

Final Report

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Australian Summerfruit Industry Export Strategy Final Report

Project leader:

Georgie Aley

Delivery partner:

KPMG Australia

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- No**
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Level 7/141

Walker St

North Sydney NSW 2060

Telephone: (02) 8295 2300

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Summary

The Australian Summerfruit industry export strategy for 2023-2028 aims to achieve overall growth in export value and volume across peaches, nectarines, apricots and plums by providing industry stakeholders with practical direction to develop international relationships, understand key supply chain and consumer nuances, and form a clear understanding of how to succeed in identified export markets.

The strategy will support the industry to grow exports, ensure the ability to maintain and increase global market share, build export capacity and capability, and provide necessary support to relevant stakeholders across export supply chains. Ultimately, this strategy aims direct activities that will grow summerfruit exports across all categories to the equivalent of 2018/19 (23,000t), achieving further year on year growth of export volume and value alongside enhanced quality of exports in subsequent seasons.

SF22000 has consisted of the development of a five-year Export Strategy for the Australian Summerfruit industry, together with a market prioritisation and opportunity development report which identifies export opportunities across six key export markets. This project was completed using desktop analysis as well as stakeholder consultation with the Project Reference Group (PRG).

The outcomes of this project identify the priority activities that the Australian Summerfruit industry should focus upon to achieve export growth, increase productivity, improve awareness/capacity for industry adoption and provide commercially relevant direction to growers.

The focus of this work was to uncover opportunities for new and continued export growth in the summerfruit industry, both with existing trading partners as well as untapped export markets. At a high level, the approach taken to complete this project included:

1. Development of a prioritisation criteria
2. Assessment of a long-list of potential export markets
3. Selection priority markets
4. Gathering of detailed market intelligence to inform export opportunities in each market
5. Development of Export Strategy

To ensure the Export Strategy aligns with current industry capabilities and future ambitions, industry members were consistently involved throughout the project. This input helped to ensure project recommendations were practical, had commercial relevance, and are achievable by industry.

Initial analysis was conducted on nineteen (19) geographically dispersed markets throughout South East Asia, East Asia, the Middle East, North America and Oceania. These markets were assessed against core criteria developed in collaboration with the PRG to select the top six priority export markets for inclusion in the project.

Export opportunities for each of the prioritised markets were identified in line with current and future industry capability. These opportunities were identified through desktop research together with insights extracted from the development of a phytosanitary matrix and other stakeholder consultations.

Overarching whole-of-industry activities were also identified to guide the Australian Summerfruit industry and other key stakeholders in their efforts to grow export volume and value. The opportunities identified in the Export Strategy are centred around the below key themes:

- Maintain and expand market access
- Enhance industry collaboration
- Achieve growth through targeted market development
- Optimise supply chains

Keywords

Summerfruit; Global Export Markets; Supply Chain; Market Access; Trade; Export; Consumer

Introduction

In recent years, the Australian Summerfruit industry has become more export oriented in a push to drive sustainable industry growth and create market opportunities for fresh summerfruit. However, the Australian Summerfruit industry has experienced limited levels of export volume growth (-0.3%) in the five (5) years to 2022.¹ As a result, there is a need to continue driving market development for fresh summerfruit in export markets to underpin domestic industry growth and productivity. The following market dynamics have contributed to a renewed need for a summerfruit export strategy:

Once reliant on processing, the Australian Summerfruit industry is transitioning towards fresh consumption in domestic and export markets

The Australian Summerfruit industry is undergoing a transition away from processing. This shift is attributed to high local processing costs compared to imports, and shifting consumer preferences in local and global markets for fresh fruit.¹ As a result, there is a need to continue driving market development for fresh summerfruit in domestic and export markets to underpin industry growth and productivity.

Summerfruit exports provide an opportunity to drive industry volume and value growth and diversification opportunities for the sector

Australian Summerfruit growers have an advantageous seasonality window to compete in the global export market. Peak export aligns with the northern hemisphere counter season, presenting Australian growers with export opportunities in several markets with strong demand for summerfruit. In these markets Australian Summerfruit growers face competition from both Chile and South Africa.

Additionally, the southern hemisphere accounts for approximately 15.9% of trade, with an average of 26% of southern hemisphere domestic production exported. This indicates a strong demand and opportunities for counter seasonal trade.²

The Australian Summerfruit industry has experienced limited levels of export growth in the past five years

The Australian Summerfruit industry has experienced a 0.3% reduction in the volume of exports in the period between 2017-2022.² This presents a renewed opportunity to establish a strategy that aims to increase export volume and value growth. In order to achieve export growth, the industry must ensure existing markets are maintained and grown, whilst negotiating improved market access pathways to diversify potential export destinations.

To drive future export growth, the updated Australian Summerfruit Industry Export Strategy intends to enable the Australian Summerfruit industry to grow exports, ensure the ability to maintain and increase global market share, build export capacity and capability, and provide necessary support to relevant stakeholders across the export supply chain.

This strategy intends to work toward the following outcomes:

- Growth in export value, volume and countries and markets addressed
- Increased activity and engagement in export market opportunities
- Greater awareness and capacity for industry adoption
- Practical, commercially relevant direction for growers

To achieve this the Export Strategy:

- Unpacks the current state of the Australian Summerfruit industry.
- Identifies priority export markets for industry to target, based on a number of validated criteria.
- Summarises industry's reported experiences, challenges and ambitions for exporting to these priority markets.

¹ Hort Innovation, 2022, Summerfruit; Strategic Investment Plan (2022-2026)

² Hort Innovation, 2021, Summerfruit global market analysis 2021/22

- Analyses the phytosanitary requirements of each market and how this impacts export opportunities
- Uses these insights to outline short, medium and long-term objectives for Australian Summerfruit exports to pursue or expand exports in these markets.
- Recommends a series of practical activities to work toward these objectives.

This Export Strategy has been designed to position the Australian Summerfruit industry with the intelligence, direction and support it needs to unlock new and diverse export opportunities over the next 5 years (2023-28).

Methodology

A phased approach was used to carry out SF22000 to ensure that targeted objectives were met within the required timeframe.

Phase 1: Understanding Industry Export Objectives

In this phase, a Project Reference Group (PRG) kick off workshop was conducted to confirm set project cadence, agree on the export markets for inclusion in the study and confirm assessment criteria for prioritisation. This was complemented by a current state information review. Stakeholder outreach was also performed to organise the industry workshop in Phase 2.

In the first PRG workshop, industry representatives were probed on their priorities for the project and other key focus areas and plan analysis accordingly. We worked with PRG to agree market assessment criteria which helped dictate the prioritisation process amongst export markets.

In the current state review, we examined existing reports on Australian Summerfruit exports, horticulture and supply chain to help develop a high-level phytosanitary market access matrix. This was supported by the MICOR platform, input from biosecurity experts at Hort Innovation and the Department of Agriculture, Fisheries and Forestry (DAFF) and other desktop resources.

Phase 2: Industry capability assessment

The objective of this phase was to consult growers via an industry workshop to inform the industry capability assessment and export market prioritisation.

In this phase we designed an export maturity index to be tested in the industry workshop to assess industry's capability and capacity for export. The index included an assessment of industry's current knowledge of export supply chains, operational efficiency, consumer demand, industry knowledge, future ambitions and barriers to expansion.

We then hosted a successful industry workshop to confirm this maturity index. The workshop was used to share, validate, and test learnings from initial research and present outputs of the phytosanitary matrix to inform views on opportunity prioritisation. The workshop also facilitated discussions with industry members around future ambitions and current pain points experienced in exporting or pursuing export to priority markets. A number of key takeaways were extracted from the workshop to represent industry's collective view, which provides evidence for export opportunities and recommended activities in the final Export Strategy.

Phase 3: Export market prioritisation

The objective of this phase was to prioritise key export markets to inform opportunities presented in the export strategy, as validated by the PRG and Hort Innovation. In this phase initial research was conducted on each export market to develop an understanding of the level of opportunity presented for the Australian Summerfruit industry members. Research considered trade and market dynamics, growth potential, consumer preferences and market access considerations.

Both quantitative and qualitative analysis of market intelligence criteria was then conducted to determine the six (6) priority markets for inclusion the summerfruit export strategy. The analysis for each market was tailored to the strategic considerations of both existing markets and prospective markets. The market intelligence criteria were identified by the PRG and Hort Innovation and were gathered to inform the prioritisation of the market long-list.

The analysis identified China, Taiwan, Vietnam, USA, Japan and New Zealand as priority markets for the strategy. For each of the six (6) priority markets, an in-depth market profile was developed. These profiles include analysis on each market's trade environment, consumer preferences, markets access considerations and retail landscape to inform the market specific opportunities for the Australian Summerfruit industry and guide further whole-of industry activities and initiatives.

Phase 4: Strategy Development and Recommendations Reporting

The objective of this phase was to form a targeted Export Strategy for the industry that highlights short-, medium- and long-term opportunities and objectives, and the actions required by Industry and Government to implement such opportunities.

Along with performing additional research on market shortlist where required, we identified evidence-based

objectives, opportunities, and actions for Export Strategy development over a 5-year period. The strategy included long term strategic market access opportunities and a high-level indication of the activities that may be needed for realisation

A final PRG workshop was conducted to test and validate the draft strategy to ensure practicality and review it holistically. Feedback was incorporated to finalise the Export Strategy and Prioritisation Report.

Outputs

The two key deliverables for SF22000 were the Export Strategy and a Market Profile Report. A high-level summary of each section of both reports is included below:

Export Strategy

Executive summary

The Export Strategy highlights targeted short-, medium- and long-term opportunities and objectives for the Australian Summerfruit industry, and the actions required by industry to realise such opportunities. The Strategy explains the key drivers behind the industry's ambition of increasing the share of production exported across all categories to the equivalent of 2018/19 (23,000t), achieving further year on year growth of export volume and value alongside enhanced quality of exports in subsequent seasons.

The strategy outlines key activities and initiatives to position the Australian Summerfruit industry for success, the activities revolve around four key themes:

- Maintain and expand market access
- Enhance industry collaboration
- Achieve growth through targeted market development
- Optimise supply chains

Current state overview of Australian summerfruit exports

In recent years, the industry has become more export oriented. In the 2021/22 season, exports of Australian Summerfruit reached 17,548 tonnes, with a total value of AUD \$79.6m. Currently, Australia exports 16.6% of production to markets predominantly in Asia and the Middle East. The Australian Summerfruit industry has experienced limited levels of export growth in the past 5-years, presenting a renewed opportunity to establish a strategy that aims to increase export volume and value growth

A key focus for the Australian Summerfruit industry is to ensure maintenance and growth in existing markets as well as negotiating improved market access pathway opportunities, which will diversify potential export destinations. Australia's current top export markets for summerfruit categories include China, Singapore, Hong Kong, Malaysia and the United Arab Emirates. Jurisdictions which Australia may consider pursuing market access include USA, South Korea, Japan and New Zealand.

Future export objectives & industry activities

Short-, medium- and long-term goals were mapped against each of the four (4) key themes in order of priority. These included:

- Maintain and expand market access
- Enhance industry collaboration
- Achieve growth through targeted market development
- Optimise supply chains

Market Profile Report

Executive summary

The focus of the Market Profile Report was to uncover opportunities for continued growth, both in existing export markets and new destinations, while identifying the priority activities that the Australian Summerfruit industry should focus upon to achieve the four desired outcomes below:

- Growth in export value, volume and countries and markets addressed
- Increased activity and engagement in export market opportunities

- Greater awareness and capacity for industry adoption
- Practical, commercially relevant direction for growers

The Australian Summerfruit industry has the opportunity to pursue new and rapidly growing export markets as well as expand presence in markets where strong demand for Australian summerfruit already exists. Significant market growth is possible through targeted actions in China, Taiwan and Vietnam, with further growth opportunities presented by new market access applications in the USA, Japan and New Zealand.

Outcomes

The key outcome for

“This project seeks to contribute to growing overall export value and volume and ultimately provide the Australian industry with practical direction to develop international relationships, understand key supply chain nuances, identify regulatory factors, and form a clear understanding of how to succeed in identified export markets.”

This contributes to the overarching SIP outcome:

“Demand creation will support industry to develop existing and future markets, domestically and internationally. This will contribute to improved consumer knowledge and attitudes and encourage purchase intent to drive category volume growth.”

as met this core outcome through the following:

- Identification of high potential export markets and opportunities to improve trade performance.
- Engagement with industry to validate market intelligence findings and understand the issues facing producers.
- Analysis of consumer preferences, consumption channels, and supply chain considerations within each market identified.
- Development of short-, medium- and long-term export objectives mapped across a 5-year timeline

Monitoring and evaluation

SF22000's stated goals have each been met – having reviewed good engagement and feedback from key stakeholders. The outcomes noted in the previous section can be evaluated by tracking against the five key evaluation questions listed in the project's Monitoring and Evaluation plan.

— To what extent has the project achieved its expected outcomes?

SF22000 has met the expected outlines listed in the Monitoring and Evaluation plan. Please see the above 'outcomes' section for relevant details as to how the project has met the intended outcomes.

— How relevant was the project to the needs of the intended beneficiaries?

A PRG was established to represent the views and perspectives of summerfruit industry members, or the 'intended beneficiaries of the project'. Having been engaged at the project kick off and intermittently throughout its delivery, the Project Reference Group (PRG) actively shaped the project's methodology and outputs by driving the selection of six export markets for analysis.

The draft Export Strategy and Market Profile Reports were also validated with the PRG at the completion of the project to ensure it aligned with expectations, and requested modifications were actioned accordingly. The proposed structure of the final report was also sense-checked with this group, to ensure the format was relevant for their needs. As such, the reports are clear and concise to ensure accessibility of all industry participants, and that outputs are relevant, practical and helpful to guide the next steps for export growth in the industry.

The project's outputs will equip beneficiaries with knowledge and capacity for industry export development, by identifying commercially relevant insights for growers relating to export development. This has been achieved through the provision of detailed insights on in-market consumer preferences and other product and market-specific considerations.

— How well have the intended beneficiaries been engaged in the project?

As outlined above, a representative panel of growers and summerfruit industry representatives were engaged from the outset of this project and intermittently throughout. The outputs from each phase of work, as described in the methodology section above, were socialised, challenged and validated by the PRG before proceeding with subsequent activities. Project outputs received positive feedback from key stakeholders.

Minor adjustment to project timelines were also made to ensure the PRG had adequate time to digest, review and challenge project deliverables to ensure they were of high quality. Further industry engagement was also achieved through an industry capability workshop to understand existing export capabilities and tailor strategic recommendations accordingly.

— To what extent were engagement processes appropriate to the target audience/s of the project?

The consultation methods and timelines were flexible enough to cater to key stakeholders. Meetings took place virtually and enabled strong input from the PRG. This was an important factor especially in the selection of six export markets for analysis.

Virtual engagement was sufficiently prepared to ensure discussions engaged each participant. The virtual format of delivery was engaging and informative through the use of visual aids, with any relevant materials circulated to the PRG at least one week in advance of the session.

— What efforts did the project make to improve efficiency?

Firstly, the delivery team was selected in order to improve execution of the project. Team members with specific previous experience in the horticulture sector and with trade and export experience were resourced, which enabled prior knowledge to be appropriately leveraged and built upon. The team was informed on key resources in which to scan for country profiling, ways to analyse export data, and best practice for engaging with horticultural stakeholders.

Documents were shared with Hort Innovation and the Project Reference Group with enough time to allow review and feedback, and meetings were scheduled with enough lead and flexibility to prepare and include all participants.

The project approach was also deliberately phased, with key stage-gates or objectives set for each of the major

phases. This was designed to ensure that the project was process driven and robust in how it approached the industry's requirements. As a result of clear timelines being laid out in the project plan, this ensured that the project ran more efficiently and was delivered on time, to budget, and effectively. Providing the team with set goals for each phase ensured that SF22000 was completed in a logical manner.

Recommendations

Given that SF22000 comprises of an Export Strategy and a Market Profile Report. The purpose of the Strategy is to position the Australian Summerfruit industry with the intelligence, direction and support it needs to unlock new and diverse export opportunities over the next five years 2023-2028. As such, the recommended 'next steps' for industry upon the completion of SF22000 are as follows:

- **Maintain and expand market access:** Improve compliance with phytosanitary requirements in protocol markets through conducting additional research and updating datasets. Market maintenance can be strengthened further by improving protocol arrangements on the basis of successful intelligence gathering and negotiations.
- **Enhance industry collaboration:** Enhance the co-ordination and communication between stakeholders across the Australian Summerfruit industry, including growers, industry bodies, government, and overseas partners including supply chain stakeholders.
- **Achieve growth through targeted market development:** Educate international consumers on the value proposition of Australian Summerfruit to increase product awareness and reputation, and drive greater revenues for growers.
- **Optimise the supply chain:** Work with importers and retailers to improve the handling and storage of Australian Summerfruit, particularly as it relates to the in-market cold chain, to deliver fresher fruit to consumers.

Refereed scientific publications

There are no refereed scientific publications published during the reporting period that can be attributed or partly attributed to the project.

References

The references used in SF22000 are detailed in the footnotes of the Summerfruit Export Strategy and Market Profile Report.

Intellectual property, commercialisation and confidentiality

No project IP, project outputs, commercialisation or confidentiality issues to report.

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Name	Organisation
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Charlotte Brunt	Summerfruit Australia Limited
Trevor Randford	Summerfruit Australia Limited

Appendices

- SF22000 – Market profile report
- SF22000 – Summerfruit industry export strategy (2023-2028)