

Horticulture Innovation Australia

Final Report

Vegetable industry participation in the South Australian Government traded mission to SE Asian 2016

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AUSVEG SA

Project Number: VG15075

VG15075

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Media summary

The AUSVEG SA State Manager and two leading growers recently accompanied the South Australian Minister for Agriculture, the Hon. Leon Bignell MP and around 70 leading business and government officials to Singapore, Malaysia and Thailand as part of a formal Trade Mission to strengthen trade ties.

This is the second year AUSVEG SA has participated as part of a levy-funded project, which is one of the cornerstones of our state export program each year. The Mission was again a fantastic opportunity to strengthen business networks with buyers and trade officials in overseas market and served as an opportunity to raise the profile of horticulture within the South Australian government's trade priorities. Participating growers were able to explore a number of business opportunities in these key export markets.

Two leading growers were funded by Hort Innovation to attend the Mission with the AUSVEG SA State Manager. T Musolino and Co are a leading field broccoli, cabbage, cauliflower and lettuce grower who were looking into opportunities to export a number of value-added products in these export markets. HL Hydroponics are a high tech greenhouse producer of capsicums, cucumbers and tomatoes who were participating in the mission as a means to testing the market for these products. Participating growers have reported significant interest in some produce lines following the mission and are currently working towards sending trial shipments for export. AUSVEG SA is now working on follow up and linking the growers to relevant export funding.

The Mission commenced in Singapore on 24 July 2016 with an official welcome reception and briefing for delegates. The following day, AUSTRADE provided delegates with a brief of the Singapore market before the group visited a number of leading supermarkets before a gala dinner in the evening with Singapore produce buyers. The following day participants visited a Singapore wholesale market before travelling to Kuala Lumpur Malaysia.

The first full day in Malaysia comprised visits to a number of supermarkets including AEON and TESCO Malaysia to meet fresh produce buyers. In the evening the South Australian Government hosted a gala dinner for delegates including key fresh produce buyers and industry figures from Malaysia. This was an opportunity to further consolidate a number of relationships AUSVEG SA had established on last year's mission.

In Thailand, the Mission visited the wholesale markets as well as a local hydroponic bagged salad producer. In the afternoon the group visited Thai supermarket Central Food Retail group in Bangkok before a showcase networking event in the evening where AUSTRADE arranged for a number of leading Thai fresh produce buyers from a number of supermarkets and wholesalers to meet the group.

Overall, the 2016 SE Asia Trade Mission was an excellent opportunity for AUSVEG SA to further consolidate our trade relationships in South East Asia to allow our association to better assist our local growers to export. Key findings of the Mission also inform AUSVEG national export activities, for example, where feedback from the Thailand leg of last year's event was a contributing factor to AUSVEG national office opening up the 2016 'Reverse Trade Mission' to Thai companies. The Mission is well supported by government and was productive in ensuring government representatives and in-market trade staff better understood the needs of the horticulture industry and our export potential. The Mission is also very cost effective due the considerable resources government contributes such as on-ground transport, catering for dinners and organisation of appointments for industry.

Expected outcomes and how they were achieved

The key objectives of the 2016 South Australian Government South East Asia Trade Mission were:

- A greater understanding of the market requirements, supply chains and buyer requirements in key export markets such as Singapore and Malaysia
- An opportunity to communicate industry needs to in-market AUSTRADE staff, and South Australian government officials to guide future government investment and resource delivery
- An opportunity to see first-hand the supply chain infrastructure in international markets to better understand the logistics requirements.

The Mission achieved all of its stated objectives, with key findings against each objective included below.

Objective 1: Greater understanding of market requirements, supply chains and buyer requirements in key export markets

Key findings from the Mission are included below for each of the markets visited.

Singapore findings

As a result of meetings with buyers, wholesalers and retailers the AUSVEG SA participants were able to gain the following insights into the Singapore Market.

Market snapshot: Singapore

Key observations from the Singapore component of the Mission

Key buyers:	Cold Storage, AEON Supermarkets, Benelux Flowers and Produce, Freshmart, NTUC Fairprice
Market Access:	All vegetables
Cold chain:	Wholesalers and supermarkets have significant cold chain infrastructure including refrigerated transport out of Changi International Airport. Cold Storage in particular is attractive due to its higher retail prices than lower cost bulk supermarkets.
Pricing	<i>Singapore market opportunities:</i> <ul style="list-style-type: none"> • Bagged salad 100gm (\$5-\$6.00/bag retail) • Capsicum (\$1-1.50 each) • Broccoli/Cauliflower (\$7-18.00/kg retail) • Head lettuce (\$2-\$4/head) • Organic broccoli (\$14.80/kilo retail)

	<p><i>Limited opportunities:</i></p> <ul style="list-style-type: none"> • Bunch lines in 200gm sleeve (\$2-\$3.00 retail) • Carrots (\$1.40-\$4.00/kg, SA growers competing with WA) • Celery (\$3-\$5.50 sleeved, SA growers competing with WA, VIC) • Beans (\$1.00/500g) • Potatoes (\$4.00/kilo brushed retail) • Onions (\$4.50/kilo retail)
Packaging	<ul style="list-style-type: none"> • Widespread use of ‘clamshell’ packaging as supermarkets think it looks ‘fresher’ • Use of Australian branding of produce preferred due to our strong safety record • Wrapped produce (i.e cauliflowers, capsicums) commands higher price
Key in-market trade contacts:	<ul style="list-style-type: none"> • Irene Tay, Business Development Manager, AUSTRADE Singapore
South Australian-based support:	<ul style="list-style-type: none"> • Jordan Brooke-Barnett, State Manager, AUSVEG SA • Todd Miller, Tradestart Advisor, AUSTRADE

Malaysia findings

As a result of meetings with buyers, wholesalers and retailers the AUSVEG SA participants were able to gain the following insights into the Malaysia Market.

Market snapshot: Malaysia

Key observations from the Malaysia component of the Mission

Key buyers:	TESCO Malaysia, Euro-Atlantic, AEON Supermarkets, D’Fresh
Market Access:	All vegetables
Cold chain:	<p>Wholesalers and supermarkets have significant cold chain infrastructure including refrigerated transport out of Kuala Lumpur International Airport.</p> <p>While there are opportunities through smaller format high end supermarkets, larger format supermarkets such as TESCO Malaysia are price conscious and require growers to be price competitive.</p> <p>Larger supermarkets are only cost-competitive for sea freight lines.</p>

Pricing	<p><i>Malaysia market opportunities:</i></p> <ul style="list-style-type: none"> • Capsicum (\$8/kg retail) • Broccoli/Cauliflower (\$10/kg for Australian product retail) • Celery, 1 trimmed stalk (\$4.00 retail) • Corn, 1 cobb (\$1.00 retail) • Head lettuce (\$2-\$3/head) • Potatoes (\$3.80/kilo retail) • Onions (\$4.00/kilo retail) <p><i>Limited opportunities:</i></p> <ul style="list-style-type: none"> • Bunch lines in 300gm sleeve (\$0.40 retail) • Carrots (\$1.00-\$1.60/kg, SA growers competing with WA) • Beans (\$1.00/500g) • Bagged lettuce (\$3-\$4.00/ 100g)
Packaging	<ul style="list-style-type: none"> • Widespread use of ‘clamshell’ packaging as supermarkets think it looks ‘fresher’ • Use of Australian branding of produce preferred due to our strong safety record
Key in-market trade contacts:	<ul style="list-style-type: none"> • Renee Lee, Business Development Manager, AUSTRADE Malaysia
South Australian-based support:	<ul style="list-style-type: none"> • Jordan Brooke-Barnett, State Manager, AUSVEG SA • Todd Miller, Tradestart Advisor, AUSTRADE

Thailand findings

As a result of meetings with buyers, wholesalers and retailers the AUSVEG SA participants were able to gain the following insights into the Thailand Market.

Market snapshot: Thailand

Key observations from the Thailand component of the Mission

Key buyers:	Central Foodhall, Global Trade and Distribution, AEON Topvalu (Thailand), Food Gallery, Villa Market
Market Access:	<p>Restrictions on fruit (tomatoes, capsicums, cucumbers) and potatoes. All other vegetables, such as hard vegetables, require a phytosanitary certificate.</p> <p>Since AUSVEG SA and AUSVEG developed relationships with buyers in Thailand last year, a number of Australian growers have started exporting to this market.</p> <p>There are strong opportunities with high end supermarkets such as Central Foodhall and good retail margins on a select range of produce although potential volumes are small compared to Singapore and</p>

	Malaysia.
Cold chain:	Major wholesalers and supermarkets have significant cold chain infrastructure.
Pricing	<p><i>Thailand market opportunities:</i></p> <ul style="list-style-type: none"> • Spring onions (\$2.30/bunch retail) • Carrots (\$2.50/kg retail) • Organic head lettuce (\$8/head) • Beetroot (\$6.00/bunch retail) • Broccoli (\$10/head retail) • Brussels Sprouts (\$6.00/pack retail) <p><i>Limited opportunities:</i></p> <ul style="list-style-type: none"> • Bunch lines in 300g sleeve (\$1.19 retail) • Bagged salad 200/g (\$2.80/bag retail) • Beans (\$1.60/500g)
Packaging	<ul style="list-style-type: none"> • Flow wrap, 'clamshell' and bagging preferred so the product looks 'fresh' • Use of Australian branding of produce preferred due to our strong safety record
Key in-market trade contacts:	<ul style="list-style-type: none"> • Chantimaporn Mekdhanasarn, Business Development Manager, AUSTRADE Thailand
South Australian-based support:	<ul style="list-style-type: none"> • Jordan Brooke-Barnett, State Manager, AUSVEG SA • Todd Miller, Tradestart Advisor, AUSTRADE

Objective 2: An opportunity to communicate industry needs to in-market AUSTRADE staff, and South Australian government officials to guide future government investment and resource delivery

AUSVEG SA was able to consolidate existing relationships and build further networks within government as part of the Mission. This included visiting key AUSTRADE in-market staff in Singapore, Malaysia and Thailand. These contacts will continue to be extremely useful for AUSVEG SA in linking South Australian growers with overseas assistance and ensuring we have access to the latest market intelligence to assist our local growers to export. AUSTRADE officials are now aware of the assistance AUSVEG SA can provide in matching their buyers with growers, which will hopefully lead to more trade enquiries for South Australian produce.

In addition, AUSVEG SA travelled with the South Australian Minister for Agriculture and key staff from Primary Industries and Regions SA (PIRSA). It is hoped that the increased exposure for horticulture will lead to greater governmental resources being devoted to our industry in the future

and it was beneficial to show them the significant potential for export growth in the South Australian vegetable industry.

Objective 3: An opportunity to see first-hand the supply chain infrastructure in international markets to better understand the logistics requirements.

AUSVEG SA participants were able to see cold chain and logistics facilities first-hand and assess where Australian vegetable growers should be sending their produce. Key findings are detailed below:

- In Singapore and Malaysia, major wholesalers and retailers maintain strong cold chain capabilities similar to Australia, but growers should avoid their produce going through wholesale markets.
- Upmarket supermarkets and wholesalers hold greater potential for South Australian growers due to their superior produce handling capabilities and willingness to absorb higher costs for air freight.
- In Thailand, wholesalers and supermarkets all maintain cold chain capabilities.

Buyer issues

Unlike last year, produce buyers didn't report any major issues with Australian produce lines in-market. AUSVEG SA staff did notice one instance of a bagged cos lettuce product which had partially broken down in store. This was, however, communicated to the affected grower directly and hopefully remedied.

Australian produce seemed to be more prolific in each of the markets visited, showing that the export initiatives for the Australian vegetable industry are working. An example would be TESCO Malaysia and the Thailand Supermarkets which are now stocking a considerable range of Australian produce where there was a limited range in 2015.

As with last year, in-store presentation seemed to be a secondary concern over price.

Participant feedback from the Tour

Participants rated the tour as excellent overall, including organisational aspects such as accommodation and transport. The tour also resulted in business leads for participating growers which will be followed up over the coming period. Specific comments are included below:

- "I have received follow up from numerous buyers and am looking at launching my value-added product in Thailand"
- "Visits to buyers opened up a lot of opportunities to look at supplying South East Asian markets"
- "It was a very productive trip and I had a lot of interest in my produce, and initial conversations were very promising"
- "The tour leader was very helpful and nothing was too much trouble – terrific job!"
- "The tour was very well organised – we would not have been able to organise the number and quality of appointments on our own."

Participants also ranked each of the days, with each being rated either “excellent” or “good”. The days rated as “good” tended to be travel days as there were some issues with lines at passport control in both Thailand and Malaysia which were out of AUSVEG SA’s control.

Summary of key findings

A summary of key findings from the 2016 South East Asia Mission are included below:

- Supermarket chains dominate each of the markets and are looking at moving to direct supply or contract farming arrangements with growers.
- There are substantial opportunities for certain commodities in each market (pricing analysis included below) and buyers were particularly interested in innovative or packaged products.
- Wholesalers still play an important role and can be used to sell lower volumes or test new products in these markets. These companies are also experienced in managing in-market marketing and advertising.
- Supermarkets and wholesalers maintain significant cold chain capabilities and can take delivery directly from port to their distribution centres.
- Buyers are generally price sensitive and other countries such as South Africa, China and the United States are able to provide produce cheaper than Australia for certain lines. Quality is, however, a secondary consideration and there are opportunities to provide a better quality product for a slightly higher price for lines such as cauliflower, where quality is low.
- In Thailand there are local bagged salad companies producing to high level quality standards which may eventually undercut Australian product in nearby markets due to lower production costs. This is an emerging threat for Australian growers to factor in to their planning.
- AUSVEG SA is interested in opportunities for Australian vegetable producers to provide seed, intellectual property and growing expertise to emerging growing operations in the South East Asia region. There may be opportunity for a Hort Innovation project in this area.

Mission report

Day one: Sunday 24 July 2016

On arrival in Singapore, delegates travelled to their accommodation before participating in a Welcome Reception in the evening. As part of this event, the South Australian Minister for Agriculture, the Hon. Leon Bignell MP, welcomed delegates before PIRSA and Department of State Development (DSD) staff briefed participants on arrangements for the next portion of the Mission. Around 70 delegates were in attendance at the 2016 delegation, including a large stream of horticulture companies including cherry growers and wholesale market representatives.

Day two: Monday 25 July 2016

On 25 July the horticulture stream participants received a briefing on the Singapore market led by AUSTRADE in-market staff. As part of this presentation, participants were provided a breakdown of the major wholesalers and retailers in Singapore and an overview of opportunities which exist for value-added food products. The briefing served as a good overview to provide delegates with a general understanding of the Singapore market before the day's site visits.

The group then departed for site visits to Fairprice Finest and Cold Storage Supermarkets to meet key fresh produce buyers and view the stores. It was noted that Fairprice was more price sensitive than Cold Storage, who were more open to paying a premium to carry Australian produce lines. While there were only a view Australian vegetable lines available at Fairprice, there was a much broader range available at the Cold Storage store.

In the afternoon the group travelled to 'SkyGreens', a Singaporean hydroponic salad vertical farm. The farm uses rotating towers of hydroponic lettuce to produce in areas where land values are high to save space. 'SkyGreens' is the first vertical farming operation in Singapore and produces up to 1,000kg of baby leaf salad a day.

Participants attended a South Australian Government Gala Dinner in the evening where the horticulture stream of the Mission hosted a number of fresh produce buyers from supermarkets and wholesalers. AUSVEG SA had also arranged for a number of attendees from recent 'Reverse Trade Missions' to attend the dinner as our guest of honour. The AUSVEG SA State Manager also was able to meet with Dr Rodney Wee of the Asia Productivity Organisation and discuss an inbound mission Dr Wee will be bringing to South Australian in November 2016.

Day three: Tuesday 26 July 2016

The group visited the Singapore Wholesale Markets early in the morning as an opportunity to meet wholesalers and view logistics in-market. While a number of large wholesalers are able to handle Australian produce and maintain cold chains, the vast majority of produce is sold unrefrigerated. As such, growers are advised to only rely on wholesalers or agents who can demonstrate capabilities in handling refrigerated produce. The wholesale market in Singapore opened in 1983 and has 1,405 stalls, shops, offices and cold rooms. The market visit was a good opportunity to meet Brian Seet, who has participated in a number of AUSVEG 'Reverse Trade Missions'.

Late morning, participants visited prominent wholesalers Benelux and Freshmart. Both companies maintain high quality facilities and refrigeration able to handle produce comparable to Australian standards. In discussions with Benelux, company representatives noted they were currently interested in looking at contract farming arrangements for broccoli in Australia. They also mentioned they were keen to work with companies to help better promote Australian produce through in-store marketing in Singapore.

In the afternoon delegates travelled to Kuala Lumpur Malaysia and attended an official reception and networking drinks on arrival.



Delegates visit a Cold Storage Supermarket in Singapore

Day four: Wednesday 27 July 2016

The Mission visited upmarket Malaysian retailers Ben's Independent Grocer and Village Grocer Supermarket. Both supermarkets only have a limited number of stores but are a more premium format than mainstream Malaysian supermarkets like TESCO. As such, both supermarkets carried a high number of imported lines mainly imported through local wholesalers such as Euro-Atlantic. Both stores had excellent in-store merchandising and in-store demonstrations. There may be opportunities for Australian growers to conduct promotional activities in-market and target these supermarkets. Ong-Chee Chong, Director, Village Grocer recently participated in the 2016 AUSVEG 'Reverse Trade Mission' and was very positive about his experience with South Australian and Australian produce.

In the afternoon the group visited prominent wholesaler Andrew Tay of D'Fresh who participated in the 2015 'Reverse Trade Mission'. Andrew Tay is a prominent wholesaler who mainly deals in Australian citrus, but also limited volumes of Australian vegetables depending on the season. He noted that Australian produce was becoming less price competitive than South Africa and the US for a lot of lines. Large wholesalers like D'Fresh maintain very good cold chain logistics able to handle imported produce in large volumes.

In the evening, delegates attended a South Australian Government Gala Dinner and hosted key produce buyers from throughout Malaysia. The event was an opportunity to host representatives from companies such as TESCO Malaysia and Euro-Atlantic and discuss opportunities for South Australian exports.

Day five: Thursday 28 July 2016

In the morning, delegates visited a TESCO Malaysia store and met with Ms Kelly Lim, Trading Manager – Produce. TESCO tends to be more price competitive than the upmarket store formats so only Australian produce able to be sent sea freight (celery, carrots) appeared in these stores. TESCO Malaysia noted problems with mould on their cauliflowers, so one of the attending growers advised them not to remove the leaves when presenting them in-store. This confirms that there is potential for greater advice to be provided to South East Asia wholesalers and supermarkets on ensuring better handling of imported produce.

After TESCO, delegates visited prominent Malaysian wholesaler importer Euro-Atlantic. Euro-Atlantic was established in 1992 and is a key wholesale importer of Australian produce. Delegates met with

senior management who emphasised opportunities for Australian producers to use their company to conduct marketing for produce lines in-market. The company is fast growing and planning a new facility to handle more volume. Euro-Atlantic is experienced in importing Australian produce and was interested in talking to growers about their produce lines and value-added products in particular.

In the afternoon delegates travelled to Bangkok and attended the final South Australian Government Gala Dinner of the Mission that evening. Participants were able to meet a number of Thai produce buyers from supermarkets and wholesalers as well as the excellent AUSTRADE in-market team. The AUSTRADE in-market team is particularly interested in supporting horticulture exports to Thailand and is very committed to working with Australian horticulture representatives.



Participants visit Euro-Atlantic in Malaysia

Day six: Friday 29 July 2016

In the morning, the Mission participants visited Talaad Thai Wholesale Markets in the outer suburbs of Bangkok. The markets were well equipped with cold chain distribution facilities, although most of the buyers in the market trade in domestic vegetable produce for the wet markets so are unlikely to handle Australian produce in significant volumes. Talaad Thai is a privately run 24 hour market which is the largest in South East Asia (Guangzhou Jiangnan Market in China is thought to be the world's biggest). According to management there are likely small volumes of Australian imported high-value fruit (e.g cherries, table grapes and plums in the market, but not a lot due to market access issues.

Mission participants then visited ACK Hydroponic Farm to view a hydroponic salad farm and high care bagged salad processing facilities which was of a comparable standard to Australia. The farm produces more than 100 items under the 'Super Fresh' brand name which are supplied to local and export markets. The development of production capacity in Thailand has likely impacted the imported bagged salad market as local produce is able to be sold at nearly half the price of imported product. Hygiene standards and quality assurance looked to be of comparable standards to Australian, showing that South East Asian farmers are learning to produce clean, safe food to Australian and international standards. As such, development of farming capability in South East Asian markets may threaten Australia's ability to export food but also provide opportunity for Australian farmers to export services and expertise to help develop quality assurance and implement advanced production techniques in South East Asian countries. The facility can be viewed at www.superfreshsalad.com/en.

In the afternoon the group visited upmarket Thai supermarket Central Food Retail Company Limited (CFR) www.centralfoodhall.com/en/index.html and received a tour and briefing by Vice President Nick Reitmeier. There was a considerable amount of Australian produce in-store across a number of lines showing that the company's participation in the 2016 'Reverse Trade Mission' paid dividends for Australian growers. CFR is a leading importer of fresh fruit and vegetables in Thailand and therefore a good entry market for Australian produce. CFR is less concerned with price and more concerned about buying on quality and taste.

In the evening, the group met with a number of wholesalers and retail buyers at a 'South Australian Food and Wine Showcase' event arranged by AUSTRADE. The AUSVEG SA State Manager was able to meet a number of buyers at this event and there was significant interest in a number of Australian products.

Day seven: Saturday 30 July 2016

The Saturday was a rest day for the delegation before catching a return flight to Adelaide in the early evening.

How the information gathered will be disseminated

Following the Mission, participants have kept in regular contact to discuss various parts of the Mission and further develop networks.

AUSVEG SA included a detailed tour summary of the Mission in its August Newsletter, including snapshots of each market visited and a list of key findings. Samples are included at **Attachment 1**. AUSVEG SA has also designed each market snapshot to be used as an ongoing resource for growers looking to access the Singapore, Thailand and Malaysia export markets, included at **Attachment 2**.

Contact details have all been kept on file, and tour leader Jordan Brooke-Barnett has been keeping in contact with participants and contacts from the Mission to follow up. AUSVEG SA is also following up with potential sales leads for a number of products showcased on the Mission and is working with growers to send trial shipments to South East Asian markets.

Itinerary

	Sun 24/07 Singapore	Mon 25/07 Singapore	Tues 26/07 Singapore- KL	Wed 27/07 Kuala Lumpur	Thurs 28/07 KL- Bangkok	Fri 29/07 Bangkok	Sat 30/07
Morning	<p>Travel – Option One</p> <p>Adelaide to Singapore (SQ278), depart 09:10hrs & arrive 15:10 hrs</p>	<p>AM: 0900 - 1000 HORTICULTURE AND FOOD MARKET OVERVIEW</p> <p>AM: 1000 - Supermarket visits to</p> <ul style="list-style-type: none"> • Fairprice Finest Bukit Timah • Cold Storage (Great World City) <p>Potential visit to The Butcher's Dog and Four Seasons Organic</p>	<p>HORTICULTURE & FOOD</p> <p>AM: 0600-1000 EARLY MORNING FRESH MARKET VISIT</p> <ul style="list-style-type: none"> • Pasir Panjang Wholesale Centre • Freshmart • Benelux <p>WINE PROGRAM COMMENCES</p> <p>WINE DELEGATES DEPART ADELAIDE AND ARRIVE IN KL:</p>	<p>AM: 0900-1000 AG, FOOD AND WINE MARKET OVERVIEW</p> <p>AM: Market visit to supermarkets at Midvalley Megamall</p> <ul style="list-style-type: none"> • Aeon Supermarket • Aeon Big • Cold Storage <p>PM: 1330-1400 Own Arrangements Option for</p>	<p>HORTICULTURE</p> <p>AM: 0500-0730 EARLY MORNING FRESH MARKET VISIT</p> <ul style="list-style-type: none"> • Vegetable wholesale market- facilitated by AUSVEG SA • NSK Trade City (wholesale hypermarket) • Visit to GCH Retail Distribution Centre(TBC) <p>AM: 1000-1200 FOOD and WINE Visit to food and wine sections of</p> <ul style="list-style-type: none"> • Jaya Grocer • Jason's Foodhall 	<p>AM: 0900-1000 AG, FOOD AND WINE MARKET ACCESS ROUNDTABLE (Covering Market Access, quotas, protocol, FDA, TAFTA)</p> <p>PM: HORTICULTURE & FOOD</p> <ul style="list-style-type: none"> • Visit Talaad Thai, fresh wholesale market for briefing and tour • Visit to Cititex to see cold chain facility 	<p>Depart Bangkok</p> <p>Option one</p> <p>Bangkok to Kuala Lumpur (MH783), depart 17:40hrs & arrive 20:15hrs</p> <p>Kuala Lumpur to Adelaide (MH139), depart 22:20hrs & arrive 07:00hrs (Sunday 31st July 2016)</p>

			<p>Option- Adelaide to Kuala Lumpur (MH136), depart 8:40hrs & arrive 14:55hrs</p>	Food court lunch at Midvalley Megamall	<p>AG, FOOD AND WINE PM: 1200-1230 Return to hotel for check out and departure to airport</p>	<p>PM: WINE</p> <ul style="list-style-type: none"> • Visit Bangkok Beer & Beverages Distribution Centre • Wine corner at Villa Supermarket 	<p>Option two</p> <p>Bangkok to Sydney (QF24), depart 18:25hrs & arrive 06:45amhrs (Sunday 31st July 2016)</p>
Afternoon	Arrive Singapore	<p>PM: Option for Food court lunch at GWC</p> <p>PM: HORTICULTURE & FOOD Specialised retail store visits to Health and Gourmet Stores (e.g Supernature, The Providore, Jones the Grocer). OH Deli TBC</p>	<p>PM: 1200 Travel to Kuala Lumpur</p> <p>Depart for Airport to arrive and check-in by 13.00</p> <p>Singapore to Kuala Lumpur (MH264), depart 15:35hrs & arrive 16:45hrs</p>	<p>PM: 1400-1530 HORTICULTURE & FOOD Specialised retail store visits to Village Grocers and Jason's Foodhall</p> <p>PM: 1415- 1500 WINE EVENT SET-UP</p> <p>PM: 1530 –1700 SOUTH AUSTRALIAN WINE SHOWCASE and TASTING (trade event)</p>	<p>PM: 15.15 Travel to Bangkok</p> <p>Kuala Lumpur to Bangkok (MH782) depart 1515 and arrive 1620hrs</p>	<p>PM: 1600 South Australian Food and Wine Showcase</p>	<p>Sydney to Adelaide (QF741), depart 10:05hrs & arrive 11:45hrs</p>

Evening	Welcome reception for delegates Networking drinks	PM:1830 -2130 South Australian Business Dinner	PM: 1930-2030 Welcome reception for delegates Networking drinks	PM:1730- 1830 FoodSA- TastyAustralia Cocktails PM:1830-2130 South Australian Business Dinner	PM: Evening Welcome reception for delegates Networking Drinks	PM: 1830-2130 South Australian Business Dinner End of Official Program	
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Recommendations

- The Mission was extremely beneficial for AUSVEG SA and our participating growers as it allowed us to maintain existing trade relationships and expose participating growers to overseas export opportunities. It is recommended Hort Innovation look at supporting growers from throughout Australia to participate in state-based trade initiatives, as projects are relatively low cost and provide a logical extension to national export initiatives run by AUSVEG and Hort Innovation.
- In developing the itinerary with the South Australian Government, AUSVEG SA fine-tuned this year's itinerary to include less time in briefing sessions and more time on site visits. As a result, this year's Mission was more productive and gave participants a great exposure in each market.
- AUSVEG SA thinks there may be scope for Hort Innovation to look at potential models for Australian growers to export their growing expertise as a services export in addition to the produce itself. This is due to the fact that farming methods in places like Thailand are becoming more sophisticated and from our discussion in market there seems to be a demand for farming expertise.

South Australian Participant List

	Title	Name	Position	Organisation
1	Mr	Jordan Brooke-Barnett	State Manager	AUSVEG SA
2	Mr	Chris Musolino	Director	T Musolino and Co
3	Ms	Thu Trotter	Director	H&L Hydroponics

Appendix 1. AUSVEG SA Newsletter Article

The following article was distributed to the South Australian vegetable industry in the AUSVEG SA October Newsletter, which is distributed to 500 growers and industry members.

AUSVEG SA heads to SE Asia to grow exports

AUSVEG SA recently participated in the recent South Australian Government South East Asia Trade Mission in order to further grow business networks for SA growers in the key export markets of Singapore, Malaysia and Thailand. A summary of key findings and market snapshots are included below for South Australian growers.

Overview

The AUSVEG SA State Manager and two leading growers recently participated in the South East Asia Trade Mission run by the South Australian Government. Our participation was funded by Horticulture Innovation Australia using the National Vegetable Levy and matched funds from the Australian Government. The aim of the 2016 Mission was to reaffirm relationships with key buyers AUSVEG SA visited during the 2015 Mission and who we recently welcomed to the state as part of our major inbound 'Reverse Trade Mission' in June 2016 which saw around 40 key international buyers visit our state.

The Mission was highly-successful and allowed AUSVEG SA to reinforce business relationships so that our association can continue to act as a facilitator between interested buyers and local growers to increase exports from our state. The delegation travelled with the South Australian Minister for Agriculture, the Hon. Leon Bignell MP and was a great opportunity to promote horticulture as a key export industry for South Australia moving forward.



Mission delegates visit a Cold Storage Supermarket in Singapore

The growers attending with AUSVEG SA were able to develop important networks and business leads on the Mission which we hope will lead to future exports. The markets of Singapore, Malaysia and Thailand all hold significant potential for South Australian growers and AUSVEG SA is more than happy to assist in working with growers to access these markets and get export-ready.

Key findings:

- Supermarket chains dominate each of the markets and are looking at moving to direct supply or contract farming arrangements with growers.
- There are substantial opportunities for certain commodities in each market (pricing analysis included below) and buyers were particularly interested in innovative or packaged products.
- Wholesalers still play an important role and can be used to sell lower volumes or test new products in these markets. These companies are also experienced in managing in-market marketing and advertising.
- Supermarkets and wholesalers maintain significant cold chain capabilities and can take delivery directly from port to their distribution centres.
- Buyers are generally price sensitive and other countries such as South Africa, China and the United States are able to provide produce cheaper than Australia for certain lines. Quality is, however, a secondary consideration and there are

opportunities to provide a better quality product for a slightly higher price for lines such as cauliflower, where quality is low.

Market snapshot: Singapore

Key observations from the Singapore component of the Mission

Key buyers:	Cold Storage, AEON Supermarkets, Benelux Flowers and Produce, Freshmart, NTUC Fairprice
Market Access:	All vegetables
Cold chain:	Wholesalers and supermarkets have significant cold chain infrastructure including refrigerated transport out of Changi International Airport. Cold Storage in particular is attractive due to its higher retail prices than lower cost bulk supermarkets.
Pricing	<p><i>Singapore market opportunities:</i></p> <ul style="list-style-type: none"> • Bagged salad 100gm (\$5-\$6.00/bag retail) • Capsicum (\$1-1.50 each) • Broccoli/Cauliflower (\$7-18.00/kg retail) • Head lettuce (\$2-\$4/head) • Organic broccoli (\$14.80/kilo retail) <p><i>Limited opportunities:</i></p> <ul style="list-style-type: none"> • Bunch lines in 200gm sleeve (\$2-\$3.00 retail) • Carrots (\$1.40-\$4.00/kg, SA growers competing with WA) • Celery (\$3-\$5.50 sleeved, SA growers competing with WA,VIC) • Beans (\$1.00/500g) • Potatoes (\$4.00/kilo brushed retail) • Onions (\$4.50/kilo retail)
Packaging	<ul style="list-style-type: none"> • Widespread use of ‘clamshell’ packaging as supermarkets think it looks ‘fresher’ • Use of Australian branding of produce preferred due to our strong safety record • Wrapped produce (i.e cauliflowers, capsicums) commands higher price
Key in-market trade contacts:	<ul style="list-style-type: none"> • Irene Tay, Business Development Manager, AUSTRADE Singapore
South Australian-based support:	<ul style="list-style-type: none"> • Jordan Brooke-Barnett, State Manager, AUSVEG SA • Todd Miller, Tradestart Advisor, AUSTRADE

Market snapshot: Malaysia

Key observations from the Malaysia component of the Mission

Key buyers:	TESCO Malaysia, Euro-Atlantic, AEON Supermarkets, D'Fresh
Market Access:	All vegetables
Cold chain:	<p>Wholesalers and supermarkets have significant cold chain infrastructure including refrigerated transport out of Kuala Lumpur International Airport.</p> <p>While there are opportunities through smaller format high end supermarkets, larger format supermarkets such as TESCO Malaysia are price conscious and require growers to be price competitive.</p> <p>Larger supermarkets are only cost-competitive for sea freight lines.</p>
Pricing	<p><i>Malaysia market opportunities:</i></p> <ul style="list-style-type: none"> • Capsicum (\$8/kg retail) • Broccoli/Cauliflower (\$10/kg for Australian product retail) • Celery, 1 trimmed stalk (\$4.00 retail) • Corn, 1 cobb (\$1.00 retail) • Head lettuce (\$2-\$3/head) • Potatoes (\$3.80/kilo retail) • Onions (\$4.00/kilo retail) <p><i>Limited opportunities:</i></p> <ul style="list-style-type: none"> • Bunch lines in 300gm sleeve (\$0.40 retail) • Carrots (\$1.00-\$1.60/kg, SA growers competing with WA) • Beans (\$1.00/500g) • Bagged lettuce (\$3-\$4.00/ 100g)
Packaging	<ul style="list-style-type: none"> • Widespread use of 'clamshell' packaging as supermarkets think it looks 'fresher' • Use of Australian branding of produce preferred due to our strong safety record
Key in-market trade contacts:	<ul style="list-style-type: none"> • Renee Lee, Business Development Manager, AUSTRADE Malaysia
South Australian-based support:	<ul style="list-style-type: none"> • Jordan Brooke-Barnett, State Manager, AUSVEG SA • Todd Miller, Tradestart Advisor, AUSTRADE

Market snapshot: Thailand

Key observations from the Thailand component of the Mission

Key buyers:	Central Foodhall, Global Trade and Distribution, AEON Topvalu (Thailand), Food Gallery, Villa Market
Market Access:	<p>Restrictions on fruit (tomatoes, capsicums, cucumbers) and potatoes. All other vegetables, such as hard vegetables, require a phytosanitary certificate.</p> <p>Since AUSVEG SA and AUSVEG developed relationships with buyers in Thailand last year, a number of Australian growers have started exporting to this market.</p> <p>There are strong opportunities with high end supermarkets such as Central Foodhall and good retail margins on a select range of produce although potential volumes are small compared to Singapore and Malaysia.</p>
Cold chain:	Major wholesalers and supermarkets have significant cold chain infrastructure.
Pricing	<p><i>Thailand market opportunities:</i></p> <ul style="list-style-type: none"> • Spring onions (\$2.30/bunch retail) • Carrots (\$2.50/kg retail) • Organic head lettuce (\$8/head) • Beetroot (\$6.00/bunch retail) • Broccoli (\$10/head retail) • Brussels Sprouts (\$6.00/pack retail) <p><i>Limited opportunities:</i></p> <ul style="list-style-type: none"> • Bunch lines in 300g sleeve (\$1.19 retail) • Bagged salad 200/g (\$2.80/bag retail) • Beans (\$1.60/500g)
Packaging	<ul style="list-style-type: none"> • Flow wrap, 'clamshell' and bagging preferred so the product looks 'fresh' • Use of Australian branding of produce preferred due to our strong safety record
Key in-market trade contacts:	<ul style="list-style-type: none"> • Chantimaporn Mekdhanasarn, Business Development Manager, AUSTRADE Thailand
South Australian-based support:	<ul style="list-style-type: none"> • Jordan Brooke-Barnett, State Manager, AUSVEG SA • Todd Miller, Tradestart Advisor, AUSTRADE

Where to from here?

AUSVEG SA is able to assist members with follow-up from the mission, including arranging meetings with key buyers and assisting with export management.


If you have any questions about market opportunities in South East Asia, please contact the AUSVEG SA State Manager on 0404 772 308.

The 2016 South Australian Government South East Asia Trade Mission Project was funded by Horticulture Innovation Australia using the National Vegetable Levy and funds from the Australian Government.

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Appendix 2. Market Snapshots

The following market snapshots were designed to provide an overview of each of the markets visited as part of the SE Asia Mission and will be a key ongoing resource to use in educating AUSVEG SA growers about market opportunities in South East Asia.



Market Snapshot: Singapore

Key buyers:	Cold Storage, AEON Supermarkets, Benelux Flowers and Produce, Freshmart, NTUC Fairprice
Market Access:	All vegetables
Cold chain:	Wholesalers and supermarkets have significant cold chain infrastructure including refrigerated transport out of Changi International Airport. Cold Storage in particular is attractive due to its higher retail prices than lower cost bulk supermarkets.
Pricing:	<p>Singapore market opportunities:</p> <ul style="list-style-type: none"> • Bagged salad 100gm (\$5-\$6.00/bag retail) • Capsicum (\$1-1.50 each) • Broccoli/Cauliflower (\$7-18.00/kg retail) • Head lettuce (\$2-\$4/head) • Organic broccoli (\$14.80/kilo retail) <p>Limited opportunities:</p> <ul style="list-style-type: none"> • Bunch lines in 200gm sleeve (\$2-\$3.00 retail) • Carrots (\$1.40-\$4.00/kg, SA growers competing with WA) • Celery (\$3-\$5.50 sleeved, SA growers competing with WA,VIC) • Beans (\$1.00/500g) • Potatoes (\$4.00/kilo brushed retail) • Onions (\$4.50/kilo retail)
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Key in-market trade contacts:	<ul style="list-style-type: none"> • Irene Tay, Business Development Manager, AUSTRADE Singapore
South Australian based support:	<ul style="list-style-type: none"> • Jordan Brooke-Barnett, State Manager, AUSVEG SA • Todd Miller, Tradestart Advisor, AUSTRADE

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Market Snapshot: Malaysia

Key buyers:	TESCO Malaysia, Euro-Atlantic, AEON Supermarkets, D'Fresh
Market Access:	All vegetables
Cold chain:	Wholesalers and supermarkets have significant cold chain infrastructure including refrigerated transport out of Kuala Lumpur International Airport. While there are opportunities through smaller format high end supermarkets, larger format supermarkets such as TESCO Malaysia are price conscious and require growers to be price competitive. Larger supermarkets are only cost-competitive for sea freight lines.
Pricing:	Malaysia market opportunities: <ul style="list-style-type: none"> • Capsicum (\$8/kg retail) • Broccoli/Cauliflower (\$10/kg for Australian product retail) • Celery, 1 trimmed stalk (\$4.00 retail) • Corn, 1 cobb (\$1.00 retail) • Head lettuce (\$2-\$3/head) • Potatoes (\$3.80/kilo retail) • Onions (\$4.00/kilo retail) Limited opportunities: <ul style="list-style-type: none"> • Bunch lines in 300gm sleeve (\$0.40 retail) • Carrots (\$1.00-\$1.60/kg, SA growers competing with WA) • Beans (\$1.00/500g) • Bagged lettuce (\$3-\$4.00/ 100g)
Packaging:	<ul style="list-style-type: none"> • Widespread use of 'clamshell' packaging as supermarkets think it looks 'fresher' • Use of Australian branding of produce preferred due to our strong safety record
Key in-market trade contacts:	<ul style="list-style-type: none"> • Renee Lee, Business Development Manager, AUSTRADE Malaysia
South Australian based support:	<ul style="list-style-type: none"> • Jordan Brooke-Barnett, State Manager, AUSVEG SA • Todd Miller, Tradestart Advisor, AUSTRADE



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Market Snapshot: Thailand

Key buyers:	Central Foodhall, Global Trade and Distribution, AEON Topvalu (Thailand), Food Gallery, Villa Market
Market Access:	<p>Restrictions on fruit (tomatoes, capsicums, cucumbers) and potatoes. All other vegetables, such as hard vegetables, require a phytosanitary certificate.</p> <p>Since AUSVEG SA and AUSVEG developed relationships with buyers in Thailand last year, a number of Australian growers have started exporting to this market.</p> <p>There are strong opportunities with high end supermarkets such as Central Foodhall and good retail margins on a select range of produce although potential volumes are small compared to Singapore and Malaysia.</p>
Cold chain:	Major wholesalers and supermarkets have significant cold chain infrastructure.
Pricing:	<p>Thailand market opportunities:</p> <ul style="list-style-type: none"> • Spring onions (\$2.30/bunch retail) • Carrots (\$2.50/kg retail) • Organic head lettuce (\$8/head) • Beetroot (\$6.00/bunch retail) • Broccoli (\$10/head retail) • Brussels Sprouts (\$6.00/pack retail) <p>Limited opportunities:</p> <ul style="list-style-type: none"> • Bunch lines in 300g sleeve (\$1.19 retail) • Bagged salad 200/g (\$2.80/bag retail) • Beans (\$1.60/500g)
Packaging:	<ul style="list-style-type: none"> • Flow wrap, 'clamshell' and bagging preferred so the product looks 'fresh' • Use of Australian branding of produce preferred due to our strong safety record
Key in-market trade contacts:	<ul style="list-style-type: none"> • Renee Lee, Business Development Manager, AUSTRADE Malaysia
South Australian based support:	<ul style="list-style-type: none"> • Jordan Brooke-Barnett, State Manager, AUSVEG SA • Todd Miller, Tradestart Advisor, AUSTRADE

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