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HIA R&D project number: VG13107

Project VG13107 provided an overview of the regulatory options available to improve road transport efficiency in the Australian vegetable sector.

- **Evaluation of commercially available farm management software programs for the vegetable industry.**

HIA R&D project number: VG13106

Project VG13106 investigated the range of farm management software programs for use by Australian vegetable growers.





Benchmarking international road transport regulations.

Facilitators:

Project VG13107 was completed by Andrew Higginson, John Zeitch and Richard Hancock from HGH Consultants.

Introduction

Constraints imposed by rules and legislation governing the road transport industry have the potential to severely impact the efficiency of the horticulture supply chain and, in turn, reduce the international competitiveness of the vegetable industry in Australia.

About the project

Project VG13107 was designed to identify the areas in which the transport cost of vegetables in Australia could be lowered through the introduction of improved regulation, facilities and equipment work practices.

The study, which was completed in December 2014, comprised three major components – a benchmarking literature review, detailed interviews and discussions with transport operations and industry associations, and case studies to quantify the gains from the potential cost-saving areas identified.

Andrew Higginson, Director, HGH Consultants and member of the project review team, said the goal was to find options and strategies that could be used to address industry concerns relating to how road transport laws inhibit the proper transportation of perishables in the sector's supply chain.

"Road transport plays a vital part in the Australian economy," he said.

"The horticulture industry especially relies on this mode of transport for the delivery and distribution of fresh produce from the farm gate to supermarket shelves across the country."

For domestic transport, high-performance trucks, such as B-Doubles, and in the future possibly A-Doubles, offer efficiency, convenience and flexibility that pave the way for the door-to-door delivery of produce.

Mr Higginson said B-Doubles were used for approximately 70 per cent of long-distance road transport, providing Australia with an "unmatched productivity advantage".



"But a number of compounding factors at both ends of the supply chain make coordinating this process a logistical challenge and one that is very costly for growers."

"There is also concern among growers that road freight 'red tape' is increasingly imposing more rigorous conditions on movement of produce into time-sensitive freight sectors."

Major findings

Project VG13107 found that productivity initiatives introduced in Australia over the past 20 years were equal or better than those in place in many of the benchmark countries.

"There is no doubt these initiatives offer potential benefits to the vegetable sector," Mr Higginson said.

"Further major transport cost savings to the vegetable sector can be generated from greater use of higher productivity vehicles, along with the greater use of flexible working hours and access to higher vehicle mass limits, as was demonstrated in the case studies."

"However, the Australian experience – which is shared to varying degrees with the countries benchmarked in this study – suggests that the public does not like the concept of larger or heavier trucks on the road network despite the fact that these trucks are safer and more efficient."

Mr Higginson said the situation was further complicated by increasing congestion in built-up urban areas, environmental issues and an "ever-decreasing awareness of where produce actually comes from", resulting in a lack of empathy for the delivery task.

"There are significant commercial penalties incurred if produce is not delivered in accordance with market timeslots," he said.

"Costs of production are increasing as the extent of road freight regulation increases on supply chains."

"There is also a concern that enforcement levels are increasing without flexibility, and that penalties can be very high."

Conclusion

"Unfortunately, there is no 'silver bullet' solution to reducing transport costs in the Australian vegetable industry," Mr Higginson said.

"However, it's clear from the study results that there is scope to improving productivity in the transportation of vegetables within Australia's existing regulatory framework."

Areas where reform could be quickly pursued include increasing the use of higher-performance trucks, improving the use and design of existing trucks, and focusing on adopting "more flexible fatigue management regimes" for truck drivers involved in vegetable transport.

"The vegetable industry, and horticulture collectively, should also consider developing a 'vegetables road network' that combines the top five to 10 key vegetable road transport networks to improve efficiency," he said.

“Through identifying some of the constraints facing vehicle access on these key networks, we can work with relevant state and local governments to trial some test projects that deliver perceived benefits.”

THE BOTTOM LINE: VG13107

- There is potential for the vegetable industry to positively influence road transport regulation outcomes in Australia.
- An investment and engagement strategy would need to focus on developing reliable and consistent interactions with all parties involved, including national, state and local government and transport regulators, to raise awareness of the transport needs and to initiate programs that address these in a measurable way that reduces costs.

Acknowledgements

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Evaluation of commercially available farm management software programs for the vegetable industry.

Facilitators:

Project VG13106 was completed by Project Leader Belinda Hazell from TQA Australia Ltd.

Introduction

Australian vegetable growers are adopting new farm management practices and technologies, and adjusting the scale, mix and scope of their operations in response to seasonal and market conditions.

Farm management software programs are just one tool vegetable growers can use to improve their productivity and profitability as margins become tighter and market competition intensifies.

About the project

TQA Australia (TQAA) was commissioned by Horticulture Innovation Australia Limited to carry out research investigating the range of farm management software programs currently available to Australian vegetable growers.

A central desktop study was conducted in conjunction with vegetable grower interviews to identify the programs being used and the reasons and motivations for their use.

As a result of the project, a list of farm management software programs was compiled which vegetable growers can use to identify the most appropriate tools to purchase for their business, from crop management through to social media, that will meet their farm management needs.

Project Leader Belinda Hazell said Australian vegetable growers looking for ways to improve their skills in farm management had an array of resources at their fingertips.

“Computer software programs, mobile apps, telematics, agricultural drones, crop sensors, cloud-based platforms and even social media are just some of the new technology practices growers are adopting as the demand for real-time information increases,” she said.

“As well as this software, state-of-the-art equipment for cultivation, harvesting and maintenance also helps enhance the productivity of farms of all sizes.”

“Smaller farms that have less information to manage, on the other hand, can access paper-based manuals or record-keeping systems that are less expensive to use.”

“But as new technology options emerge, vegetable growers will need to be progressively agile to leverage their potential.”

Major findings

Today's vegetable growers recognise the value of implementing advanced technology to advance profits and decrease input costs.

However, Ms Hazell warns that farm management systems need to be flexible to monitor performance and to cater for the varying and changing needs of vegetable growers who are supplying markets with increasing expectations.

“Farmers will adopt new technologies only if they offer convenience, simplicity and a clearly demonstrated commercial advantage,” she said.

“Benefits cited in the study ranged from improved farm performance to the ability to measure and monitor costs, roll out integrated data collection in real-time and a greater access of information to account and financial advisors – all of which are easily updated and can be automatically calculated in a useable format.”

“But we also found that like most technologies, there are a range of barriers some vegetable growers may need to address to capture benefits.”

Ms Hazell said computer skills required to interpret, navigate and work with software was raised as a common issue among growers, along with the time required to understand the software system.

“Vegetable growers who were interviewed for this project raised the interconnectivity of software and ability to access and/or the speed of internet connections as key business impediments,” she said.

“So for the sector to remain competitive, the Australian Government must maintain a priority focus to invest and deliver services in key growing areas.”

Recommendations

For mainstream vegetable growers and agribusinesses to fully understand the capabilities of new technologies and how best to adopt them, Ms Hazell recommends they take on board further industry training and case studies.

“In particular, vegetable growers should be more aware of how to use social media as an effective tool for connecting with consumers and marketing their produce,” Ms Hazell said.

“However, the lack of scale in regional and remote areas could prove an issue, which is why the federal government should provide new funding for these growers to access customised and contextualised training to improve technology adoption and facilitate practice change.”

“Given the speed of technology innovation and new products entering the market, this list needs to have an industry custodian to review and update information so it remains current and relevant – maintaining its value to industry.”

Ms Hazell also said peak industry bodies play an important role in promoting awareness and adoption of emerging horticultural technologies.



THE BOTTOM LINE: VG13106

- The impact of recent advances in computer technology on farm management is expanding with the adoption of new technology practices.
- As new technology options emerge, vegetable growers will need to be progressively agile to leverage its potential.

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*Please contact Shaun Lindhe at AUSVEG on 03 9882 0277 or email shaun.lindhe@ausveg.com.au to submit topics for potential inclusion in future editions of **vegenotes**.*

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PO Box 138, Camberwell, Vic, 3124

T: 03 9882 0277 | F: 03 9882 6722

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