

Industry Groups

Pearl - Oysters

Hatchery production and value

Hatchery produced spat has become an important supplement to wild shell. The technology used in producing pearls from spat grown in hatcheries is still being developed. The shells are reared in tanks and then placed in pearl farms in the ocean after about two months. Each hatchery-reared shell is seeded after two years and the pearl then takes about two years to reach a salable size.

Hatchery production of *Pinctada Maxima* pearl oysters is of critical importance in the Gascoyne Coast Bioregion, where recruitment of oysters in the wild is irregular and unable to be relied on for commercial operations. Two hatcheries, one in Carnarvon and one in Exmouth, are producing significant quantities of spat to supply pearl farms in the Exmouth Gulf and the Montebello Islands. Similarly, the production of black lip pearl oyster *Pinctada Margartifer* at several hatcheries continues to supply juveniles selected from high quality broodstock.

Markets and opportunities

The year 2001-02 was a difficult year for the Western Australian pearling industry, as the industry experienced a decline in pearl prices resulting mainly from the general economic downturn in Asia, and oversupply of low to medium quality pearls on the world market. The annual value of production of around \$150 million in 2000-01 was well down on previous years' figures, which fluctuated between \$180 million and \$220 million.

The Pearl Producers' Association reported that there had been some recovery in the pearl market in 2002 after a subdued year in 2001.

A pickup in sales to the United States, the world's largest market for pearls, was reported to be the main driving force. Many companies, especially those in the United States and Europe, needed to buy fresh merchandise early in 2002 after having reduced purchases significantly in the final quarter of 2001.

Australian pearls are exported to over thirty countries. According to the data provided on pearl exports by country of destination, the main destinations in 2001-02

Industry Groups

Pearl - Oysters

were Hong Kong, the United States, the United Kingdom, Switzerland and Japan. It should be noted, however, that country detail was provided for only around a third of pearl exports. The value of pearl exports in 2001-02 was \$417.6 million.

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From 1999-2000, the value of pearl exports have been adjusted to include items temporarily exported. Therefore, the export figures from 1999-2000 cannot be compared with those for years prior to 1999-2000.

The global pearl market has changed considerably in recent years.

Around 25 years ago, Japanese Akoyas held 90 per cent of the market. However, with the recent large increases in the production of South Sea white, Tahitian black, and Chinese freshwater pearls, South Sea and Tahitian pearls together now represent half the world market, with freshwater pearls and Akoyas each taking a quarter.

In the early 1990s increased investment in pearl farms in China, south east Asia and the South Pacific led to significant increases in production in, and exports from, these areas. As prices fell, major markets such as the United States and Europe increased their pearl imports. In Europe, pearl imports doubled in value between 1995 and 2000, while in the United States they quadrupled.

China's output of freshwater pearls accelerated in 1998 and 1999, with annual production at sizes ranging from 1 mm to 15 mm in diameter increasing to 800–900 tonnes in 1999 and to 1200 tonnes in 2001. South Sea pearl production, both black and white, also accelerated, leading to significant falls particularly in the prices of lower and medium grade pearls. Concerned about its product's image, the government of Tahiti has introduced stricter regulations on pearl exports, and Tahiti cut pearl production. In mid-2002, Hong Kong auction prices were more than 20 per cent up on their September 2001 level.

Outlook and risks

The Western Australian pearling industry is concentrating its efforts in branding 'Australian South Sea Pearls', which will allow authentication of the country of origin and quality

Industry Groups

Pearl - Oysters

certification. Following a recent National Competition Policy (NCP) review of the industry, the Western Australian government decided not to deregulate the Western Australian pearling industry and the hatchery quota management system for oysters in the industry at present. The policy approach currently being taken allows for regular review of the market and the oyster resource in the setting of the total allowable catch for the wild oyster and the production levels from the hatchery shell technology developed over the past ten years. The aim is to maintain the continuity of supply of high quality pearls, and avoid the uncontrolled production that has been experienced in Tahiti and to some extent in Indonesia.

The first commercial harvest of black pearls from Shark Bay and the Abrolhos Islands took place in 2001-02. Currently there are over 1000 hectares licensed for the culture of pearl oysters in the Abrolhos Islands, of which 21 per cent is currently used, carrying over 210 000 shell. Site use is expected to increase over the next few years. The color of Abrolhos pearls is quite different from that of Pacific black pearls and may prove to be a useful marketing tool.

As large numbers of young shell are now approaching operable size, the number of seeded shell is likely to increase significantly and to exceed 100 000 shell by 2003. This large increase in production will lead to a higher profile for black pearls produced in Western Australia.

The [Aquaculture Council of Western Australia](#) projects that the value of Australian pearl production may reach \$500 million by 2010, with Western Australian production a significant proportion of this (ACWA 2002).

Industry associations

Pearl producers in Australia are represented primarily by the Amwing Pearl Producers' Association Inc.

[\(REF. Australian Aquaculture.
Industry profiles for selected species\)](#)

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