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- **Domestic and export market access and trade viability issues - strategy to address.**

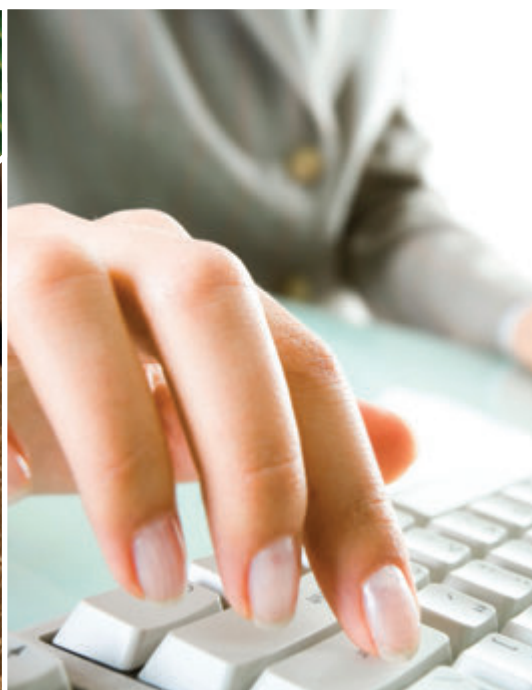
HAL R&D project number: VG12042

Project VG12042 produced a strategy to assist the Australian vegetable industry to prioritise export markets, identify impediments to market growth in Australia and overseas, and explore the potential of an export agent accreditation program.

- **Investigating future training and education opportunities for both new and existing vegetable industry members.**

HAL R&D project number: VG12077

Project VG12077 investigated the methods by which the Australian horticulture industry, and specifically the vegetable industry, can stimulate interest in and increase the undergraduate uptake of horticultural courses at universities and colleges.





Domestic and export market access and trade viability issues - strategy to address.

Facilitators:

Project VG12042 has recently been completed by Michael Clarke (AgEconPlus Pty Ltd), Mike Titley (MHT Consulting) and John Baker (Produce Marketing Australia).

Introduction

Project VG12042 produced a strategy to assist the Australian vegetable industry to open new domestic and export markets and make existing markets more viable. To deliver the strategy, it was necessary to focus on three key issues: domestic and export impediments, relevant leivable products and existing and potential markets.

“Despite a long and somewhat obvious set of impediments, Australia retains a foundation in vegetable exporting that can be used to deliver additional export success,” researcher at AgEconPlus, Michael Clarke said.

Australia’s comparative advantages include commercial and personal relationships in Asia, world class food safety systems, mechanisation of production in some crops, relative proximity to Asia and the Middle East, technological developments that improve fresh vegetable shelf life and innovations in domestic market value-adding and category management that have potential in overseas markets.

About the project

“The research has shown that a subset of levied Australian vegetables has potential for additional sales in export markets,” Mr Clarke said.



“Products with additional export potential include beans, broccoli, capsicum, carrots, celery, leeks, lettuce (baby leaf salad and head) and sweet corn.”

Mr Clarke said Australia was not competitive on price in export markets selling traditional undifferentiated commodity lines.

“Australia’s successful carrot export sector has demonstrated how a sector can differentiate itself on the basis of food safety, quality and reliability.”

“Additional sales in both domestic and export markets will require a ‘package’ that includes product development, targeting market segments, building relationships, promotion and long-term commitment.”

Markets with additional sales potential were selected following application of appropriate criteria including current and future market access, trade relationships with Australia, demographics and capacity to pay, vegetable consumption and production, relative size of market segments, supply windows and freight and logistics.

Preferred destinations and specific market segments were nominated in East Asia, the Middle East and New Zealand.

Major findings

Domestic and export market access, as well as specific actions for priority levied crops, industry development, market development, marketing and a program of policy initiatives have been recommended to assist the Australian vegetable industry to open new markets and make existing markets more viable.

Twenty-seven actions were identified, prioritised and presented by the research team in a format that facilitates their funding under the Vegetable Industry’s Strategic Investment Plan.

Mr Clarke said specific actions within the trade improvement plan target improved domestic market access.

“The most important action is research to support improved interstate access for Queensland vegetables through continued investment in fruit fly research – additional data sets, appropriate lures and a trial of the domestic protocol for fruit fly irradiation.”

To facilitate export development, the potential of an export/import agent accreditation program was explored. The goal of such a program would be to provide additional assurance of payment to vegetable growers contemplating export for the first time.

Mr Clarke said the program would also be applicable to established vegetable exporters interested in expanding their business.

“The preferred approach for vegetable growers concerned about credit risk is a combination of Credit Risk Assessment Training and the keeping of a simple information register,” Mr Clarke said.

Finally, an export viability checklist is provided for growers contemplating expansion of their business into export markets.

Next Steps

Findings from the project have been embraced by the Market and Value Chain Development (MVCD) Design Team, which has worked with HAL to capitalise on the identified opportunities.

Follow up projects include, but are not limited to:

- Market analysis and strategy for beans and baby leaf in Malaysia and the United Arab Emirates
 - Symposia to identify the best genetics for exporting carrots, sweet corn, beans, baby leaf and broccoli
 - Market analysis and strategy for carrots and sweet corn in Malaysia and the United Arab Emirates
 - Market analysis and strategy for broccoli to Japan
- Other projects will address domestic barriers to export development.

THE BOTTOM LINE: VG12042

- Profitable opportunities exist for growers and the supply chain where they target value-added products including packaging and service, or take advantage of quality, reliability or safety points of difference.

Acknowledgements

The project was funded by HAL using the National Vegetable Levy and matched funds from the Australian Government.



Investigating future training and education opportunities for both new and existing vegetable industry members.

Facilitators:

Project VG12077 has recently been completed by Primary Investigator, Richard Mulcahy of AUSVEG Ltd.

Introduction

In January this year, Australian universities reported a 15-20% increase in the number of students studying agricultural and horticultural science.¹ This has been against a backdrop of a 40% decline in the number of students taking agricultural science degrees across the country since 2000.

About the project

Developed by Primary Investigator Richard Mulcahy, this project saw a subgroup from the Australian vegetable industry's Consumer Alignment Design Team participate in a series of meetings throughout Australia with several recognised agriculturally focused universities.

The meetings aimed to stimulate ideas on how the vegetable industry can increase the uptake of horticultural courses by tertiary students. They also aimed to boost the training and up-skilling of existing growers and their employees while limiting the impact on the day-to-day operations of their business.

Several universities were identified as delivering agricultural courses: Curtin University (WA), University of Western Australia (WA), University of Adelaide (SA), University of Tasmania/Tasmanian Institute of Agriculture (TAS) and University of Queensland.

One member of the delegation, Belinda Adams (Consumer Alignment Design Team) said the expectation was for the team to draw on the information and insights discovered to facilitate strategies for future improvement.

"We were interested in assessing how our universities were tracking in terms of educating our new generation of farmers, particularly with a focus on horticulture and vegetables," she said.

"We also wanted to establish how well these institutions were supporting their students in completing their degrees and how the courses were being marketed."

Major findings

While national enrolments across the selected universities suggest that the uptake of agricultural courses may in fact be increasing, which is in contrast to the perceived decline of enrolment numbers in agricultural-related courses, they are nonetheless significantly lower than they were 10 years ago.

"Interestingly, we found that many agricultural courses have either been discontinued or merged into other courses which means that enrolment numbers are not a true indicator of industry graduates," Ms Adams said.

"There are no courses offered at any universities that exclusively focus on horticulture and a number of agricultural courses have a reduced or limited focus on horticulture."

Ms Adams said information provided has also indicated that the majority of enrolments in agricultural courses did not translate into horticultural careers.

¹ International Society for Agricultural Science, April 2013.

“Across the board there seems to be a negative perception underpinning the industry, with specific reference to the apparent shortage of employment prospects.

“There is also evidence that suggests that university scholarship programs are doing little in stimulating interest and competition in agricultural courses.”

“From an industry perspective we need to communicate that there are a multitude of jobs available and a range of national companies looking for graduates.”

“At the moment, students are not gaining access to essential job-related knowledge, which consequently will guide them through their university degree to consider horticulture.”

Several suggestions and strategies were proposed by representatives of the universities visited in terms of way in which enrolments could be increased and courses more targeted towards horticulture.

Conclusion

Ms Adams said the recent trend indicating that enrolments have halted and in some cases, may now be reversing has not necessarily translated into any tangible benefits for the Australian horticulture industries, and specifically, the vegetable industry.

“The interest in these courses is certainly there, which is very encouraging,” Ms Adams said.

“Now, it’s simply a matter of supporting course enrolments in a more constructive way to ensure students are properly guided throughout their education.”

“An ideal solution is supporting science-focused students through scholarship programs that are delivered in tandem with paid work placement opportunities, so that they can gain the vital workplace experience which will lead them into subsequent employment,” Ms Adams said.



“To be effective, these scholarships should target students who have one to two-years remaining in their studies and who have demonstrated an interest in horticulture.”

Ms Adams said the scholarship strategy should be coupled with the opportunity for access to paid work through an established and recognised grower network during coursework placement.

For the industry to address the issues identified by this project, is recommended that the recent work/activities undertaken be extended, or that a secondary project be created.

Avenues for further research in this area would provide scope for the industry to consider applying these strategies practically.

THE BOTTOM LINE: VG12077

- Investigate the feasibility of a scholarship program or scheme to ensure graduates enter the vegetable industry.
- Provide vegetable levy payers with direct access to funds that would subsidise skills enhancement and education.
- Engage a marketing mechanism that promotes the virtues of the Australian vegetable industry and participation within it.

Acknowledgements

This project was funded by HAL using the National Vegetable Levy and matched funds from the Australian Government.

Photo credits:

VG12042 photos credit: Michael Clarke (AgEconPlus Pty Ltd)

*Please contact Hugh Gurney at AUSVEG on 03 9882 0277 or email hugh.gurney@ausveg.com.au to submit topics for potential inclusion in future editions of **vegenotes**.*

ISSN: 1449 - 1397

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This project has been funded by HAL using the National Vegetable Levy and matched funds from the Australian Government.

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