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SAORC CHAIR REPORT

My first report as SAORC Chair sees me on a steep learning curve to understand the bureaucratic processes involved in R&D funding.

I intend to make sure we get value for our SAORC levies that every grower pays through spat purchased.

The seafood industry is the sixth most valuable of Australia's food-based primary industries, with a gross value of production of \$2.05 billion in 2006-07.

SAORC is a partner member the Australian Seafood Cooperative Research Centre (Seafood CRC).

The Seafood CRC is Australia's first entity (established and supported by the Federal government) to stimulate and provide comprehensive seafood-related research & development and industry leadership on a national basis.

Other investors in the Seafood CRC are the Fisheries Research and Development Corporation (FRDC) Seafood CRC Company Members (of which SAORC is one) and private industry participants.

The Oyster Industry is represented by the "Oyster Consortium" to further research and development specifically in the oyster sector.

The oyster consortium has a number of working groups looking at a series of projects designed to benefit industry.

All Directors of SAORC – SAOGA nominated and the 2 independent Directors (Paul Dee and Carl Jaeschke) are members of one or more of these working groups who report back on progress to SAORC.

The current themes and Directors involved in these groups are:

- Genetics – Gary Zippel, Carl Jaeschke
- Benchmarking – Gary Zippel, Steve Bowley, Chris Hank
- Marketing – Linda Hank, Jill Coates
- Health and Safety – Paul Dee
- Education and Training – Phil Page
- Business Planning - Bruce Zippel, Steve Bowley

One of my first "duties" was to represent SAORC as a partner member at the AGM of the Seafood CRC.

This was the first AGM of the Seafood CRC and the Managing Director – Dr. Len Stephens, presented an overview of the year's achievements as well as providing a candid view on deficiencies and difficulties.

Looking ahead to 2008/09 it is clear that the Seafood CRC has significant funds available to invest in new projects and is looking for ideas and industry partners.

SAORC (and SAOGA) has a great opportunity to influence the research projects that will be funded.

I ask SAOGA members to put their thinking caps on and come up projects that will have industry wide benefits,

Discuss these ideas with your SAOGA Bay Reps or with Jan Lee our Executive Officer. Jan will collate all responses which will be presented to the SAORC Board for consideration.

See you at the ramp.

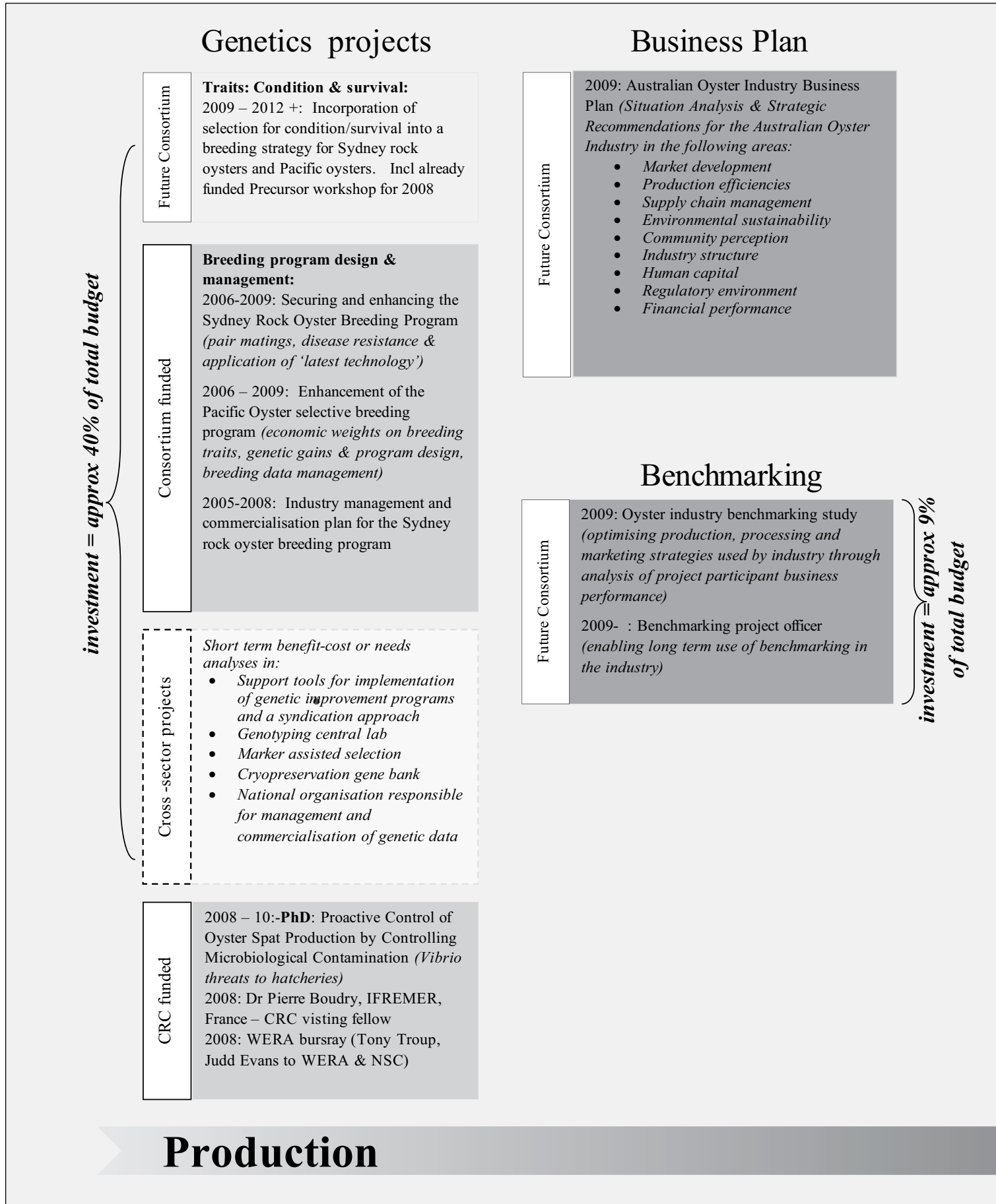
Steve Bowley



CONSORTIUM ACTIVITIES

The Consortium is a collaboration of members of the Seafood CRC research body and industry participants from Tasmania, New South Wales, South Australia and Queensland. The formation of the Consortium was to combine research with industry needs to save doubling up in the areas that could be handled on a national level. Below is a "mud map" of where

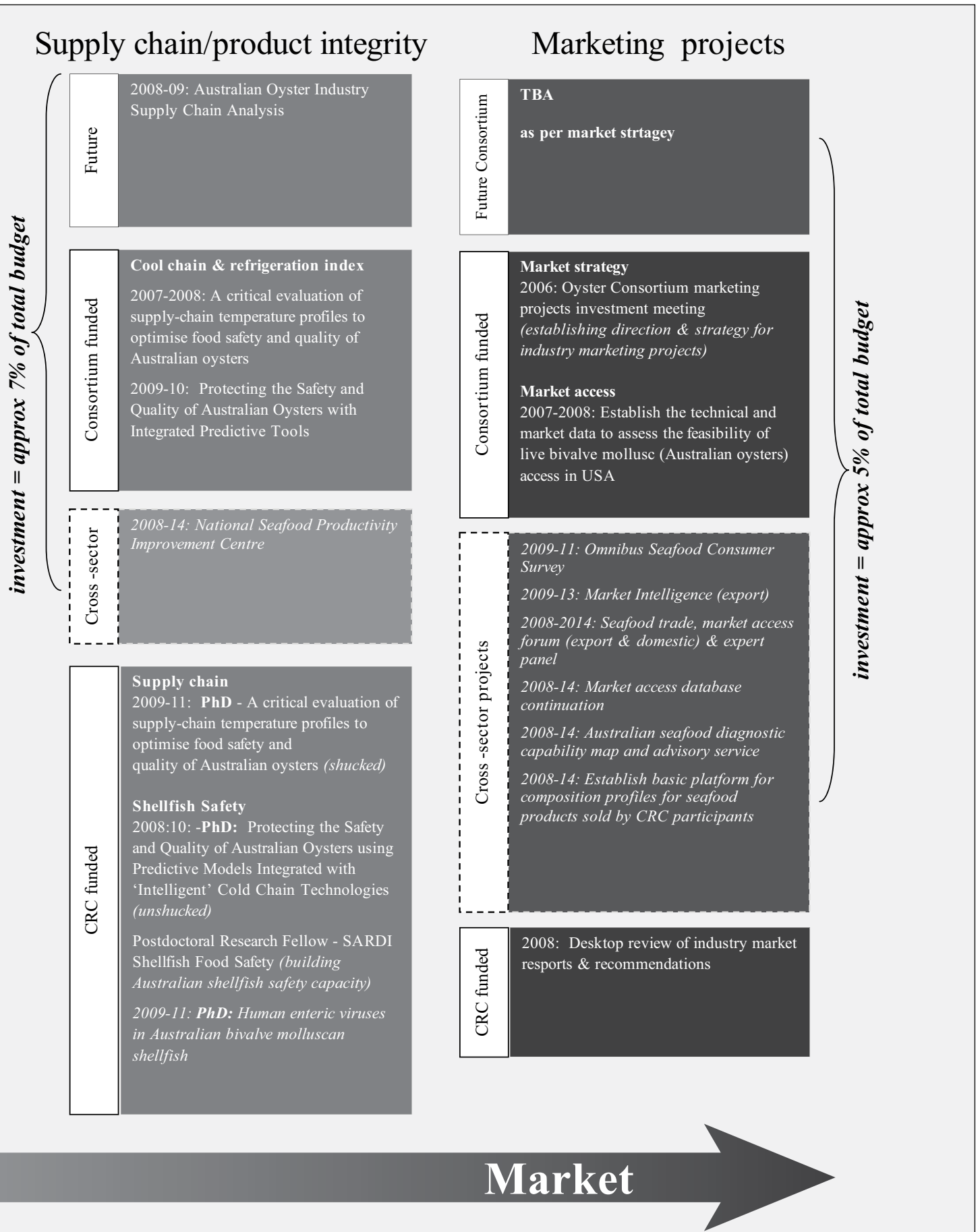
the research is at present. Many of the projects are long term and go from Production through to Marketing. The whole chain of processes include: genetics projects, benchmarking, the formation of a business plan, supply chain studies, product integrity and marketing and include training and education.



AUSTRALIAN SEAFOOD CRC – OYSTER CONSORTIUM: STRATEGIC MAP OF PROJECTS

The two pages below, should be viewed side by side with production on the left going through to marketing on the right. The funding bodies on the left of each box indicates whether the project is fully CRC funded or jointly funded with the Consortium. It also shows the time line of events until 2012.

If you go to the industry website www.oystersssa.com and go to industry news you will see Judd Evans Presentation on his trip to the US that was funded through the CRC. (see on the production page at bottom-WERA bursary)



ASQAAC MEETING SYDNEY

FISH MARKETS REPORT

As the Bivalve Mollusc representative for South Australia I attended the ASQAAC meeting, held in Sydney 21st -24th October 2008.

It was the first meeting I attended on behalf of the shellfish industries which was previously represented by Mike Whillas.

ICMSS bid: The International Conference of Molluscan Shellfish Safety will be held in Nante, France in June 2009. The following conference will be held in Canada and Australia wants to put a bid in at the Nante Conference to host the ICMSS in 2013. This means a bid will have to be prepared to be presented in June 2009. Expressions of interest were sort at the ASQAAC conference and much discussion ensued. It was generally thought that Australia is a small player in world markets, however it had a lot of expertise, diverse growing areas, may have it's own testing facility by then and it would "put Australia on the map". The pre and post conference trips to other states and especially South Australia, would give our shellfish industries an opportunity to showcase our growing areas, activities, product, worlds best practice and enable contacts to be made. A working group was formed, with three reps from SA, Ken Lee, Cath McLeod (SARDI) and Jan Lee. The conference would probably be held on the East coast, Sydney or, Port Stevens or Hawkesbury River but no firm decisions have been made. The Chair of ASQAAC (Anthony Zammit) would like feedback from industry members.

Review of Manual: A working group was formed to oversee changes to the ASQAAC (Australian Shellfish Quality Assurance Advisory Committee) manual that would include reference to the export standard required for the US and the EU and the domestic requirements, links to other food bodies eg FSANZ, and direction on incident response (to include the National Food Incident Response Protocol).

Pinnatoxin: There was much discussion on the Pinnatoxin issue, how it was handled and how we can deal with situations like this in the future. Utz Mueller (FSANZ) noted that the way the Pinnatoxin issue was handled in the first instance by SASQAP and SAOGA was world's best practice. This was very encouraging to hear and well done to Mike Whillas, the Executive, Growers in the affected bays and Ken Lee for working together under such trying conditions.

Jan Lee

ASI REPORT

It has been a busy spring here at ASI with plenty to report. ASI has reverted its seed royalty on the sale of thoroughbred stock from \$2.50 to \$2.00 per thousand spat for 7th generation family lines. In making this decision ASI took on board the views of the commercial hatcheries and growers alike. It was accepted that ASI needs to achieve greater market penetration and be able to quantify commercial advantage achieved by using thoroughbred seed. This is now our highest priority. We will be conducting performance trials in all the major growing bays in the coming months which will demonstrate the commercial attributes of ASI seed. I have already held grower meetings in the major growing areas and will continue to do this as the trials occur with the aim of receiving as much grower input as possible. Remember ASI is a SAORC/SAOGA/TORC owned company and hence is your breeding program, so please be involved.

The 7th Generation of thoroughbred seed is now in the market place and receiving excellent reviews. Shellfish Cultures 7th generation family, 7M, has hit the water and is performing extremely well, receiving great grower feedback. The first batch has been completely sold out but another will be produced in January and is expected to be available in March/April 09. To order contact Vicki at Shellfish Culture on 03 62489441. Cameron of Tasmania has also produced a 7th generation family line which will be known as 7W. The batch is performing very well through their nursery systems and looks like it will be another fantastic line This batch has already been presold but plans are afoot to produce another batch for continuity of the line into next spring. For orders of this line please contact Mike or Deb on 03 62535111. The SA Oyster Hatchery also plans to reproduce its 7th generation line, 7I. This line is already in the market place and by all reports is performing very well. For details on availability please contact Adam Butterworth on 86846115.

With many of the batches produced already presold it is imperative that growers consider what their thoroughbred seed requirements will be well in advance. Hatcheries will only produce batches of a size that matches the number of sales they have on the books. The result is that if you want to purchase thoroughbred seed and have not pre ordered well in advance you may not be supplied. With the improvement in the quality of ASI family lines in the most recent generations it is now a great time to try thoroughbred stock. The shape issues which were present in the early generation family lines have been completely addressed by placing a huge emphasis on shape in the program. The latest generations of family lines have displayed excellent shape along with good and, most importantly, extremely uniform growth rates- much reduced streakers and tails.



SEMINAR INFO

In addition to the 7th generation of family lines ASI has completed progeny testing on the 8th generation of family lines. The results of the progeny testing will be released to the hatcheries in the coming months so that they can choose their 8th generation of family lines for commercial production. The 9th generation of families is undergoing testing at our growout sites in Tassie and SA and the 10th generation of family lines is currently in hatchery production. For the 11th generation ASI plans to produce 50 families which will accelerate the rate of genetic gain for commercially desirable traits. I guess the point I'm trying to make is that whilst the 6th and 7th generations of family lines have performed extremely well we still have plenty of improvement up our sleeve. As with all breeding programs patience is required.

On my recent trip to SA I was surprised by the lack of understanding growers have of what ASI does and why we do it. Responsibility for this lies with ASI and we plan to remedy the situation by continuing to undertake regular bay visits to engage grass roots growers. During these visits we will be demonstrating ASI family lines, presenting trial results and most importantly seeking grower input into the program. In the meantime if you have any questions or comments, or haven't been receiving ASI Newsletters, please don't hesitate to contact me on 03 62741797 or 0417 965405. Alternatively my email is mattasi@bigpond.com.

Here's hoping all your oysters have been put in bags

Matt Cunningham
General Manager

ASI
Thoroughbred Oysters
Australian Seafood Industries

The SAORC seminar was held in conjunction with the SAOGA seminar and field day at smoky Bay this year in mid September.

The numbers of growers attending the presentations were disappointing with the speakers almost outnumbering the oyster industry attendees!!! We may look at changing the way we present the talks and possibly intersperse SAOGA talks with research in future, but are open to constructive suggestions.

Thank you to the speakers who presented some valuable information to industry members at the SAORC seminar. Most of the speakers have allowed us to put their talks on our website so that they can be viewed again. Go to www.oystersssa.com and look under "Industry News"

The speakers at SAORC were Cath McLeod who has a position with SARDI and comes with a wealth of international experience. You will be hearing a lot more about Cath, and the progress she is making, as time rolls on. Her work will be directly applicable and relevant. You can see Cath's talk, what she is about, her experience and what she is going to address in the future, on our website.

Tom Madigan, also spoke at the SAORC seminar. Tom's work is also directly beneficial to the production, transport, handling and food safety/HACCP plan of an oyster business, and follows the temperature levels from harvest to arrival at the wholesalers. This could have huge benefits to businesses, in that it can reduce losses through oyster death through freezing or illness caused from oysters kept for long periods at high temperatures, and reduce the risk all round.

Graham Mair spoke on the Seafood CRC and an overview of the CRC and Industry, collectively known as the Oyster Consortium, is in this newsletter. His talk is also on the website.

And finally, last but not least, Judd Evans gave a talk on his trip to the US, where he saw a "different" way of doing things. Sometimes getting away from our own situation, and seeing how somebody else does it, can be like a "breath of fresh air" or "a wakeup call", or giving you something you can take home instead of re-inventing the wheel, depending on what you see. Read what Judd saw and learnt on his trip away.

Jan Lee



OVERVIEW OF RESEARCH DONE IN STANSBURY

(ABSTRACT SITED BELOW)

The environmental conditions of oyster farming area in Stansbury are not ideal to grow oysters fast in shell size, when it is compared to some other leading bays around the world. However it can produce barnacle free and hard shell oysters, which are most appropriate to the ongrown supply. If there is enough time given to Stansbury oysters, they can reach B grade at market in 2-4 years. Nevertheless, it can be guaranteed that the oyster flavour is always sweet even when visual appearance is low.

I have a new role within SAORC. I am concentrating on the health and safety of oyster aquaculture. At present, Oyster Husbandry is my priority. Currently, Dr Yan Li is willing to assist where he can, and I also utilise any intelligence to improve Stansbury oyster production and quality.

Dr Yan Li (School of Biological Sciences at Flinders University) has investigated the monthly variation of environmental conditions and the relevant biological responses of Pacific Oysters in Stansbury from 2005 to 2006. This study has provided an important proof of the natural variability in oyster condition and some factors that may influence their health across the year in Stansbury, also known as Oyster Bay. We believe this study is applicable to our

management and development of oyster aquaculture, even within similar areas of temperate southern hemisphere.

Yan has found that oyster mortality was less than 2% during his PhD project. Although the growth of oyster shell length was not positive, the meat to shell ratio increased significantly. As Yan's project was conducted on my farm, he also has assisted and showed me how to grow an oyster in the healthiest water column. Since working with Yan on this 13-month project, I have been able to reduce the mud worm infection on the oyster inner shell. Moreover, the adductor muscle in my oysters is also increasing in size. The most important thing is the mortality rate has dropped.

Across the country, oyster condition still needs improving and projects like this I believe need to be continued.

Paul Dee

Below are graphs taken from the abstract

Li, Y., et al., Monthly variation of condition index, energy reserves and antibacterial activity in Pacific oysters,

Crassostrea gigas, in Stansbury (South Australia), Aquaculture (2008), doi:10.1016/j.aquaculture.2008.09.004

A link to the full abstract can be found on the SAOGA/ SAORC website www.oystersssa.com (There may be a fee) if anyone wants the full paper, they should contact Yan Li at y.li@flinders.edu.au or Jan

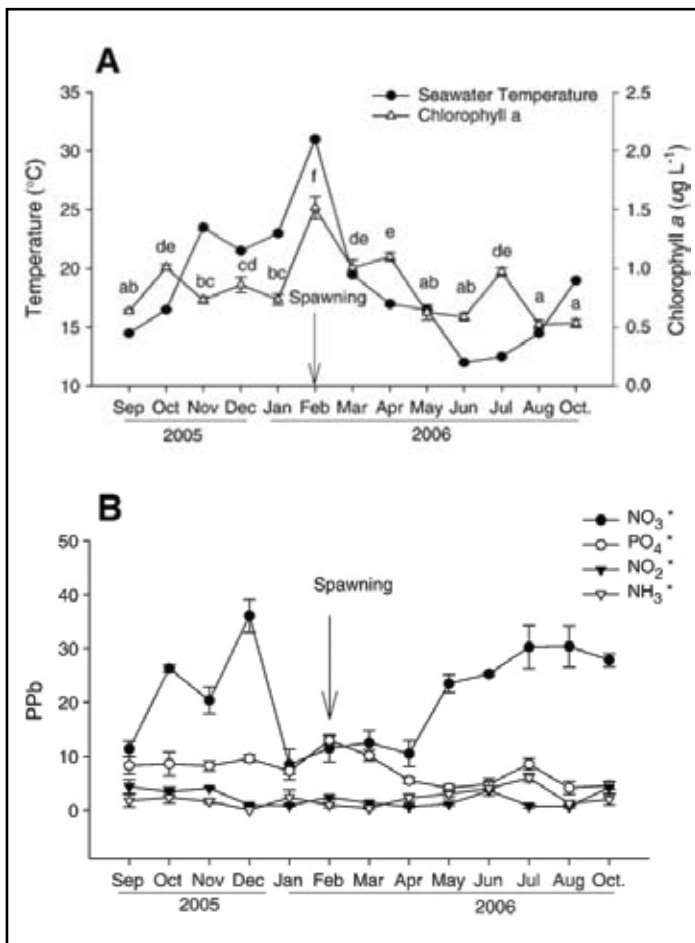


Fig. 2. The monthly variation of environmental variables for **A)** chlorophyll a level ($n=3$) and water temperature, and **B)** seawater nutrients: PO_4 , NO_2 , NH_3 and NO_3 ($n=6$). The values are means \pm SE. The asterisk (*) beside each variable indicates significant temporal variation ($P<0.05$). Different small letters indicate significant difference between months for chlorophyll a ($P<0.05$). The arrow indicates spawning time.

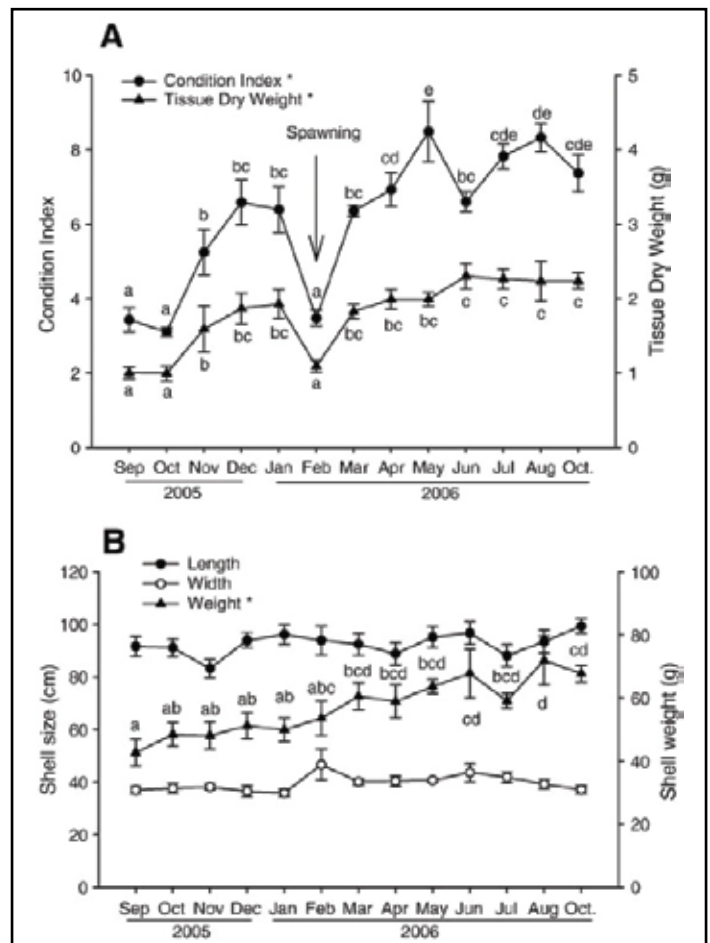


Fig. 3. The monthly variation in *Crassostrea gigas* for **A)** condition index and tissue dry weight, and **B)** oyster shells' length, width and weight (mean \pm SE, $n=6$). The asterisks (*) indicate significant temporal variation ($P<0.05$) and different small letters indicate significant difference between months using the post hoc analysis ($P<0.05$). The arrow indicates spawning time.



PINNATOXIN UPDATE

The closure levels that were imposed on industry last season have now been removed and there is no currently requirement to test for Pinnatoxin.

However this may change in the future. The European Food Safety Authority is currently reviewing their risk assessments of 8 groups of marine bio-toxins (one of which includes Pinnatoxin). Following their report the European Commission will review the marine bio-toxin legislation which could result in limits being set for Pinnatoxin, which would impact on our exports to the EU.

Industry needs to be “on the front foot” with conducting more research into Pinnatoxin and trying to influence the European Food safety review.

We still own some purified toxin and the Executive have not yet made a decision on how it is to be used..

Cawthron have asked executive to make a decision on whether they can use the work that was done on Pinnatoxin (regarding the structure of the toxin), to write a paper so that others around the world can easily identify Pinnatoxin in their own areas.

The Executive have conditionally agreed to this subject to the review of the final report to ensure that the report puts a positive spin on our response.

Steve Bowley
for Gary Zippel

PROPOSALS TO THE SEAFOOD ACCESS FORUM

Cath McLeod has been very active in “putting up” proposals to the Seafood Access Forum (that deal with trade issues) to have a “seat” on the international bodies that deal with issues concerning shellfish food safety. One of these bodies (CODEX) is looking at how the issue of viruses in shellfish could be managed better in the future. We (especially in SA) have relatively limited problems with viruses because of our low population and lack of freshwater runoff from the land, it doesn’t mean however that we will be immune from the regulatory way in which we have to deal with viruses in the future. They could impose unnecessary testing regimes and trade requirements for us, and therefore be an economic and logistical burden. SAORC is fully supportive of Cath’s bid to represent Australia, so that we may be able to influence the decisions that come out of the working groups.

The European Food Safety Authority is also currently reviewing the Cyclic Imine group of toxins, including Pinnatoxin and this could potentially lead to the European Commission introducing new regulations and levels for Pinnatoxins. Australia has had much more experience in dealing with Pinnatoxins than the EU and it is therefore important we have a say. Cath is working with industry and government to help Australia input vital information on Pinnatoxins so that robust and pragmatic decisions are made internationally.

Jan Lee



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