

Do seafood consumers value locally caught fish?

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Outline

- Why look at it?
- Approach taken
 - Choice experiment
 - Online survey
- Results
- Conclusions



Why look at it?

**AN INDUSTRY THAT
FEEDS YOU IS**



**AN INDUSTRY WORTH
FIGHTING FOR**

- Inshore fisheries in Queensland under increased competition from a range of sources
 - Onshore development
 - Closed areas for conservation
 - **Recreational fishing closures**
- These fisheries are dominated by small scale producers who tend to supply local markets
- Active campaign by both fishers and fish shop owners that loss of access means loss of benefits to fish consumers
 - Assumes that consumers value local fish more than fish from elsewhere

LOCAL SEAFOOD
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Seafood Lovers – your supply of
QUEENSLAND FISH is under threat

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Aim of this study

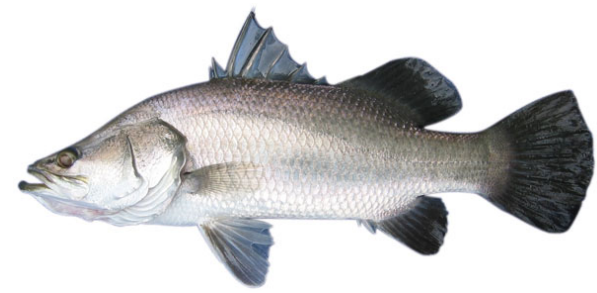
- To estimate if consumers do in fact have a preference for locally caught fish
- And if so, how much of a premium are they prepared to pay?



Studies elsewhere (very limited)

- Little focus on fish but several studies on local agriculture
- Key motivations for buying local
 - Belief it is fresher
 - Belief it is more sustainable
 - Even if no real basis for this
 - Support the local industry
- If we want to really identify a ‘local’ premium, we will need to remove the freshness and sustainability components to ensure that we are not picking up these by proxy

Choice experiment

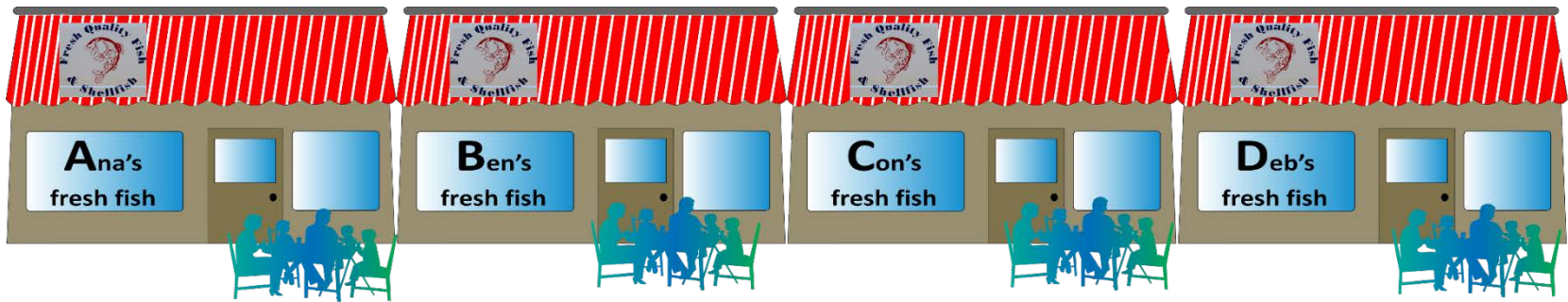


- Focused on barramundi
 - Caught all along the Queensland, Northern Territory and top of Western Australian coast
 - and south east Asia
 - Readily available in supermarkets, fish mongers, fish and chip shops

Attribute	Attribute levels
Price (\$/kg)	\$40, \$42, \$44, \$48, \$50
Sustainability:	from a source accredited to be sustainable not specified
Freshness:	Guaranteed fresh not specified
Origin:	Produced locally Product of Queensland Product of Australia

Scenarios

- 4 blocks of 6 choice sets (i.e. 24 choice sets in total)
 - D-efficient design derived using NGENE



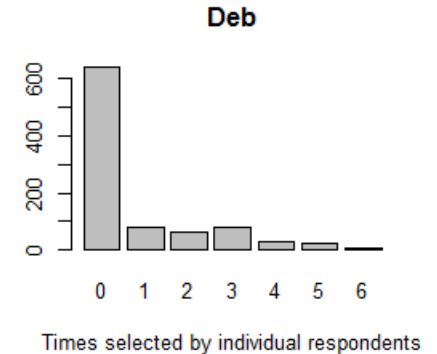
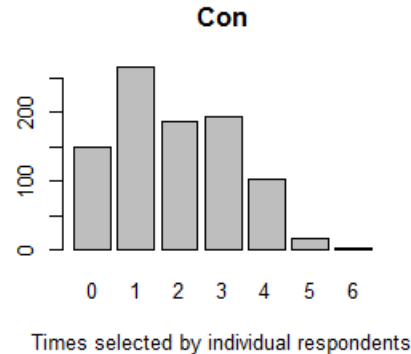
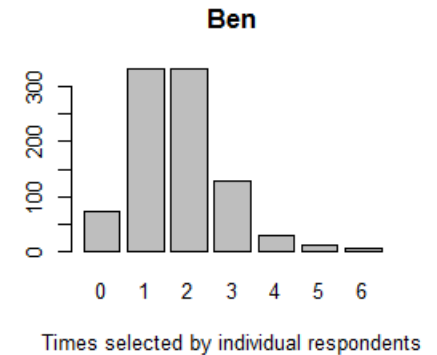
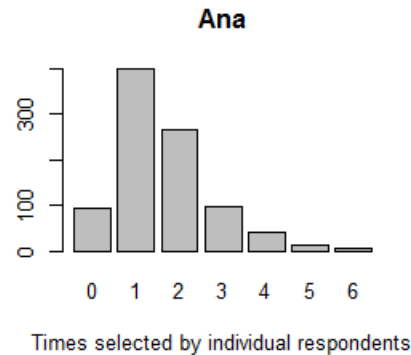
	Ana's Fresh Fish	Ben's Fresh Fish	Con's Fresh Fish	Deb's Fresh Fish
Origin	Local	Queensland	Queensland	Australia
Sustainability certified	✓	✓		
Freshness guarantee	✓			
Price (\$/kg)	\$48.00	\$44.00	\$42.00	\$40.00
I would buy (select one)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Survey

- Online survey
 - Administered by online survey company
- 1011 respondents (1000 target)
 - Deliberate “bias” towards coastal Queensland residents
 - Main “beneficiaries” of local seafood
 - Roughly 45:55 Brisbane : coastal towns
 - 90% ate seafood over the last 12 months
 - Of these 91% expressed preference for buying local seafood where available

Times chosen

- Choices fairly well distributed
 - Most tended not to choose the default (Deb) as other options were more preferable



Multinomial logit model

CHOICE	Coefficient	Standard Error	WTP	%WTP
LOCAL	1.117***	0.058	\$ 4.36	11%
QLD	0.624***	0.067	\$ 2.43	6%
SUSTAIN	0.984***	0.038	\$ 3.84	10%
FRESH	1.533***	0.042	\$ 5.98	15%
PRICE	-0.256***	0.008		
ASCSQ	0.402**	0.200		
SEX	-0.242***	0.080		
AGE	-0.009***	0.003		
DISTANCE	0.000*	0.000		
RECFISH	0.024	0.082		
URBAN	-0.066	0.078		
EDUCATIO	0.030	0.036		
INCOME	0.000	0.001		
COMFISH	-0.107	0.296		
ENVGROUP	0.463**	0.187		

Hausman test for IIA

- Multinomial logit assumes independence of irrelevant alternatives
 - Hausman test not significant, indicating MNL appropriate

Remove	Chi ² [15]	Pr(C>c)
Ana	18.151	0.255
Ben	14.735	0.471
Con	11.189	0.739

What does this mean?

- Assuming a similar proportion of benefits occurs for all species

	Pot	Net	Line
Fishery GVP (\$m)	28.8	13.6	3.4
% sold locally	40	50	50
% sold rest of Queensland	60	50	50
Retail GVP (estimated)			
• Local	19.0	11.2	2.8
• Rest of Queensland	28.5	11.2	2.8
Consumer benefits			
• Local	2.1	1.2	0.3
• Rest of Queensland	1.7	0.7	0.2
Total consumer benefits	3.8	1.9	0.5

Conclusions

- From the survey results, most Queensland residents have a preference for local product where available
 - Willing to pay a premium of around 11% for locally caught product
 - But are also willing to pay a premium of around 6% for product caught elsewhere in Queensland over product landed in other States
- Some of this premium likely captured already by some retailers
 - Observed barramundi prices during the period of the survey ranged from \$40/kg to \$50/kg
- Given this, loss of access (and reductions in catch) will result in a loss of benefits to local consumers even if they can be replaced by fish from other regions

Thank you



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