> <li>44% Primary Industry fishing quota / licences</li> <li>27% Property</li> <li>18% Financial assets</li> </ul>	
14. Ngāpuhi	Northland	<ul style="list-style-type: none"> <li>Māori company 148,000 members</li> <li>Various since 2015, land settlement</li> <li>Operated as branded group of enterprises</li> <li>Aim: – build Iwi intergenerational wealth</li> </ul>	NZ\$71 m	4.8%	<ul style="list-style-type: none"> <li>47% Fishing quota / licences, shares</li> <li>20% Financial assets</li> <li>33% Property / Other</li> </ul>	



## A. MOANA NEW ZEALAND

### ABOUT THE ENTERPRISE<sup>59</sup>

Moana is a Māori word meaning sea, ocean or large lake.

In 2004 Moana New Zealand took ownership of several Māori-owned fishing companies through the allocation of the Māori Fisheries Settlement assets and the passing of the Māori Fisheries Act. Moana New Zealand is the largest Māori-owned fisheries company in New Zealand, with all shares owned by 58 Iwi across New Zealand and subject to specific trade and dividend terms.

Moana New Zealand is a respected national and international seafood business with an Indigenous corporate brand.

Moana New Zealand operates two complementary seafood businesses – a 100% share in an inshore business trading as Moana New Zealand, and a 50% share in an offshore fishery partnership trading as Sealord Ltd. Sealord Group is New Zealand's largest fishing company. The remaining 50% of Sealord is owned by Nippon Suisan Kaisha Limited (Nissui).

Sealord operates eight deep-sea vessels from New Zealand waters, as well as the *Will Watch*, a vessel fishing the southern Indian Ocean from its base in Mauritius.

Moana New Zealand has around 310 employees, 34% of whom are Māori. All Board members and 60% of the Executive Team are Māori members.

### MARKETS, PRODUCTS, BRANDS

The Moana New Zealand business is focussed on wild catch and farmed seafood from near shore waters to domestic, Australian, and other overseas markets.

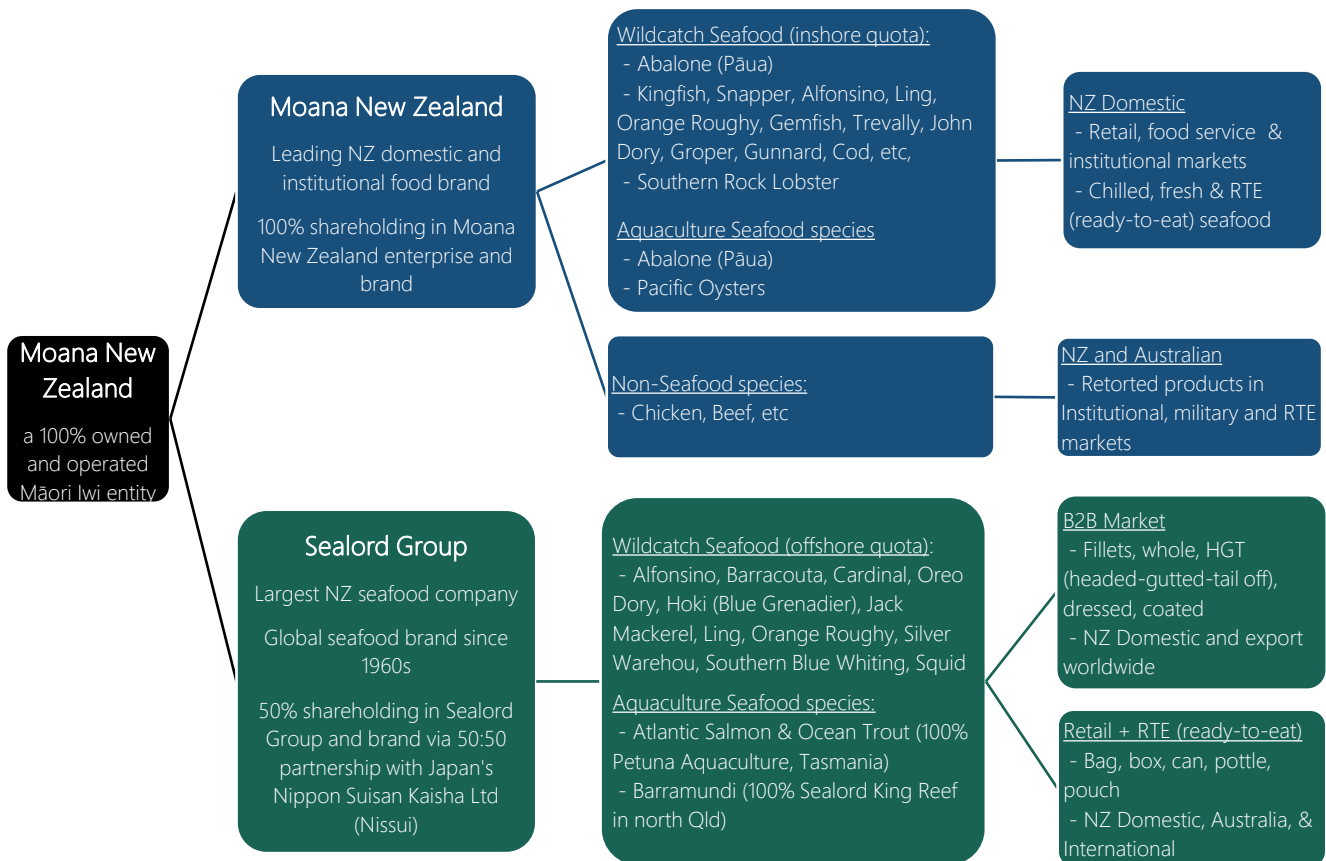
The company is the market leader in the frozen fish and ambient seafood categories in New Zealand, and a key seafood quota holder and seafood brand in Australian retail and foodservice markets.

In partnership with the Rockliff family in Tasmania, Sealord Fishing owns and operates a deep-water fishing venture in Australia - Petuna Sealord Deepwater Fishing Pty Ltd. Sealord also has interests in two toothfish joint ventures, being:

- New Zealand Long Line (with Talleys Group, a multi-division, international company servicing consumer markets across seafood, vegetables, dairy, and meat,
- Australian Long Line (with Nissui), as well as interests in Westfleet Seafoods, the only fishing joint venture based at Greymouth on the West Coast of New Zealand's South Island.

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<sup>59</sup> The project team held online confidential discussions with an executive from this organisation. Additional material was drawn from <https://www.moana.co.nz/> and <https://www.sealord.com/>



## ECONOMIC IMPACTS

The New Zealand Fisheries Deed of Settlement 1992 provided opportunity and funds to acquire the 50% share in Sealord as well as inshore and offshore fishery quota. The Government also committed to allocation of at least 20% of any future quota to Māori.

Sealord Group reported (19 December 2022) a net profit after tax of NZ\$12.0 million for the 2022 financial year, with Iwi shareholders to receive a share of the \$4.8 million dividend. Employing over 1200 people in New Zealand and 240 overseas, the company operates sustainable fishing and aquaculture businesses (many MSC certified), as well as global seafood processing and trading business with annual sales of more than NZ\$500 m.

Under the Māori land settlement of 1992, Māori received capital to establish Moana New Zealand. Three conditions were established regarding capital:

1. Iwi are not permitted to trade their shares to any non-Māori party,
2. All dividends received directly from the Moana New Zealand operation (estimated at 40% of after-tax returns) will be tax free in the hands of the Iwi,
3. Dividends must be used by Iwi to invest in and facilitate greater social, educational, and ecological benefits for Iwi members.

## CONCLUSIONS

### Moana New Zealand

*Moana New Zealand brand established in early 2000s; Sealord brand created in 1960s.*

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Yes, to all three parts of the question, subject to one main condition. The primary condition is that the seafood customer must trust the brand. The customer must believe in the integrity of the Indigenous provenance of the product (i.e., seafood species) and its brand essence as presented by the Indigenous brand.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	From the company's experience the degree to which food customers trust Indigenous food brands varies considerably across markets. The European, US and mainland China consumer markets place greater trust in seafood provenance and Indigeneity than Australian consumer markets do.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	On average across all species <i>Moana New Zealand</i> branded high volume species (e.g., oysters, Pāua, snapper) will achieve a sales price increase of 10%-23% above unbranded comparable oysters in selected markets. The costs to present these products are also higher so net margin gains are attractive but slightly reduced.  Volume, price, and margin growth comes from multiple sources. The additional margin gain from sustainable (MSC certified) fishery and harvest practices (e.g., "precision seafood harvesting") also boosts returns. It is noted that NZ Hoki (Blue grenadier) was the world's first large trawl fishery to be MSC certified (2001) and selected and incentivised to become MSC by Unilever, which was buying it at the time for its Bird's Eye brand.  But the fact is that it is complex and difficult to accurately attribute specific gains to branded Indigeneity in each market.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	All Iwi are very focussed on optimising direct and indirect capture of economic gains for their members from Māori provenance and related product branding.  Demonstrable provenance creates cultural capital, enables Indigenous branding, that in turn creates economic dividends, which in turn facilitates reinvestment in Iwi community and jobs.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Iwi always seek to balance the scale and flow of dividends they receive, with the human capacity, employability and social benefits that accrue to Iwi from engagement of Māori people in industry and enterprises.  Economic dividends are vital to long term Iwi investment but must not come at the expense of social underinvestment.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	This balanced approach includes the training and career development opportunities for Iwi members. For example, Iwi specific scholarships are funded from financial dividends received, and all employment positions and job vacancies in an Iwi enterprise are advertised initially to Iwi members, before publication to the wider New Zealand population.  The beneficiaries are therefore Iwi members and communities, with longer term economic gains to all New Zealanders.



## B. NGĀTI POROU SEAFOODS



### ABOUT THE ENTERPRISE

The Ngāti Porou Group is a Māori Iwi culturally located in the East Cape and Gisborne regions of the North Island of New Zealand. The Group operates a range of companies comprising the Ngāti Porou Holding Company (i.e., parent), eight wholly owned subsidiary and trustee companies across Māori culture and health, fishing, and seafood (catch to retail), sheep and cattle grazing (NZ's largest wagyu beef herd), bees and Manuka honey production, and digital services.

Ngāti Porou Seafoods<sup>60</sup> was established in 2002 based in Gisborne. It manages the tribe's Annual Catch Entitlement (quota), and several diverse seafood businesses.



Iwi directors commenced the fishing business in 1993, as a part of the Ngāti Porou Runanga's economic development unit, leasing out Annual Catch Entitlement. Fisheries Settlement negotiation with the Crown was on-going at that stage, and Iwi leaders assumed control and managed the fishing operation for a decade until Ngāti Porou Seafoods was formally established.

Since the creation of the commercial fishing business Iwi leaders have had to balance two social and economic issues; the needs of Iwi members for access to sustainable customary fishing waters and rights on sea country (rohe moana), with the critical need to deliver social and economic returns that

improve living standards for all Iwi members. This is an issue that leaders and investors in all Iwi face.

### MARKETS, PRODUCTS, BRANDS

Ngāti Porou is one of the very few Iwi that process their own fish from own quota and participate in every aspect of the seafood industry. In addition to the seafood landing and processing operation, the company invests in property to leverage its fishery quota assets, and in related R&D for fishing and seafood.

The company says it does not have the products, quota mix or vessel landing capacity in Gisborne to justify a higher proportion of branded retail products. Ngāti Porou Seafoods operates two Māori brands:

- *Real Fresh*, a local retail value-added brand was established locally on Gisborne wharf focusing on premium fresh seafood for the local community. Under this brand the company operates a mobile fresh fish

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<sup>60</sup> The project team held online confidential discussions with an executive from this organisation. Additional material was drawn from <https://ngatiporou.com/nati-biz/our-businesses-services/ngati-porou-seafoods-group>, and <https://akaroasalmon.co.nz/pages/aboutus>



truck within the region to ensure local people have access to fresh seafood. The company is “looking to develop Iwi brands in partnerships”.

- *Ahia* (meaning fire of the chiefs), a premium value-added consumer seafood brand is a corporate priority and achieves significant employment multipliers into the local community. Created in 2016 the brand is anchored by a premium smoked whitefish seafood product range. *Ahia* smoked fish products are produced locally in relatively small volume and sold in more than 60 retail stores throughout the North Island. They also feature on the Air New Zealand menu on many international flights. The brand has grown steadily and is being considered for possible scale-up across non-seafood foodstuffs and other distribution outlets nationally.

The seafood company owns and operates an export certified factory processing fresh and frozen products (live lobster, fresh and frozen products) for sale nationally and exports to China, Europe, Asia, Australia, and North America.

Ngāti Porou’s holding company also owns, manages, and operates Akihiroa Farms Ltd. This subsidiary company was established in 1990 and manages three livestock grazing properties (approximately 25,000 stock including 7,500 ewes and 1,000 cows) on the outskirts of Gisborne. The company produces high quality sheep, beef and wool for export to overseas consumers. Key export markets include lamb, principally to Europe, and beef, which is mostly exported to the United States. There are also opportunities to export cross-bred wool products to East Asia, United States and Canada.

### ECONOMIC IMPACTS

In 2022 Ngāti Porou Group generated revenue of NZ\$32 m (NZ\$57 m in 2021), a loss after tax of NZ\$112 m (profit of NZ\$24 in 2021) on assets of NZ\$280 m. Uniquely this Iwi has its own coastal area Act: Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019 and is the second largest Iwi after Ngāi Tahu.



Since the establishment of Ngāti Porou’s fisheries in the early 1990s, the Iwi has been an influential and valued advocate for the sustainability of New Zealand’s fisheries as a national asset.

Today Ngāti Porou Seafoods assets have grown in value to NZ\$35 million and currently employ 35 people.

In November 2021 the Ngāti Porou Group acquired 80% of Akaroa Salmon an existing non-Māori aquaculture farm for King salmon established in the South Island in 1986. In 2022 the farm will produce around 700 tonnes and employ 70 people including 13 onsite and the balance in a Christchurch processing and administrative centre. The site has potential to scale up to 1000 tonnes per year, offering Ngāti Porou opportunity to add large seafood volume under its existing *Ahia* brand. This venture joins two Iwi in a Māori seafood investment – Ngāti Porou and Ngāi Tahu, the latter being New Zealand’s largest Iwi across most of the South Island (see discussion below).



In order to effectively manage, protect and enhance the health of its people, seafood resources and environment, Ngāti Porou Seafoods has a strong research and development focus as well as an eye on new technologies in science and innovation.

For example, they are early investors and research partners in EnviroStrat, an impact investment company pursuing financial returns from measurable environmental and social co-benefits. <https://envirostrat.co.nz/impact-investment/>

Following the success of a recent feed trial conducted by NIWA, EnviroStrat is planning to pilot Kinanomics (kina is Māori for urchin) in New Zealand, working with Ngāti Porou Seafoods and impact investors. The feed trial proved that New Zealand kina respond well to the proprietary feed developed by Urchinomics, with significant gains in condition of the kina which produced tasty bright orange roe that is sought by chefs and consumers alike.

## CONCLUSIONS

### Ngāti Porou Seafoods

*Ahia* brand established in 2016.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Yes. The brand is currently positioned as a premium quality low volume product in smoked seafood markets in New Zealand and selected overseas markets. It is currently not easy to increase supply of traditional seafood species under the brand.  The brand is attractive in the B2B <sup>61</sup> market as it offers Māori cultural values and stewardship of traditional land and sea country. The brand's values are particularly attractive to "get the product listed" with a food company in the B2B trade, but the products must then deliver on the normal market expectations of seafood quality and price point.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	No, for most B2B transactions there is no significant sales price gain attributable to the brand. In some circumstances where there is a strong synergy between the brand and the B2B clients markets, there may be a small price lift of 2-3 % at most. Once the brand has opened the B2B trade door, the premium positioning of the brand comes down to its quality seafood products but only from a limited supply volume.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	No, there is no significant sales margin gain attributable to the brand. Unit costs are relatively high due to the small production runs.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The aim of the Ngāti Porou Group is to create social, cultural, economic, environmental benefits for Iwi members. Fishing/seafood (quota, processing, retail, shares) comprises only 14% share of Group assets of NZ\$286 m; 58% in Financial, 28% in Property/Tourism Other. Therefore, fisheries investments must compete with other industries for Group capital to create returns for Iwi members. The unique opportunity for seafood businesses is creation of jobs in a culturally important industry.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Sales prices gains driven by the brand are small to negligible. The primary benefit from the Ngāti Porou Group's fisheries investment is the creation of local jobs for Iwi members.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Current seafood unit costs (for <i>Ahia</i> brand) are relatively high due to the small production base. The investment in Akaroa Salmon will boost jobs, volume and Iwi dividends, while reducing seafood processing unit costs. This investment will also create capacity to extend the <i>Ahia</i> brand across a broader product range and new premium market segments.

<sup>61</sup> B2B stands for 'business to business', while B2C stands for 'business to consumer'. B2B ecommerce utilises online platforms to sell products or services to other businesses. B2C ecommerce targets personal consumers.

### C. NGĀI TAHU SEAFOOD

Ngāi Tahu, or Kāi Tahu, is the principal Māori Iwi of the NZ South Island and the largest nationally by population at around 75,000 members<sup>62</sup>.

Throughout the South Island there are 18 local tribal councils. An elected representative from each council makes up Te Rūnanga o Ngāi Tahu, the governing body overseeing Iwi activities.



Ngāi Tahu is the sole Trustee of the Ngāi Tahu Charitable Trust which in turn owns and operates Ngāi Tahu Holdings Corporation Ltd and its subsidiary companies and related trusts. The year 2022 was 25 years since the signing of the Deed of Settlement for this first Iwi. The purpose of the Ngāi Tahu Holdings Corporation Ltd, and indeed all the group's commercial operations, is to grow the asset base and to create revenues to allow for increasing levels of distribution for charitable purposes to whānau (communities) on an intergenerational basis.

The bulk (~75%) of the investment by Ngāi Tahu Group is in the Property, Financial, and Tourism industries. The balance (25%) comprises investments in:

- 6,700 ha of irrigated pasture near Christchurch, for dairy and dairy support,
- 8,900 ha of cleared North Canterbury forestry land being converted to irrigated pasture for beef operations,
- 29,000 ha over three high country livestock grazing stations,
- 54,000 ha of native and exotic forests situated mostly on the west coast of the South Island.

#### ABOUT THE ENTERPRISE

Ngāi Tahu Seafood<sup>63</sup> is a wholly owned subsidiary of Ngāi Tahu Holdings Corporation, the commercial arm of Te Rūnanga o Ngāi Tahu, the governing body overseeing the activities of Ngāi Tahu. It forms one of the 'three pillars' of Ngāi Tahu commercial development, with sister companies Ngāi Tahu Property, and Ngāi Tahu Tourism.



Ngāi Tahu Seafood manages its own fisheries assets (wild catch and aquaculture) arising from the company settlement assets owned by Ngāi Tahu Fisheries Settlement Ltd.

<sup>62</sup> 2022 Annual Report confirms 75,416 Iwi members.

<sup>63</sup> The project team sourced material for this organisation from <https://www.ngaitahuseafood.com/origins/> and <https://www.sanford.co.nz/>



Ngāi Tahu Seafood describes itself<sup>64</sup> as a niche supplier of the highest quality seafood to international and domestic markets, under its *TAHU* brand. The company also holds substantial fishing quotas across many species. It harvests seafood under contract, with approximately 100 independent and experienced fishers and fishing companies, many of whom are Ngāi Tahu members themselves. In summary, most seafood offered by Ngāi Tahu Seafood is caught against Ngāi Tahu quota by Ngāi Tahu fishers – families who have been fishing for generations.

Ngāi Tahu Seafood is headquartered adjacent to the Christchurch International Airport. From here an integrated fishing, processing and distribution chain is coordinated across company owned facilities in Bluff, Christchurch, Kaikōura and Picton. These range from simple, wharf-based receiving chillers through to full, export-registered processing plants. They are linked by Ngāi Tahu Seafood's own fleet of modern, temperature-controlled trucks.



The port of Bluff, the southernmost port of mainland New Zealand, is a key landing port for Rock lobster, Pāua, Blue cod and the iconic Bluff oyster. Ngāi Tahu Seafood's Bluff plant is set up to hold live seafood in pure seawater drawn from the bay, and is export registered for processing. Most Rock lobster is trucked to Christchurch, where it is held live until exported.

### MARKETS, PRODUCTS, BRANDS

The company is a significant quota owner, operator, and supplier in three key species –Rock lobster, Pāua, and Bluff oysters. The core business of Ngāi Tahu Seafood is:

- Rock lobster - export of high quality, live lobster under the TAHU brand,
- Wet fishing - lease to partners with agreed catch plans for Ngāi Tahu fishers, including Blue cod,
- Pāua - arranged harvest of this native abalone, processed and marketed under contract,
- Oysters - Bluff oysters (wild caught, not ranched, or farmed) processed and marketed under the TAHU brand,
- Mussels - farming of Greenshell Mussels sold internationally under the TAHU brand.

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<sup>64</sup> <https://www.ngaitahuseafood.com/operations/>



In 2022 Ngāi Tahu Group made a significant additional investment to increase its holdings in Sanford Ltd to 19.9%. Sanford started as a family business in Auckland in 1881 and is now one of New Zealand's largest seafood companies and second largest quota owner. The company employs around 1,400 people.

Today Sanford Ltd is a listed nonIndigenous company on the NZ stock exchange. The company holds 19.8% of New Zealand's quota, operates 41 vessels and 225 aquaculture farms. In 2022, Sanford reported sales of NZ\$532 million with after tax profit of NZ\$55.8 million. Sanford's sales are global – to North America (17%), Europe (9%), Asia (6.4%), Australia (12%) and NZ domestic (41%).

## ECONOMIC IMPACTS

### Ngāi Tahu Group

In 2022 the Ngāi Tahu Group of companies (including those with charitable status) received revenue of NZ\$320 m. The 2022 Annual Report declares a NZ\$105 m net profit after tax from Total Assets of NZ\$2.280 billion.



The following summary illustrates the scope and scale of financial distributions to Māori members and communities by Ngāi Tahu Group, one of the largest Iwi.

Each year the Ngāi Tahu Group invests part of its capital and operating returns into cultural, wellbeing, environmental, regional development, and rights and interests related programmes. In 2022 the distribution of funds to this end totalled NZ\$69.5 million, representing 3.7% of Net Assets.



The Investment Charter for the Ngāi Tahu Group (subject to Deed of Settlement terms) requires that the use of debt should be based on a conservative and prudent basis. This is achieved when the Group debt ratio is less than 30 percent. The Groups current debt ratio (defined as total borrowings divided by total assets) is 14.7%, up from 8.3% in 2021.

The 2022 Annual Report notes that creating opportunities for development and growing the next generation of leaders has been a priority for some time. Tribal

demographics show that approximately 55% of Iwi members are aged over 30 and, of these, 30% of the 55% are over 50.

The 2022 report notes the Iwi's preferred approach to creating employment and business opportunities is multigenerational to "achieve our desired outcomes". The relevant detail in the Ngāi Tahu Group 2022 report can be summarised as follows:

- 768 - Iwi businesses registered in creating employment,
- 1,349 - Total Iwi professionals registered,
- 732 - Grants to support tertiary study by Iwi members,

- 87 - Scholarships supported for tertiary level study.

The 2022 Annual Financial Statements include community revenues and distributions (i.e., expenses) referred to as “Tribal, Rūnanga and Whānau Distributions”, Expenses and Income. Total expenses for the year of NZ\$47.7 m (listed below) were offset by Iwi community services revenue of NZ\$14.6 m. with a net expenses of NZ\$33.1 m.

- Rūnanga Direct Distributions & Development	\$15.922
- Culture and Identity	\$1.560
- Disaster Recovery	\$0.296
- Oranga, Mātauranga and Housing	\$12.343
- Kaumātua Distributions	\$2.245
- Natural Resources, Tribal Properties and Mahinga Kai	\$3.705
- Strategy and Influence	\$1.561
- Whai Rawa Distributions and Operating Expenses	\$7.203
- Tribal Engagement	\$2.903

Expenses include rūnanga (tribal council, assembly, board or boardroom ) distributions, marae development (ceremonial and meeting house), Whai Rawa (savings for home ownership, education and retirement), kaumātua (tribal knowledge, genealogy and traditions) and Ngāi Tahu Fund distributions, along with expenditure associated with protection of natural resources, publications, communications, Mātauranga traditional knowledge of the Māori people), culture and identity, strategy and influence and expenses for other tribal programmes

### Ngāi Tahu Seafood

Seafood has traditionally been a relatively small business in the investment portfolio of this large Iwi. Seafood comprises around 25% of invested capital, and includes fishing quota and licences directly held, and shares in Moana Seafood NZ. The large investment in Sanford Ltd will substantially increase the scale and scope of the seafood division.

In 2022 the Ngāi Tahu Seafood company made a NZ\$20 million surplus from NZ\$168 million in assets at a 7.1% return. Asset revaluations in that year pushed this up to 12%.<sup>65</sup>.

There is low public awareness in New Zealand that a brand such as Tahu comes from a Māori entity. Food branding is often not explicit regarding cultural linkage and indigeneity and there are not yet clear guidelines over who can use Māori “Te Reo” words on their products. It is understood by the project team that this matter will be considered under Wai262 summarised earlier in this report.

<https://www.wai262.nz/>

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<sup>65</sup> Ngāi Tahu Holding Corporation – Annual Report 2022, page 63

## CONCLUSIONS

### Ngāi Tahu Seafood

*A number of seafood brands have been developed and partially acquired over time.*

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	<p>Ngāi Tahu Seafood was established 25 years ago upon the Deed of Settlement, to hold and operate quota and fishing rights for Māori across much of the South Island. For most of this time the fishing business and its seafood products have been marketed domestically and minimally branded – the investment in agriculture was relatively small (and seafood was a small part of that) for the Iwi holding company.</p> <p>In the last decade their Tahu brand has been established and carried on oysters and other species. New seafood investments (e.g., Sanford Ltd) are in existing nonIndigenous branded seafood entities with extensive global markets.</p> <p>The response to each question is Yes, subject to the emerging strength of the <i>Tahu</i> brand and the extent to which seafood consumers believe in its integrity. Teasing out the value of economic flows (volumes, prices, margins) driven by brand indigeneity is not possible as data is not public. The seafood business has been traditionally a minor investment for Ngāi Tahu and data is not published.</p>
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	<p>The intended and evident economic impact of seafood sales, prices and margins is to create a stream of funds to enable social, cultural, economic, environmental benefits for Iwi members.</p> <p>As the largest Iwi in NZ, the Ngāi Tahu Group and the Ngāi Tahu Seafood company have provided employment and social benefits to Iwi members for 25 years.</p> <p>The recent acquisition of the 25% holding in Sanford Ltd will significantly increase what was a relatively modest investment in the seafood industry.</p> <p>But the Iwi’s focus remains the same - to create a stream of funds to enable investment in social, cultural, economic, and environmental benefits for Iwi members, including seafood jobs.</p>
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	



## D. OKAINS BAY SEAFOOD



### ABOUT THE ENTERPRISE

Okains Bay Seafood<sup>66</sup> is a small private Māori family company, that operates one state-of-the-art longline wildcatch vessel in New Zealand and international waters.

The business was founded in 1987 by Mr Greg Summerton and remains in that family, based near Christchurch. He says his Māori fishing family heritage uses a mix of traditional and advanced technology. Greg is also a director of Moana New Zealand.

### MARKETS, PRODUCTS, BRANDS

Target seafood species include deep sea cod, ling, sea perch, groper, blue nose, skate, dogfish, hake, and trumpeter. Seafood products from these species are distributed and sold as frozen processed packaged seafood in domestic NZ and export markets.

All fishery product is marketed as premium packaged, processed, and frozen seafood under the *Okains Bay Longline Fishing* brand. Product is marketed domestically on line in New Zealand, with 50% exported (primarily to the UK).

Since 2010 the family business has also included a high country grazing property (5,500 acres - 2,225 ha) that produces Manuka honey and generates carbon credits through plantings of native New Zealand trees such as black beech. The long line vessel is powered by bio diesel fuel.

### ECONOMIC IMPACTS

A key selling point for the Okains Bay Seafood is the high integrity of its harvest in sustainable fisheries underpinned by a QR traceability link on every packaged product under its brand.<sup>67</sup> The company markets its premium products online – the QR code brings buyers and users directly to the company's website where they can learn more about the QMS (Quota Management System) and water where their fish are caught.



<sup>66</sup> The project team sourced material for this organisation from <https://www.okainsbayseafood.co.nz/>

<sup>67</sup> Foodbev Media website, *Interview: Okains Bay Seafood talks lessons in sustainability*, 3Dec.2015, <https://www.foodbev.com/news/interview-okains-bay-seafood-talks-lessons-in-sustainability/>

## CONCLUSIONS

### Okains Bay Seafood

*Okains Bay Longline Fishing brand established 2010.*

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	The company's seafood product is a premium seafood offer, pitched to the high net worth - high integrity consumers in New Zealand and overseas. Half of all sales are to UK based seafood consumers.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	The company brand as presented on product packaging is not obviously linked to Indigenous cultural values nor traditional heritage waters. However, the use of QR codes and technology enables the user/buyer to directly and easily access the company website, and to explore the strong Māori cultural values in the brand identity and brand messaging.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	The company's cultural engagement is presented as one of the fundamental values of the family business (others include biofuel use, and carbon credit farming) in the sustainability of the fishery and the company's fishing practices.  Does this product story drive sales volume, prices and margins? Yes, it most likely does, but making and quantifying the commercial link from cultural correlation to margin causation is not possible without more detailed analysis of private company data.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The company owners and employees benefit economically (via sustained profits and wages) from the branding strategy.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The Māori community benefits as there is market recognition and increased awareness, locally and overseas, of the fishing values ascribed to Māori fishery management.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Consumers choosing to engage in the QR product link also benefit from increased awareness of Indigenous practices. However, the Indigenous brand identity and messaging presented are almost incidental to the benefit stream for most customers who want the premium product from a sustainable fishery as their primary buying point.  The project team suggests (based on discussion with other NZ Māori fishers) that for this company, cultural branding and values may be central for some customers but the degree depends on the level of their trust in the brand and its Indigenous provenance. A high level of belief trust will increase the demand for and price point of the branded product.

## E. WHAKATŌHEA MUSSELS



In December 2022 the Whakatōhea Iwi Settlement was agreed (signed 27 May 2023) with the NZ Crown after 30 years of negotiation. NZ\$100 m was allocated by the Crown to the Whakatōhea Settlement Trust.

The Whakatōhea Māori Trust Board (established 1952) is variously a share owner / partner / joint venturer / lessor / operator of a range of enterprises, including a 770-cow dairy farm, forestry plantations, kiwi fruit orchards, commercial fisheries quota, and mussel farm (owned by the Trust's new subsidiary Whakatōhea Mussels Ōpōtiki).



Whakatōhea Mussels<sup>68</sup> is an indigenous Māori entity centred around the small coastal town of Ōpōtiki in the Eastern Bay of Plenty region of New Zealand. The New Zealand mussel industry grows endemic species Greenshell mussels, not produced commercially anywhere else in the world. They are marketed locally and globally under an industry owned trademark, 'Greenshell™' mussels.

### ABOUT THE ENTERPRISE

Whakatōhea Mussels Ōpōtiki Limited, is a locally owned unlisted public company, deriving revenue from a 3800-ha aquaculture farm of Greenshell mussels located 8 kms off Ōpōtiki coastline at a water depth of 40 metres. The company, (established 2014) uses farm practices that are less intense than existing Greenshell farms and makes greater use of local natural spat fall.



The Trust Board found investors and funding grants (NZ\$19 m) for their new NZ\$37 million onshore processing facility (illustrated). Investors include small local shareholders who the Whakatōhea Māori Trust Board guided to become investors with low entry requirements. Commissioned in 2021 the facility now employs 191 staff, with a full capacity of 280 staff expected by 2025.

### MARKETS, PRODUCTS, BRANDS

The company will produce 45 to 50 tonnes a day of mussels for national overseas distribution, marketed under the *Open Ocean Whakatōhea Mussels* brand. The Settlement will reserve 5000 ha of marine space for aquaculture development. This is the first time that marine space has been included in an Iwi Settlement.

<https://www.govt.nz/assets/Documents/OTS/Whakatohea/Whakatohea-deed-of-settlement-summary-23-Dec-2021.pdf>

In September 2021 the company secured a NZ \$400 million per year overseas market with USA based seafood importers.

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<sup>68</sup> The project team sourced material for this organisation from <https://www.rnz.co.nz/news/te-manu-korihi/479964/whakatohea-votes-to-accept-100m-treaty-settlement> and <https://www.mbie.govt.nz/dmsdocument/16364-business-case-whakatohea-mussels-opotiki-pdf> and <https://www.whakatohea.co.nz/>

## ECONOMIC IMPACTS

The economic benefits from the existing ventures and new mussel business are yet to fully accrue. A key indicator is the 191 new jobs created in the community by the new mussel processing facility. Recent media covered the issues<sup>69</sup>:

*"Three years ago, it was known as the homicide capital of New Zealand - one homicide for every 1000 people. There were high levels of deprivation, unemployment, and crime. But one industry that opened a new factory last year is doing its best to turn all that around. It's a mussel processing facility that is creating jobs and purpose, and is using cutting-edge technology to encourage people off the dole and into work."*

The 2018 Annual Report<sup>70</sup> identifies several ventures where the Trust employs community members and distributes benefits. The report confirms:

- Trust equity of NZ\$18.8 m, mostly from land asset revaluations,
- Modest trading profits at NZ\$36,489,
- Trust services to communities was NZ\$2.4 m,
- Value of employment expenses paid (NZ\$4.8 m),
- Value of offsetting service-related revenues was NZ\$1.1 m.

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<sup>69</sup> How the Whakatōhea Mussel factory is changing life in Ōpōtiki, Newshub, 21Feb2023  
<https://www.newshub.co.nz/home/new-zealand/2022/10/how-the-whakatohea-mussels-factory-is-changing-life-in-opotiki.html>

<sup>70</sup> More recent financial performance data could not be found on the Trust website  
<https://www.whakatohea.co.nz/>.

## CONCLUSIONS

### Whakatōhea Mussels

*Open Ocean Whakatōhea Mussels* brand established 2019.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Possibly, but there is no Indigenous branding, brand identity nor brand messaging that identifies the product as Māori produced.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The case demonstrates the dramatic economic impacts on community health and welfare from creation of economic benefits (local employment and Iwi service dividends) driven by a successful commercial enterprise.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Clearly the opportunity for a large increase in sales volume of a differentiated seafood product (unique aquafarming systems) has increased prices and margins sufficiently to attract long term investment capital for a new modern new factory.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The beneficiaries of this venture include, the community (Indigenous and nonIndigenous), the employees, the investors including local and small investors, new employees, the supply chain partners and consumer markets.



## F. CHATHAM ISLAND FOOD CO.



The Chatham Islands are an archipelago in the Pacific Ocean about 800 km east of New Zealand's South Island. There are around 600 permanent residents on the islands, administered as part of New Zealand.



The Moriori people settled in the Chatham Islands around 1400 AD<sup>71</sup>, having sailed from Eastern Polynesia. As hunter gatherers they developed their own culture free from contact with other people for the next 400 years. In 1790 an English ship, *The Chatham* was blown off course and landed on the main island. Later European sealers, settlers and whalers arrived and settled. In 1835 two Māori groups, Ngāti Tama and Ngāti Mutunga, invaded the Chatham Islands, taking over the Moriori and establishing small farms to trade with Europeans. Many Chatham Islanders are descendants of the Moriori and these more recent ethnic groups.

Today, Moriori is an Iwi with 872 adult members and 860 children registered with Hokotehi Moriori Trust (HMT). In February 2020 the NZ Crown signed a Deed of Settlement with the HMT, settling an amount of NZ\$18 m for commercial redress.

The fisheries around the archipelago are managed under the New Zealand quota system.

### ABOUT THE ENTERPRISE

The Chatham Island Food Co. (incorporated in 2011) is owned and operated by a 7<sup>th</sup> generation local Indigenous family company based at Owenga, the main centre on the Island.



In 2015 the business implemented a key step in its developments plans by acquiring an old run-down fish processing plant on the Islands. Critically, this facility enables the quick freeze of local harvested product to preserve quality and flavour prior to airfreight to Auckland and Wellington.

The company works with fishers, seafood processors, artisan food manufacturers, and logistics experts to harvest, processes and export high quality seafood.

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<sup>71</sup> The project team sourced material for this organisation from <https://chathamislandfood.com/>, and <https://nzhistory.govt.nz/keyword/chatham-islands#:~:text=In%201835%20two%20M%C4%81ori%20groups,Mori%20and%20enslaved%20the%20rest> and <https://teara.govt.nz/en/chatham-islands> and <https://www.govt.nz/browse/history-culture-and-heritage/treaty-settlements/find-a-treaty-settlement/mori/mori-deed-of-settlement-summary/>

The premium seafood species harvested locally include Rock lobster (called Southern Rock Lobster in Australia - *Jasus edwardsii*), New Zealand Blue cod (*Parapercis colias*), Kina (Sea Urchin), and Pāua (Black Abalone).

### MARKETS, PRODUCTS, BRANDS



Chatham Island Food Co. airfreights seafood product (live, fresh chilled, or packaged) to Auckland and Wellington for sale, further processing or exports to Australia and other premium markets. The company's online store offers a range of fresh, and value added seafoods, including:

- Live lobster, or fresh chilled or frozen lobster tails,
- Chatham Blue branded New Zealand cod fillets. This product is the mainstay of the business. It is sold in frozen, skinned, and boneless fillets, from sustainably pot-caught methods. Those products include minced Pāua, whole Pāua, crayfish tails, frozen Kina pottles, and pies.
- Chatham Island Food Co. frozen Kina roe that is traditionally eaten raw as sashimi, but can also be smoked, or used as a sauce to flavour dishes.
- Whole Pāua, Minced Pāua, and Pāua mince pies, manufactured from local Pāua and selected artisan ingredients (onion, garlic, flour, butter, cream, salt, lemon, herbs, spices, seafood stock, fish, carrots, celery, tapioca starch, salt)



### ECONOMIC IMPACTS

The Chatham Island Food Co. employs 25 staff and works with 30 local fishing boats.



In June 2022 the company was awarded<sup>72</sup> the top prize as Supreme Champion in NZ's Food Producer Awards across all food categories, also named Seafood New Zealand Water Champion for its Pure Pāua seafood product.

The company website says Chatham Island Food Co. is now offering...

*"island visitors a rare opportunity to glimpse its export operations in action. Each guided tour gives guests the chance to learn about Chatham Island Food Co.'s story from founder and seventh generation islander Delwyn Tuanui, and includes: a behind the scenes look at the company's diverse processing facilities, including a viewing of their Pāua and Kina livewells; lessons in processing and local seafood delicacies; and...the opportunity to purchase some of the world's most sought-after seafood!"*

The business is privately owned, and financial data is not publicly available.

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<sup>72</sup> <https://business.scoop.co.nz/2022/06/22/chatham-island-food-co-wins-the-top-gong-at-the-outstanding-nz-food-producer-awards/>



## CONCLUSIONS

### Chatham Island Food Co.

*Chatham Island Food Co. brand established 2011. Chatham Blue since 2015*

#### 1. What is the economic impact on Sales from this Indigenous brand?

a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	The company's main brand (Chatham Island Food Co.) established in 2011 is directly linked to the island location and not obviously related to the seven generations of Indigenous heritage of the owners of the business.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Subsequent product branding has been established as cash flow has increased and the capacity to capture species quality through local processing since around 2016.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	The emerging brand strategy is anchored by the company's location as the primary unique selling point. The strategy aims to turn this major negative (cost barrier due to remoteness) into a positive, and market unique and premium, fresh and value added sustainable seafoods that are clearly differentiated. This strategy is not possible nor viable with low value commodity species or products. The strategy aims to drive up product sales (and margins) to high-net-worth consumers. The recent national awards suggest this strategy is working and that margins are likely to be healthy.

#### 2. What is the economic impact on Supply Chain activities from this Indigenous brand?

a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The Chatham Island Food Co. and its owners are benefiting through increased growth in seafood sales and returns.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Chatham Island people and their community benefit from increased local employment in an expanding and financially stable enterprise that services a national and international supply chain. Value chain partners (e.g., fishery partners, airfreight companies, artisan pie manufacturers) are also benefiting from company business expansion.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	The broader New Zealand economy benefits in many ways including from efficient use of its wild fisheries and taxation receipts from owners and employees. One further unique service line extension is the recent launch of Chatham Island tourism related to the company and its heritage.

### G. TE AWANUI HUKA PAK



Te Awanui Huka Pak Ltd (Te Awanui)<sup>73</sup> is a 100% Māori owned company founded in 1984 by a collection of Māori trusts. The founders were all kiwifruit growers looking to expand their footprint across the horticultural value chain. They purchased a fruit packhouse in the Bay of Plenty.



Based in the North Island regional centre of Tauranga in the Bay of Plenty, the core business was initially producer based but has now broadened to include property ownership and investment, to support Māori shareholders in horticultural production and community investment.

#### ABOUT THE ENTERPRISE

Te Awanui is a service and investment company for 19 Māori shareholders - it refers to itself as a "Māori collective". It holds assets worth ~NZ\$35 m, the bulk as regional property. The 19 shareholders collectively represent around NZ\$200 m of Bay of Plenty region assets in kiwifruit, avocados, commercial property, pastoral farming, aged care, and other investments. Most shareholders (14) are Māori organisations with governance boards. Five are Māori individuals.



Kiwifruit is New Zealand's top export crop, with global sales of NZ\$2.7 Bn in 2020/2021. Around 80% of all NZ kiwifruit are produced in the Bay of Plenty region. Te Awanui Huka Pak Ltd is the largest shareholder in the industry. The Te Awanui enterprise supports its shareholders to produce agricultural products – however, it is not a producer in its own right. Three strategic principles drive its vision and operations: culture, commercial and collective.

The Te Awanui professional team provides its shareholders with advice and support to enhance, protect and grow their assets, across:

- Commercial land use options for Māori Freehold Land,
- Horticulture (e.g., Seeka Ltd, and Japanese & Singapore partners)
- Food growing, harvesting, value adding and food technology,
- Infrastructures, logistics and supply chains,
- People development and training, and growth opportunities.

Investment syndication and growth are sought on the following priority basis:

- Te Awanui Capital Ltd Shareholders (i.e., existing shareholders),
- Tauranga Moana Māori collectives,

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<sup>73</sup> <http://www.teawanui.co.nz/our-shareholders.html>

- Other Māori collectives, especially those with historical relationships,
- Other Indigenous and broader investor Networks.



### MARKETS, PRODUCTS, BRANDS

Te Awanui holds shares in many enterprises, the most significant for this review being the 5.85% of shares held in Seeka Ltd, a listed NZ public company that operates an integrated orchard, packhouse and marketing service in both New Zealand (Bay of Plenty – avocados, berries, imported and local fruits and vegetables), and Australia (Shepparton – pears, apricots, plums). This shareholding was valued at NZ\$8.2 m in the 2019 Annual Report<sup>74</sup>.

Product is sold under the Seeka brand – a brand with no Māori identity or brand messaging. The business aims to increase its returns to shareholders footprint by:

- Optimising current production value
- Acquiring and developing more orchards
- Having additional produce varieties
- Engaging in near commercial research, science and technology, opportunities, branding, niche high value retailing and cultivar rights.

### ECONOMIC IMPACTS

Dividends from horticultural business investments drive Te Awanui's financial viability. In 2019 Financial Statements<sup>75</sup>, for the total assets held of NZ\$35.2 m.:

- 71% - Investment Property,
- 23% - shares in Seeka Ltd – this generated ~70% of Te Awanui income,
- 5% - orchard or related investments.

Seeka Ltd and Te Awanui share common Māori directors. Te Awanui's largest source of income comes from leasing land to and dividends from Seeka Ltd. Shareholders have a priority to develop Māori people through meaningful education, training, and employment. Most shareholders provide social and cultural distributions and benefits to their elders, shareholders and extended family or community of related families who live together in the same area.

Māori have minimal representation in horticulture, particularly in the post-harvest sector. Te Awanui has established the "Kiwi Leaders" program to address this issue and accelerate career development in the value chain. Intergenerational land ownership coupled with a young population (average age of 24) makes for a huge opportunity for Māori in the land-based sectors.

Kiwi Leaders is a people development blueprint across the value chain. The Kiwi Leader service suite includes scholarships, internships, mentoring and cadetships.

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<sup>74</sup> Te Awanui Annual Report 2019

<sup>75</sup> More recent financial performance data could not be found on the company website <http://www.teawanui.co.nz/>

## CONCLUSIONS

### Te Awanui Hukapak

*Seeka - select excellence brand established 1980.*

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	<p>The Te Awanui enterprise is a service and advisory company for its shareholders. It does not own Indigenous brands but is a significant generator of economic benefits for Māori members from its investments in local and international businesses.</p> <p>Apart from its corporate brand (<i>Te Awanui</i>) – the research indicates that the enterprise has no direct control over any other food brand, Māori or nonIndigenous.</p> <p>There is no evidence to indicate that Māori ownership of the service company has any impact on the volume, price or margin of products produced and marketed in New Zealand or globally by its shareholders/clients.</p>
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	<p>The annual ~NZ\$2 million income stream generated by Te Awanui from its various investments is applied to regional employment of Māori and non-Māori staff.</p> <p>But more significantly, Te Awanui leads and manages employment, social and cultural development programs for its 19 shareholders in the large Bay of Plenty Region.</p> <p>The “Kiwi Leaders” program is a specific example of this approach.</p>
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	

## F. NORTH AMERICAN CASE STUDIES

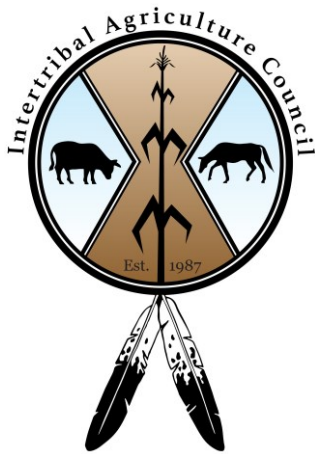
### 1. BACKGROUND AND CONTEXT

Land-based agricultural resources are vital to the economic and social welfare of many Native American and Alaskan Tribes. The harmonies of man, soil, water, air, vegetation, and wildlife that collectively make-up the American Indian agriculture community, influence the tribe's and the individual's emotional and spiritual wellbeing.

This project has conducted a desktop scan of Indigenous brands in North America (the USA and Canada) to identify food companies that maintain Indigenous brands. The following discussion considers North American food enterprises and their related Indigenous ownership, governance, and branding from the perspective relevant to this project.

#### INTERTRIBAL AGRICULTURAL COUNCIL

The US Intertribal Agriculture Council (IAC) was founded in 1987 to pursue and promote the conservation, development, and use of agricultural resources for the betterment of Native American people.<sup>76</sup> Prior to 1987, American Indian agriculture was basically unheard-of outside reservation boundaries. Since that time, IAC has grown to prominence in Indian Country and among the federal government agencies and the agricultural field with which it works on behalf of individual Indian producers and tribal enterprises.



Based in Montana, the IAC promotes the Indian use of Indian resources for the benefit of Indian People. Programs have expanded over the last four decades to include legal and policy development, USDA technical assistance, natural resources management, domestic and international marketing support, and Native youth in food and agriculture leadership development. Informed by the trade routes and food systems that existed on the North American continent before colonisation, IAC seeks to address systemic inequities to better serve Native producers and Indian Country as a whole.

The IAC leads Indian communities in working with philanthropists and US Government agencies to build capacity in Indian agricultural enterprises and communities.

### 2. NORTH AMERICAN ENTERPRISES

Figure 17 summarises the Indigenous food brand enterprises scanned from desktop research.

The sample has been drawn to include a variety of enterprises and specifically to include existing dynamic commercial seafood enterprises in local and global seafood markets.

<sup>76</sup> [www.indianag.org](http://www.indianag.org)

Figure 17. List of North American enterprises identified and analysed

	Business Entity	Based at	Products and Services	Main Brands
1	Quapaw Nation – Quapaw Cattle Company and related food and investment enterprises	Oklahoma, USA	Beef, bison, vegetables, coffee, casino, aged care	<i>Quapaw Cattle Co., O-Gah-Pah (Tribal Soul) Red Oak Steakhouse</i>
2	Suquamish Nation – Suquamish Seafoods and related enterprises	Puget Sound, USA and Canada	Oysters, geoduck, crab, salmon, clams, casino, golf resorts, cannabis	<i>Suquamish</i>
3	Clearwater Seafoods	Nova Scotia, Canada	Scallops, lobster, clams, shrimp, langoustine, whelk, crab	<i>Clearwater</i>
4	Labatt Food Service, with Native American Ranchers and the US Government in a joint Indigenous cattle supply chain	Texas, Arizona, New Mexico, USA	Beef, for retail and food service	<i>Navajo Beef, Native American Beef</i>
5	Georgia Native Cattle Company	Georgia, USA	Meat, grocery	<i>Georgia Native Cattle Co</i>
6	Red Lake Nation Foods	Minnesota, USA	Meat, bread, wild rice, herbal tea, maple syrup	<i>Red Lake Nation Foods</i>
7	Ute Mountain Tribe Farm and Ranch	Colorado, USA	Organic and wholegrain corn products	<i>Bow and Arrow</i>
8	Moree Brothers Natural	North Carolina, USA	Cattle grazing for beef	<i>Moore Brothers Natural</i>
9	Native American Natural Foods	South Dakota, USA	Bison based food products	<i>Tanka</i>
10	Passamaquoddy Maple	Maine, USA	Maple syrup products	<i>Passamaquoddy Maple</i>
11	Ramona Farms	Arizona, USA	American Indian foods – heirloom species, corn, tepary beans, wheat berries	<i>Ramona Farms</i>
12	Sakari Farms	Oregon, USA	Herbs, sauces, tea, salts, massage oils, plant medicines, skin care products	<i>Sakari Farms</i>
13	Seka Hills	California, USA	Olive oil, wine, honey, nuts, beef, vinegar, asparagus,	<i>Seka Hills</i>

Enterprises highlighted have been discussed in more detail below.



### A. QUAPAW CATTLE COMPANY



The Quapaw Nation is a Native American tribe of ~5000-7500 people based near the town of Miami (pop. 13,000, pronounced "My-am-uh" from tribal heritage) in northeast Oklahoma, USA. The tribe's written history dates from ~1500 AD as a branch of the Dakota Sioux Nation on the plains of northeast Oklahoma.

Since 1956 (when Tribal law was delegated from the Chief to an elected committee), every two years tribal members have elected a Business Committee that runs the extensive commercial enterprises of the tribe.

#### ABOUT THE ENTERPRISE

Quapaw Nation businesses now include childhood learning centres, aged care centres, fuel and convenience stores, two casinos, a spa, a golf course, a fitness centre, tribal tourist ventures, agricultural ventures, a coffee roasting business, and



a cattle production and beef processing company. In the last decade the scale and scope of the tribe's business activity has expanded and is now creating significant economic and social outcomes for tribal members.

The assets of the Quapaw Nation were reported at US\$92.1 m in the published Financial Statements Sept. 2021.

Tribal businesses have been operated under the *Quapaw* corporate brand, but recent new product launches have seen new product brands established.

Casinos are the largest business unit. The latest casino venture, Downstream Casino Resort, opened in 2014 (illustrated) with a 374-room hotel, spa, golf course and five restaurants. Each year it draws 1-2 million people from Kansas, Missouri, Oklahoma and beyond.



A second significant tribal venture is the Quapaw Cattle Company. This enterprise produces high quality, hormone-free grass-fed and grain-finished beef and related agricultural products from cattle and bison. The business currently manages herds of Angus cattle (~500) and bison (~150) on 1,500 acres of tribal land around the urban centres of Miami and nearby Quapaw. Tribal leaders started investing and raising their own bison

in 2010, established greenhouses in 2013, and launched their beef and honey retail programs in 2014.

Under US federal law the stocking of bison in national parks must be sustainably capped. Since 1992 the US Intertribal Buffalo Council has worked in partnership



with the US National Park Service to help distribute surplus bison among Native American tribes that are expanding their own herds. The Quapaw Cattle Company's bison herd received an additional 30 animals in 2019 as part of their expanding cattle business.<sup>77</sup>



### MARKETS, PRODUCTS, BRANDS

Today the tribal agribusiness owns and manages cropping, fodder production, and grazing on tribal lands to produce a range of fresh and processed high quality aged beef and bison meat, including ribeye steaks and other primal cuts, as well as processed meats such as beef bacon, bratwursts, and meat snacks.

The Tribe uses integrated supply chain management and marketing of these premium products as a way to value add and boost aftersales through their high-volume casinos, restaurants and other consumer-facing businesses (Miami retail outlet, Quapaw convenience store, infant day care centre, aged care centre). Quapaw entities locally produce premium aged beef and bison, fresh vegetables, honey, cut flowers and coffee. These products are also wholesaled through around 40 independent regional retail outlets.



In 2016 the Quapaw Cattle Company<sup>78</sup> and related agricultural businesses built their own abattoir and meat processing plant with capacity for 200 carcasses per week. This investment achieved the final integration of the tribal supply chain across animal breeding - cropping - grazing - slaughter - meat processing - food distribution and marketing through retail and food service outlets in the broader Oklahoma region. Over 70 people are employed in the plant including several young tribal members now USDA certified as onsite meat inspectors. This is first USDA registered meat processing plant on a reservation that's owned by a Native American Tribe (Native Business, 2020).

All Quapaw beef is sold under the corporate *Quapaw* brand but external sales via independent retailers are also branded with Quapaw's private product brand. Beef sales continue to expand across Oklahoma, Kansas, Missouri, and Arkansas.

The tribe is also looking to expand its agricultural programs, where they work with greenhouses and approximately 50 beehives with various flowering species. Recent investment has enabled a farm-to-table experience where the greenhouses grow the vegetables (tomatoes, peppers, cucumbers, and broccoli) and herbs used in the tribal restaurants and the spa and make consumer market candles from the beeswax and salt scrubs from the herbs.

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<sup>77</sup> Quapaw Nation welcomes more bison as part of federal program to protect National Parks, Kimberley Barker, The Joplin Globe, 9 November 2022

<sup>78</sup> <https://www.quapawtribe.com/511/Quapaw-Cattle-Company>



Another new tribal venture (not aligned with the cattle company) is Quapaw's new Coffee Roasting facility. The beans that are roasted are served across the range of Quapaw tribal consumer businesses and externally under their *O-Gah-Pah* product brand.

### ECONOMIC IMPACTS

Quapaw Nation started their agricultural program in 2010 to exert food sovereignty and produce meat and food for tribal members. Business viability is critical but return on investment is not the core priority. Employment and tribal engagement are significantly more important to members.

During the Covid-19 pandemic, the Nation's beef processing plant could not keep up with the demand for food from tribal outlets and outside ranchers seeking an experienced meat processor to deliver their cattle to a beef consumer market. Chris Roper, Quapaw's Agricultural Director says that if you're a rancher in Arkansas, Missouri, or Kansas looking for a place to process your cattle, Quapaw's plant has a long waiting list<sup>79</sup>.

Tribal leaders note that the profit margins are "really tight" and hard to deliver for the tribe – this is anchored in a Quapaw culture that a request from a tribal member is difficult to refuse. Roper notes that "the services we provide and the jobs we provide far outweigh any money that we make."

Over the last decade Quapaw agribusiness ventures have benefited from increased capital and skills development resources from philanthropic and government agency support programs, including:

- USDA Business Development, Financial Planning, and Processing (<https://www.usda.gov/ocfo/about-us/financial-policy-and-planning>) - financial planning resources, market intelligence, supply chain workforce analyses,
- US Housing and Urban Development Grants - \$800,000 grant received to build the meat processing plant, and additional grants to buy equipment,
- W.K. Kellogg Foundation and George Kaiser Family Foundation donations to Oklahoma Partnership for Early Learning Inventory. (<https://okschoollreadiness.org/projects/eli>).

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<sup>79</sup> <https://www.kosu.org/news/2020-06-18/beef-supply-chain-breaking-not-even-close-at-the-quapaw-nations-beef-processing-plant>

## CONCLUSIONS

### Quapaw Cattle Company, Oklahoma USA

*Quapaw Corporate brand established 2010.*

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	<p>Yes. The corporate brand is attractive and known to locals as well as the millions of patrons attending the casinos and care facilities annually. Brand awareness therefore leads to recognition and trust which boost volume.</p> <p>But there has been limited external use of Quapaw Indigenous branding on food products as most product is consumed at internal food service outlets (casinos, aged care homes, etc).</p> <p>Increasing food volume sold via external retailers under Quapaw brands may expand brand recognition to a new untapped market of casino goers.</p>
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	<p>Yes, very likely but this cannot be confirmed. The sales price and margins of internally produced beef, coffee, etc across the various outlets is not transparent. Nor is it possible to access data regarding the availability and price of local nonIndigenous competitor product.</p> <p>But the fact that the Quapaw businesses capture most of their customers under semi-monopoly conditions (i.e., few alternate casinos are available) means there is less price competition. Transfer prices (sales price from the tribal meatworks to the tribal restaurant in a casino) will likely vary by outlet but are not able to be teased out.</p>
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	<p>Yes, very likely but not confirmed. The whole package of food (beef, vegetables, coffee, honey, etc), entertainment (casinos), and care (infant and aged) is reporting increased returns according to management. The economic margins increase, because of increased scale and efficiency of production, internal fixed costs for production are controlled, and demand rises across expanding complementary tribal businesses.</p>
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	<p>Sale volume improves operating scale and efficiency across all the ventures. The benefits are delivered through tribal employment, training in tribal businesses (e.g., young tribal meat inspectors), career opportunities, etc. Indirect tribal social benefits are the main drivers for Quapaw Nation investment. Broader indirect benefits are also delivered, for example, to federal national parks that move surplus bison from parks to native lands.</p>
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	<p>The direct beneficiaries of sales price growth are the members of Quapaw Nation through higher dividends and capital growth for owners, and those who are employees as wage gains and employment in the various tribal ventures.</p>
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	<p>The Quapaw Nation and its members are the main beneficiaries of margin growth. Patrons attending Quapaw businesses (casinos and aged care facilities, etc) will benefit from improved service delivery and range of service options under the same corporate brand.</p>



## B. SUQUAMISH SEAFOOD ENTERPRISE



The Suquamish<sup>80</sup> people are a Native America tribe today of 4,300 people whose ancestors have lived on Puget Sound on the Pacific Northwest coast for millennia<sup>81</sup>. The Point Elliot Treaty of 1855, signed by Chief Seattle of the Suquamish Tribe, reserved rights for the tribe to harvest fish and other resources in its historic and territorial waters.

In May 2000 the Canadian Government agreed a Deed of Settlement with Suquamish People transferring C\$92.5 m to the Suquamish Nation Trust as compensation. The Trust Council has invested in businesses related to cultural development and employment (fishing and forestry) on native lands and waters, as well a portfolio of external investments.

The latest Financial Statements for the Suquamish Nation (March 2021) record assets at C\$248m, annual revenue of C\$98m and an operating surplus of C\$20m (boosted by Covid-19 grants). Around 70% of revenue comes from Own sources, the balance from government.



**SUQUAMISH  
SEAFOODS**

The modern era of the Suquamish Nation started in 1923 when Suquamish people approved amalgamation of several Indian bands to a single entity called the Suquamish Nation. All Indian Reserve lands are now held by the single entity, and tribal members receive equal distribution of returns.

Both the Canadian and US Governments have reaffirmed these rights and enabled the unique co-management structure currently utilised by Suquamish and 24 other Northwest Treaty Tribes. The Suquamish people work with Wildlife and Parks authorities from both the Governments of the USA (Washington State) and Canada (British Columbia).

The tribe of ~4,300 members is involved in a wide variety of activities to ensure the sustainable management of finfish harvests and protection of aquatic ecosystems.

### ABOUT THE ENTERPRISE

Suquamish Seafood Enterprises is a private for-profit business entity owned and run by the tribe on land that is the ancestral home of Chief Sealth (also known as Chief Seattle). Suquamish Seafood has primarily processed geoduck since it opened in 1996 but during the past few years, the business has brought in other seafood species.

The business harvests, processes, and retails local seafood including product from the tribe's legislated Usual & Accustomed Harvesting Areas. Tony Forsman, general manager of the seafood business, said "Seafood is a key part

<sup>80</sup> <https://suquamish.nsn.us/home/>

<sup>81</sup> <https://www.squamish.net/about-our-nation/>

of the tribe's history, and we are proud to have a staff of nearly all tribal members selling the food that is personal to their heritage"<sup>82</sup>. The store also offers a sales outlet for private external nonIndigenous fishermen who supply the company.



The business employs both tribal and nonIndigenous people to operate all parts of their supply chain and retains professional biologists and technicians to guide tribal management of several finfish species – salmon (chinook, coho, chum, sockeye and pink), halibut, and other finfish (herring, smelt, rockfishes, flounders).

In January 2020 Suquamish Seafoods opened new retail premises (illustrated) funded by the Tribal Council.

### MARKETS, PRODUCTS, BRANDS

Squamish Seafoods' major business is the marketing and selling of Pacific Oysters. The second significant seafood line is the tribe's traditional geoduck harvest (~230 tonnes per year). Other species have always been available but not harvested by tribal fishers in significant volume.



The seafood business has expanded local harvest to include Dungeness crab, salmon (chinook, coho, chum), Manila clams, and oysters. Future expansion underway includes culturing of oysters and clams inter-tidally to benefit both cultured and wild-harvest opportunities.

The business currently manages all sales under their corporate Suquamish Seafoods brand for local seafood in retail and food service outlets. The business is currently

developing plans to diversify and develop domestic (US and Canada) and international markets under for own-brand product lines.

### ECONOMIC IMPACTS

The key benefits to the Suquamish Nation from its seafood business are the direct link for members to their seafood culture and sea country. It business also provides good jobs and careers along the seafood habitat, harvest, processing, and marketing chain.

Seafood is one of a range of businesses operated by the Suquamish Nation; others include the Suquamish Clearwater Casino and Golf Resort, and a cannabis processing and retail venture, all located nearby.

The Suquamish Tribe was the first tribe to legalize cannabis in the US in 2015, when Washington State approved the sale of cannabis on tribal lands. The state is home to 29 recognized tribes, six of which currently run seven cannabis retail



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<sup>82</sup> <https://www.kitsapsun.com/story/news/2020/01/09/suquamish-seafoods-opens-new-retail-store-off-highway-305/4425109002/>

outlets, including the one run by the Suquamish Tribe.<sup>83</sup> In 2016, Suquamish Tribe established and launched its new cannabis processing plant, Tokém Cannabis. Tokém purchases cannabis in bulk from growers, processes it, and sells it at Agate Dreams (retail and online), as well as at multiple state-licensed retail stores across Washington. The house cannabis is packaged and branded with the Agate Dreams or Tokém Cannabis brands.



More broadly the Suquamish Nation invests in community activity in 2021, including:

- Education, employment and training for members – formal investment in certificate courses (8), diplomas (1), Bachelor's degrees (22), and Masters degrees (3),
- Home renovations (45),
- Pension planning,
- Living wage support for Indigenous and nonIndigenous employees,
- Family and domestic violence support programs,
- Food share and distribution program,
- Child and family services,
- Mental health services.

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<sup>83</sup> <https://www.nativebusinessmag.com/washington-tribes-leverage-the-cannabis-economy/>

## CONCLUSIONS

## Suquamish Seafood Enterprises – Pacific Northwest

*Suquamish Seafood brand established 1996.*

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Not currently. There is no evidence from the case that the use of the Suquamish corporate brand has significantly increased the sales volume of seafood. However, the Suquamish Seafood business has received significant recent investment from its tribal Suquamish Nation parent, including the enhancement of product presentation and market presence. This has and will enable future increases in production (including proposed aquaculture), sales capacity and, potentially, will increase seafood sales volume over the next 5-10 years.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Not currently. The brand is very benign in the seafood business. There is no evidence that Suquamish Seafood branding has been enhanced in line with recent capital investments in facilities (e.g., new retail outlet). And there is no evidence that seafood prices or margins have increased as a direct result of branding. This may change in future as the business proposes to expand operations and potentially boost its investment in local and overseas branding.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Not currently. Seattle is large seafood landing port and highly competitive and mature seafood market. Single-site and modestly run seafood retailers such as Suquamish Seafood must differentiate their offer to attract customers, increase margin growth, and possibly boost market share. As their main product lines are also the traditional seafood species offered by most seafood retail competitors, the business needs to find new customers that will value their cultural heritage as a unique selling point. This appears to be the market strategy now evolving domestically and internationally. From the case it appears this investment is being funded (at least partially) from other sources including legal sales of cannabis.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	<p>Members of the Suquamish Nation are the direct and indirect beneficiaries of the emerging and planned expansion of the seafood business as part of a larger corporate group of businesses. At scale the seafood business appears to be implementing a strategy to leverage its Indigenous heritage to:</p> <ul style="list-style-type: none"> <li>• increase production from dedicated wild catch and new farmed sources,</li> <li>• boost sales prices due to more focus on high-net-worth consumers who will value its Indigenous heritage, and</li> <li>• increase margins due to larger operating scale, and intangible brand values such as Indigenous heritage.</li> </ul> <p>The benefits accrue to tribal members who may also be employees on higher wages with more secure employment in a larger more prosperous business. Tribal members benefits are in a cash form as larger cash distributions of returns (dividends) from the Suquamish Nation corporate entity. They are also in the form of social benefits such as career development opportunities, jobs and training.</p>
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	



### C. CLEARWATER SEAFOODS



#### ABOUT THE ENTERPRISE

Clearwater Seafoods<sup>84</sup> is one of North America's largest vertically integrated seafood companies, and the largest Canadian shellfish license and quota holder. Since its founding as a small private seafood shop in 1976, Clearwater went public in 2002, investing in vessels, processing technology, people, communities, innovation, and resource management to sustain and grow its seafood resource.

Clearwater owns and operates 21 vessels, including one research vessel, harvesting wild-caught shellfish from the cold, clear waters of the North Atlantic and the temperate waters of the Argentine Continental Shelf. Clearwater species are processed in the company's 12 facilities in Canada, Scotland, and Argentina. Traditionally the bulk of global sales have been to international customers (Europe 35%, China 22%, USA 15%, Canada 11%).



The latest available financial statements (2018) for this large private company confirm total assets of C\$727m, with sales of C\$593m and profit before tax of C\$14m.

On 25 January 2021 a joint 50%:50% investment by **Mi'kmaq First Nations** (Nova Scotia) and **Premium Brands Holdings Corp.** (Vancouver), acquired all the issued shares of Clearwater Seafood for a total purchase price of approximately C\$1 Bn.

This collective investment by First Nations in Clearwater is the single largest investment in the seafood industry by an Indigenous group in Canada. The Mi'kmaq Coalition of Communities, led by Membertou and Miawpukek, also include Sipekne'katik, We'koqma'q, Potlotek, Pictou Landing and Paqtnekek.

Mi'kmaq Communities became 50% owners of Clearwater and hold Clearwater's Canadian fishing licences within a fully Mi'kmaq owned partnership. Participating Communities will continue to advance implementation of Treaty Rights with the Government of Canada and enable direct commercial investment and employment in the seafood sector as equal participants in the seafood economy.



Premium Brands is a leading producer, marketer, and distributor of branded specialty food products across Canada, the USA and Italy. It owns 58 (2021) leading specialty food manufacturing and differentiated food distribution businesses, with 11,000 employees and revenues of C\$4.6 Bn in 2021.



Its branded business sectors include meat and protein, delicatessen and food service, bakery and culinary platforms, food distribution companies, and seafood. Since 2010 the company has acquired 14 fishing and seafood businesses, with the 50% interest in Clearwater being the latest acquisition.

<sup>84</sup> <https://www.clearwater.ca/en/our-story/indigenous-ownership/>

## MARKETS, PRODUCTS, BRANDS

Clearwater is recognised globally for its superior quality, food safety, diversity of species and reliable worldwide delivery of premium wild, eco-certified seafood, including scallops, lobster, clams, cold-water shrimp, langoustine, whelk, and crab.



All Clearwater Seafood products are certified MSC across all supply chains and markets. Food safety and quality assurance programs, including HACCP, QMP and BRCGS ensure consistency and the highest standards. Full traceability exists through the supply chain for their products. The company operates local seafood retail outlets in Nova Scotia.

## ECONOMIC IMPACTS

*What is the impact for Premium Brands?*

Premium Brands President and CEO George Paleologou said "Premium Brands will use its value-add expertise, brand development capabilities, and extensive customer relationships to continue to grow this leading global seafood company." The direct benefit will be increased ROI for shareholders, and support for Indigenous communities.

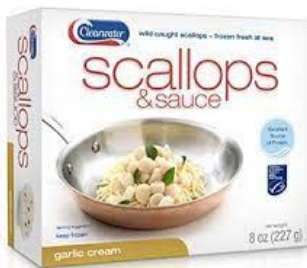


*What will be the impact on Indigenous Communities?*

The immediate impact will be the transfer of large fishery quota and local branded seafood retail outlets to Indigenous partners. These bring change in access to sea country and cultural heritage long sought by the Indigenous tribes of Nova Scotia. One year after the acquisition, the rebranding of the enterprise to include Indigenous content is underway (as illustrated). The longer-term impact of the large economic returns to Indigenous owners is yet to be determined.

Chief Gerald Toney of the Assembly of Nova Scotia Mi'kmaq Chiefs says the investment "will support Mi'kmaq communities across Nova Scotia, and in Newfoundland....and will create significant benefits for our people through employment opportunities and own-source revenues, which will help to further community prosperity."

Commercial investments in the seafood sector are a strategic investment to advance the prosperity of the Participating Communities and position them as equal participants in the commercial economy. The impact of this transformational investment will be felt across Mi'kmaq communities in Nova Scotia and Newfoundland and Labrador for generations to come<sup>86</sup>.



<sup>85</sup> <https://www.seafoodsource.com/news/business-finance/clearwater-seafoods-sold-to-premium-brands-holdings-mi-kmaq-first-nations#:~:text=Premium%20Brands%20will%20use%20its,a%20release%20announcing%20the%20purchase>

<sup>86</sup> <https://finance.yahoo.com/news/clearwater-mikmaq-coalition-esukutimkewey-welcome-162400197.html>

## CONCLUSIONS

### Clearwater Seafood – Nova Scotia, Canada

*Clearwater Seafood* brand established 1976.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	The joint acquisition of this established global seafood brand by Indigenous and corporate interests occurred 18 months ago at the start of the Covid-19 pandemic. This is a long-term investment for both parties for diverse, overlapping reasons.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	There has been limited opportunity to determine any significant impacts on Clearwater's sales volume, price, or margins flowing from the partial Indigenous acquisition.  Premium Brands is a listed Canadian company. Its latest quarterly financial reporting confirms that aggregate sales volumes and values are increased (due to many acquisitions in 2021), but the impacts of global economic issues (e.g., the pandemic, volatile C\$) have had a greater adverse impact on sales margins.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	For the new Indigenous owners, there has been and will continue to be increased awareness of their investment that drives Indigenous heritage through brand collateral to economic value and ROI. Indigenous heritage will motivate some additional seafood consumers to purchase the Clearwater brand, but it is far too soon to assess the value of such impacts in a post Covid-19 market.
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Shareholders in Premium Brands will expect a higher return on investment from their investment in the company, due partially to the Clearwater acquisition. But as the owner of more than 50 significant food brands, the contribution of Clearwater will be marginal in the short term. As their President noted, his company will "use its value-add expertise, brand development capabilities, and extensive customer relationships to continue to grow this leading global seafood company". This is a long-term strategy.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	For the Indigenous owners, they are already benefiting through the certainty that comes from owning fishery quota related to their cultural heritage. And they also benefit from the knowledge that they are now joint owners of a global business that will create, in the words of a Chief Gerald Toney "significant benefits for our people through employment opportunities and own-source revenues, which will help to further community prosperity"
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	

## D. LABATT – NATIVE AMERICAN BEEF



### ABOUT THE ENTERPRISE

For decades Native American ranchers have used community land and traditional ranching skills through a cooperative business model to provide local beef to the community and businesses that serve the Navajo Nation.

Where few businesses exist, community leaders managed to create and maintain a sustainable and responsive beef production and supply model. But grazing skills were generally low and cattle genetics on native lands were variable and generally unsuited to beef consumer markets.



The Office of Navajo and Hopi Indian Relocation (ONHIR) is a US Government agency assisting Hopi and Navajo Indians impacted by the relocation that Congress mandated in the Navajo-Hopi Land Settlement Act of 1974 for the members of the Hopi and Navajo tribes who were living on each other's land.

### Best Practice Ranching

In 2009, ONHIR created the Padres Mesa Demonstration Ranch, a 60,000-acre demonstration ranch near Sanders, Arizona on lands proximate to various Navajo Indian Reservations. The agency retains an experienced nonIndigenous rancher to run the ranch to the extent possible, as an economic development enterprise.



The ranch teaches Native American ranchers to professionalise their operations and care for the land. It organises training programs, trains people to administer vaccines, hires Navajo cowboys, and produces comprehensive pasture and forage health guidelines and training course materials. The ranch leases out good breeding bulls to Native American ranchers to refine herd genetics and works with Navajo communities to build their skills and capacity to produce certified "USDA Choice" beef from cattle with improved genetics.

Navajo herd livestock quality has improved since the program commenced. But there was another problem - Native American producers were still selling their beef as a commodity to mainstream middlemen at rock-bottom prices.

### Labatt Native American Beef Program

In 2011 Labatt Food Service (based in San Antonio, Texas) established its Native American Beef Program to engage and incentivise Navajo ranchers (initially all from that tribe), drive up beef quality, and deliver market outcomes from the demonstration ranch and other Native American communities. The Program was launched as a partnership between Labatt Food Service, Navajo 14R Ranchers, and Padres Mesa Demonstration Ranch. The Program was launched and remains a specialist beef cattle purchase offer by Labatt, only to Native American ranchers.







Labatt is a third-generation family company (established 1910) that value-adds, distributes, and markets food products to regional chain restaurants, independent operators, schools, casinos, quick service chains, healthcare facilities and military bases. The company is the tenth largest foodservice distributor in the USA, serving food-away-from-home customers in five southern states. In 2021 it had annual sales of US\$1.3 billion and approximately 2,500 employees<sup>87</sup>.

Labatt selectively processes and distributes food and related products in nine mainstream categories: Bakery, Beef and pork, Beverage, Fresh produce, Fruit and vegetables, Dairy, Condiments and sauces, Entrees and appetizers, Grocery and snacks, Household cleaning chemicals, and Non-food products to store, serve, pack, and dispose of food.



Ranchers in the Native American Beef Program, mostly from New Mexico and Arizona, must achieve and maintain a certified common level of grazing performance (e.g., exclusion of hormonal growth promotants), food safety, traceability, land sustainability and 3<sup>rd</sup> party certification in order to qualify to join the program and its dedicated beef supply chain. Product sold from the Program was originally marketed only under the *Navajo Beef* brand.

In 2014, more tribal partners joined the beef production cooperative including the Jicarilla Apache Nation, the Mescalero Apache Tribe and the unincorporated community of Pueblo Tribe of Isleta, New Mexico. The program expanded into another brand *Native American Beef*.

In 2020 Labatt Food Service was purchasing approximately 400 cattle annually from 43 Navajo families who participate in the Program. In addition, families from the Eastern Navajo Agency participate in the *Navajo Beef* brand program.

Today the cattle raised are approximately 50% Black Angus, a breed more suited to premium dining beef consumer markets. Labatt purchases cattle approved by the program directly from Native American producers and processes them at Direct Source Meats, a wholly owned subsidiary of Labatt Food Service, that operates two abattoirs/processing operations in Albuquerque and San Antonio.



### MARKETS, PRODUCTS, BRANDS

In 2013, the first *Navajo Beef* branded meal was served by the Navajo Nation Gaming Enterprise at its new Twin Arrows Casino Resort, in Flagstaff Arizona.

This casino (illustrated) is one of four owned the Navajo Nation Gaming Enterprise across New Mexico and Arizona, including Fire Rock Casino (established 2008), Flowing Water Casino (2010), and Northern Edge Casino (2012).

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<sup>87</sup> <https://www.zippia.com/labatt-food-service-careers-29025/revenue/>



Since its inception in 2004 the Navajo Nation Gaming Enterprise has expanded to now employ around 3,000 staff, and a total turnover of US\$300 million in 2021. The enterprise has a focus on hiring and training Navajo people<sup>88</sup>.

Over 2015 and 2016 the distribution extended to high end restaurants including Weddell's Steakhouse as well as supply to local supermarkets via the Bashas' Supermarket chain. The beef products from the program are marketed under the Navajo Beef brand<sup>89</sup> that began in 2013 under Labatt Food Service.

Branded *Navajo Beef* and *Native American Beef* products are supported by five key principles in the Native American Beef Program:

- Implant-free beef, Grassfed and Grain finished,
- Extended 21-day aging for superior grade quality,
- Family raised cattle, community sustainable beef,
- Traditional ranching over generations of beef,
- 100% source verified accountable, traceable, sustainable

All products carrying the *Native American Beef* brand are certified under "Where Food Comes From", an industry-leading source verification program where purchase selection is from an approved list of Native American cattle producers.



Native American Beef is available for purchase by stores and restaurants in the American Southwest. Both the Labatt processing facilities process fresh cuts of beef, pork, veal and lamb and have USDA certification. The San Antonio facility specialises in marinated fajitas, stewed meats and customized packaging. The Albuquerque facility includes custom ground beef production and offers about 300 different products.

Additional value added and processed beef products are now available in consumer markets under the Navajo Beef brand.

## ECONOMIC IMPACTS

Labatt Food Service advice suggests their *Native American Beef Program* teaches Navajo ranchers the principles of herd management including vaccination care, cattle genetics, overgrazing prevention, and other skills. This claim of community benefits from the brand appears to be supported by the research available.

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<sup>88</sup> <https://www.navajogaming.com>

<sup>89</sup> Discussion of this case has been enhanced by reference to a report from Meat and Livestock Australia, regarding the formation of Blackfella Beef brand, discussed earlier. *Feasibility study for developing an Indigenous branded range of beef products and services*. MLA, Nov, 2019.





Future challenges include working with farmers on cattle genetics to breed the best performing cattle that meets customer demands for high quality cuts. Much of the press and media related publications point to the importance of an appropriate food distributor to the success of such a concept.

An independent press report<sup>90</sup> states that Labatt pays Native American ranchers US\$0.04/lb above the meat market price, plus a \$35 bonus for animals that reach premium grades. It notes that on a good year, producers can now make \$900-\$1000 per animal.

In 2013, Navajo casinos became the first *Navajo Beef* customers. Navajo Gaming CEO Brian Parrish notes that his organisation pays a 25% premium for the Navajo Beef products "because ultimately it builds our business, and it builds the nation."



The once-devalued Navajo Beef has become sought after. Navajo producers who had a hard time selling cattle in 2010 now can't keep up with demand. It's still a small, niche market, but other tribes are joining in. The Navajo cattle chain from demonstration ranch to market, will broaden *Navajo Beef* to *Native American Beef*.

Benita Litson, Navajo and Director of the Land Grant Office at Diné College (a public tribal land-grant college in Arizona) points to the tribe's food sovereignty ambitions. "We want to make sure we have access to our traditional locally grown foods, right? That's kind of our overarching goal." She's trying to copy the Labatt supply chain model with a small group of sheep producers. Eventually, she wants Navajo businesses to butcher and distribute that mutton and lamb also.

"Families used to get only \$500 for a cow, which was way under market value. Now that Labatt buys the meat directly, producers can make \$900-\$1,000 per animal. The meat is sold under the Navajo American Beef label."

Despite its growth and strong support from Native American ranchers, Labatt's Native American Beef label is not profitable or self-sufficient. Labatt and the ranchers rely on ONHIR to run Padres Mesa Demonstration Ranch and fix fences, water tanks and windmills.

When the office was created, in 1981, its work was supposed to take five years. Now, nearly four decades in, ONHIR is slated to close. There's no timeline in place or a plan for who, if anyone, will take over Padres Mesa, which remains a universally liked ONHIR initiative. The Bureau of Indian Affairs and the Navajo Nation taking over have been floated as possibilities.

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<sup>90</sup> <https://www.hcn.org/articles/indigenous-affairs-food-navajo-ranchers-are-raising-premium-beef-is-their-success-sustainable>

## CONCLUSIONS

### Labatt – Native American Beef USA

*Navajo Beef (2011)* and *Native American Beef (2014)* brands.

The expansion of the Native American Beef Program (subsidised by US Government) has been very successful since 2011 and may be adopted by the Native American sheep meat producers. But the subsidy from government may soon be withdrawn.

1. What is the economic impact on Sales from this Indigenous brand?	
a. Does the Indigenous brand increase the <u>sales volume</u> for the product/s, to new or existing markets?	Yes, but the research suggests the primary buyers of the branded beef are Native American owned and operated casinos who intentionally pay a premium price.
b. Does the Indigenous brand increase the <u>sales price</u> of the product/s, compared to an equivalent nonIndigenous branded product?	Yes, the average price is higher for the branded Indigenous beef products, based on a state policy of the Navajo Gaming authority that operates the four 4 casinos to support its communities.
c. Does the Indigenous brand increase the <u>sales margin</u> of the product/s, compared to an equivalent nonIndigenous branded product?	The research is unable to assess and confirm this question. Ranch and production costs are subsidised by the Office of Navajo and Hopi Indian Relocation (a US Government agency), while the market price is subsidised by the Navajo Nation Gaming Enterprise (the major buyer that owns the casinos).
2. What is the economic impact on Supply Chain activities from this Indigenous brand?	
a. If there is increased sales <u>volume</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	There are beneficiaries but quantifying the net benefits is not possible without confidential trade data.
b. If there is an increased sales <u>price</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Native American ranchers, communities and employees in the Native American Beef Program and Demonstration Ranch are receiving higher returns, skills development, and jobs to build their cattle ranching enterprises and shared supply chain.
c. If there is an increased sales <u>margin</u> due to the Indigenous brand, who/where are the economic beneficiaries along the supply chain?	Labatt Food Service and meat processor subsidiaries also achieve marginal financial benefits due to the indirect production subsidies (from government), increased supply chain volumes, and market subsidies (from casinos). It is very unlikely they would establish and manage this program for over a decade if they were losing money to do so.  And more broadly Labatt will also potentially benefit from community goodwill due to its leadership to set up and run the program over more than a decade.

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## APPENDICES

### APPENDIX 1. EXTRACT FROM IRG TERMS OF REFERENCE

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The following extract is drawn from the FRDC Project Agreement 2020-121.

#### Background

Australia's Indigenous people fish for custom, for recreation and for profit. This project considers the economic benefits of Indigenous brands in all three activities, but primarily from commercial seafood.

At a **NATIONAL** Fishery & Aquaculture (F&A) industry level, FRDC's seeks R&D that improves the "production, processing, storage, transport or marketing of products,... to increase the economic, environmental, and social benefits to industry members and communities". A 2021 RDC government program will invest \$73 million to <sup>3</sup>to open, improve, and maintain access to overseas markets.

The F&A **INDUSTRY** R&D PLAN 2025 (FRDC) intends to boost "economic benefits and security for Indigenous people through growth (Outcome 1) and best practice (Outcome 2)".

The **IRG's** STRATEGIC FRAMEWORK identifies a need to pursue opportunities for Indigenous branding of seafood and fisheries product.

IRG/FRDC PROJECTS over the last decade have assessed the capacity of Indigenous fishers to boost their economic outcomes through marketing, including:

- 2013-218 Building Capacity and Performance. The report noted "The time is now right for Australia's Indigenous fisheries to invest in unique fishery capacity (both capture and farmed), launch branded products and tell their unique customary fishing stories to inbound tourists, and to consumers in the Asian marketplace".
- 2014-240 Torres Strait Finfish Action Plan. The report concluded "a unique Torres Strait seafood brand also has the potential to increase prices and the overall value of seafood sourced from Torres Strait."
- 2016-204 'Wave to plate' - markets for Tasmanian cultural fisheries
- 2016-206 Business Nous. The project assessed opportunity to "Explore opportunities for branding (labelling) of Indigenous caught seafood and fisheries product assessed."
- 2016-244 Direct Export Feasibility for Torres Strait Fisheries. The report concluded "...the branding and marketing component of the project suggested that luxury product differentiation would be a good strategy for
- Torres Strait products capitalising on several unique selling propositions."

Global initiatives confirm a shift to increased Indigenous community control of and access to capture fisheries:

1. NZ - large seafood business Sealord jointly owned by Māori (via Moana New Zealand), and Nippon Suisan Kaisha Ltd. In Feb. 2020 Sealord acquired Petuna Aquaculture in Australia.
2. Canada - in Feb. 2021 Clearwater Seafoods Inc., (one of Canada's largest companies and license holders), was sold to a joint venture between Mi'kmaq First Nations interests, and Premium Brands Inc.,
3. Qld - in Feb. 2021 Zenadth Kes Fisheries Ltd incorporated by Torres Strait Indigenous license holders,
4. NT - current - Indigenous acquisition of wild catcher licenses in selected commercial fisheries,
5. WA - current - 50% of the licenses in Kimberley Mud Crab Fishery to be held by Indigenous fishers.

Consumers increasingly differentiate seafood by species, origin (aquatic habitat), production method, waters (sea country) and credence (sustainability, ethical sourcing). Indigenous branding is fundamentally driven by Indigenous culture, via license and harvest, to create seafood product sales.

Typical consumer prices pass back up seafood chains (margins are ~50% Retail, and ~20% Wholesale), with 10-15% of consumer price going to Fisher/producers. Fishers (Indigenous or not) can capture more of this final price, subject to: species, product, chain complexity, seasonality, competitors, fishery sustainability, consumer awareness etc. This project aims to tease out if/where/how Indigenous branding may leverage capture of these outcomes.



## Need

Modern fishery regulations are creating new opportunities for Indigenous people to participate in the whole seafood chain (see the recent corporate examples noted in the Background Section).

Indigenous people are increasingly the owners of commercial fishing licenses, and the operators of fishery businesses. But in wholesale markets their harvests will have to compete on price per kilogram with every other fishers' product. If they lack business scale or are not productive and commercially agile, their commercial business will not survive.

One option is for Indigenous fishers to offer seafood attributes that are unique and attractive to consumers. If products are differentiated and also branded in unique ways, some end-consumers may value these attributes and be willing to pay higher prices, which flow back to the fisher/owner of the brand. This is the same economic pathway that every other commercial fishing and seafood business pursues.

But does this logic apply to emerging Australian Indigenous brand fisheries? That is the question this project seeks to address.

Is there substantive global and local evidence supporting the development of specific commercial Indigenous food brands in any seafood/food market? And if there are commercial branding benefits, can Indigenous fishers/producers capture the benefits of the investment they make in such branding, or are they dissipated along the supply chain?

This analysis should be undertaken before further FRDC, and other agency or authority funds are committed to R&D or other funding that supports the development of Indigenous seafood brands.

IRG Members considered how best to approach the challenge. Members supported that the Priority 2 (Benefits of an Indigenous brand) should be funded as a project immediately.

They agreed a technical analysis of the economic benefit of such a brand should be undertaken via a desktop international audit to capture information on successes and failures using such brands, understanding the whys, the costs, governance involved and if successful where is the benefit captured (at the supplier, middle person or the end point).

## Objectives

- Identify and engage with Indigenous enterprises that manage seafood brands
- Draw conclusions re economic impacts of Indigenous food/seafood brands
- Document and report the economic impacts on and potential for Australian Indigenous food/seafood brands.
- Document which stages of the supply chain accrue the economic benefit from any branding

## Methods

The project will be undertaken as a technical analysis of the economic benefit of Indigenous brands via a desktop international audit.

The five-step project methodology will be as follows:

1. MOBILISATION of the project in May 2021, will see the project leader draft a Project Framework and Workplan and present this to the IRG as a basis for face-to-face feedback discussion and refinement of the project. This discussion will also include discussion around possible participation of young Indigenous people working with the team leader during parts of the Work Plan to build capacity.
2. DESK RESEARCH (secondary research) across global and Australian sources in the economy (i.e., Commercial industry and markets) but focussed on human food and more specifically seafood, to identify, capture and summarise relevant Indigenous branding cases. The most efficient desk research approach will be to scan for and prioritise relevant material (academic and industry based) in countries where Indigenous people make significant economic contributions via seafood sales in local or global markets. Collation and documentation of this secondary research will reveal cases of relevance (e.g., Moana Seafoods in NZ, Suquamish Seafoods in Seattle USA, Pipi Co in Australia, etc) and the respective contacts to potentially assist with further direct primary consultation. The desk research will reveal a considered list in due course, but initial discussion with the IRG indicates the primary markets are expected to include Indigenous people in Australia, New Zealand, Canada, USA/Alaska, Sweden/Scandinavia, and Japan.
3. PRIMARY RESEARCH will be undertaken based on direct confidential consultations lead by the project leader with principals/managers of selected enterprises identified in the Desk Research stage. Consultation will be via phone, email and,

where beneficial and costs effective, face to face discussions. This one-on-one primary consultation is the critical stage where the in-depth issues required by the brief, can be discussed, and documented (re brands, supply chains, costs and margins, who is involved, the pros and cons of brands, capture of benefits, successes and failures, etc). The best results for the project will be achieved where a high level of trust is initially established between the enterprise and the project leader, and sufficient confidentiality is assured. The project leader will hold Zoom meetings with the IRG as necessary to update on progress and / or seek further input and guidance from IRG Members.

4. ANALYSIS will be undertaken inhouse, led by the project leader to collate, ground truth, verify and analyse the primary research and supporting desk research findings related to Indigenous brands on an enterprises case-by-case basis. The analysis will lead to individual and aggregated findings for specific branded Indigenous foods and seafood products, and related project conclusions. These analyses will seek to map and demonstrate along seafood supply chains the presence (or otherwise) of direct (e.g., profit) or indirect (e.g., enhanced competitiveness) economic benefits attributable to Indigenous branded seafood. The project leader expects a minimum of five enterprises will be engaged in the primary research stage to enable substantive conclusions to be drawn regarding the range of economic benefits derived from Indigenous food and seafood branding. These aggregate findings, economic multiples and conclusions regarding Indigenous branded food and seafood benefits will then be applied to Australian Indigenous fisheries selected with IRG advice (e.g., Torres Strait, WA and NT Mud crab, etc) to estimate economic impacts in Australian fishery terms. Such impacts may be marginal, positive, or negative.

5. REPORTING The project leader will draft a Final Report and submit this to the IRG in March 2022. The report will document all activities undertaken, the scope and findings of desk and detailed primary research, the analysis of this research for each enterprise case and in aggregate economic impact terms, and the forecast impacts on selected Australian Indigenous fisheries. If timing and circumstances allow the project team will meet face to face (or via Zoom) with the IRG to outline findings.

The project leader has undertaken a number of projects for the FRDC and IRG.

## APPENDIX 2. VOLUME, PRICE, AND MARGIN BASICS

Wild Fishery Issues and risks	Implications for Indigenous Enterprises and Brands
<b>Sales Volume</b>	
1. Limited on the <u>upside</u> by <b>Access to Financial Capital</b> - scale of operations - vessels, cool chain, etc that banks and shareholders are prepared to invest in	<ul style="list-style-type: none"> <li>Is adequate long-term (&gt;10 years) financial capital available now to establish and expand (Fixed Capital)) the enterprise, and also fund its operations (Working Capital):               <ul style="list-style-type: none"> <li>From Indigenous owners and community?</li> <li>From investor shareholders, or philanthropists?</li> <li>From banks and debt holders?</li> <li>From governments?</li> </ul> </li> </ul>
2. Limited on the <u>upside</u> by <b>Access to Human Capacity</b> - scale of operations – availability of experienced managers, employees retained	<ul style="list-style-type: none"> <li>Are experienced people available now to establish, own, govern, manage and run the enterprise?</li> <li>Are there experienced fishers/supply chain partners that can be approached to form a Joint Venture and more quickly bring human skills and capacity to the new Indigenous enterprise?</li> </ul>
3. Limited on the <u>downside</u> by <b>Access to Indigenous Fishery</b> – harvest/TACC volume must be above enterprise breakeven harvest volume	<ul style="list-style-type: none"> <li>Do the fishery regulations enable sufficient harvestable and saleable seafood volume (per TACC or other regulations)? Is this saleable volume above the enterprise breakeven point? This is critical to ensure the enterprise volume is large enough to recover all its fixed costs and variable costs and create an economic margin on sales.</li> </ul>
<b>Sales Price</b>	
1. Limited on the <u>upside</u> by <b>Customer Value Proposition</b> - must align with the seafood product and service value perceived by consumers	<ul style="list-style-type: none"> <li>Who is the sales customer? What is the profile of the target seafood customer (B2B), or final seafood consumer (B2C)?</li> <li>Does the enterprise have a detailed understanding of its chosen seafood market segment, the specific needs of customers and consumer, and their expectations regarding product and service attributes today and in future?</li> <li>Do those specific customers value the Indigenous seafood product offered to them? Is Indigeneity and cultural value a material (i.e., significant, important) value in their purchase decisions, compared to other attributes of the product (sustainability, harvest method, quality, freshness, etc)?</li> <li>Do those specific customers perceive they receive greater value if your product is sold under an Indigenous brand?</li> <li>Are those customers prepared to pay extra for that Indigenous branded seafood product on a regular basis?</li> </ul>
2. Limited on the <u>upside</u> by <b>Market Competitors</b> - must be favourably comparable with competitors' offers in chosen seafood market segment	<ul style="list-style-type: none"> <li>Are there any sales competitors in the chosen market segment (e.g., Indigenous harvested abalone from)?</li> <li>How does your seafood product value proposition compare with those competing products across the value attributes of target consumers?</li> </ul>
3. Limited on the <u>downside</u> by <b>Costs</b> - must be greater than Fixed costs + Variable costs required to deliver product to customer	<ul style="list-style-type: none"> <li>Will the sales price per unit of sales (or average across all sales units) generate revenue that is greater than the fixed and variable costs per sales unit (or on average across all sales units)?</li> </ul>
4. Includes a <b>Sales Margin</b> – equal to Sales Price less fixed costs + variable costs + Profit Margin.	<ul style="list-style-type: none"> <li>All overhead costs of enterprise, including costs of branding and promotion, must be included as costs.</li> <li>Sales Margin must include a Profit (Return on Investment) based on risk weighted expectations of owners and investors.</li> <li>Profit Margin must be financially positive per unit sold (or on average across all units).</li> </ul>