

## Prawn firm Mareterram looks for greener pastures

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Mareterram CEO David Locke says the company is looking to expand. Picture: Colin Murty

A turnaround in the fortunes of WA prawn fishing company Mareterram has the listed \$38 million minnow looking to expand into new fields in both agriculture and aquaculture.

Mareterram — the name literally means of the sea and the land — is a company born out of the former Norwest seafood company, which owns the largest prawn fishing fleet in the lucrative wild-catch Shark Bay fishery south of Carnarvon.

Since listing 18 months ago, the company has turned a first-year loss of \$5.1m into a \$4.6m net profit for 2016-17, updated its 10-trawler fleet, added an extra “back-up” boat to ensure more fishing hours in case of breakdowns, embarked on a \$10m major fleet modernisation program and been 56 per cent acquired by South Africa’s Sea Harvest Limited.

It has also turned a business that used to just sell Shark Bay’s high-value Marine Stewardship Council-certified king and tiger prawns wholesale to distributors almost regardless of price, into a vertically integrated seafood company that now has its own distribution and export arm and supplies prawns direct to the catering industry, supermarkets and to overseas markets in Japan, China, Hong Kong and Europe.

This season, which runs from April to late October, Mareterram’s Shark Bay fleet expects to catch about 1500 tonnes of prawns and 55 tonnes of scallops.

But the slightly lower annual prawn catch — a consequence of cooler water temperatures in Shark Bay — has been bolstered by stronger domestic prices of \$15-\$22 a kilogram being paid for Shark Bay’s wild MSC prawns as a result of the federal government’s six-month ban on raw prawn imports after white spot virus disease from Asia was found in Gold Coast prawn farms.

Mareterram chief executive David Lock says the key to the company making bigger profits from its dominant position as the biggest fleet in Shark Bay is to keep its 10 trawlers out fishing for as many days during the season as allowed under its licences, to focus on economic yield rather than total catch, and to capitalise on the fishery’s MSC sustainability credentials to export in markets others can’t access.

“We want to fish as efficiently as possible and drive maximum economic returns. We want to catch more bigger prawns even if the overall catch is smaller, because that’s better for both us and the fishery in the long run,” Mr Lock said. In the longer term, the plan is to move from a 20 per cent export focus to a position where one third of all Mareterram’s Shark Bay prawns — soon to become a branded product — are sold overseas.

Mr Lock, a former chief executive of the family-owned Craig Mostyn Group, predicts 10 per cent will be sold to top-end Chinese markets — a destination still being developed by the business — and the rest into Hong Kong, Japan, Spain and Portugal.

The next step is to acquire more blue-chip agribusiness assets. “The assets we are looking at will be in other states and in other fields of protein production; they will be significant assets — they could be farms — but they will be of the scale of \$25-\$50m acquisitions.”

Mr Lock said the company had decided against entering the dairy, grain, viticulture and horticultural areas, while “there are already too many billionaires playing around with beef cattle.”

Instead his focus is on acquiring nut or oilseed farms, intensive livestock businesses such as pig and poultry enterprises, the prepared meal sector, or farming ventures with a point of difference such as free range duck, goat or pig production.

Other seafood ventures are also being targeted, including abalone farms or wild catch lobster, tuna and prawn fishing companies, while innovative plant based protein production, including non-meat alternatives are also being investigated.

“We are not trying to be at the cutting edge of technology; our focus is to look at global food trends and invest in areas where there is both significant volume and growing demand as the world’s population explodes and the appetite for high-value protein grows,” Mr Lock said. “Aquaculture and seafood is certainly high on that agenda.”

*Sue Neales flew to Carnarvon to report on the Shark Bay prawn fishery courtesy of Mareterram.*