

Blueberry Market Access Update

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In 2019, exports of Australian blueberries totalled 387 tonnes worth AUD\$7.8M (ITC calculations based on Australia Bureau of Statistics). Export represented 1% of total blueberry production, with the remaining 90% being consumed by the domestic market and 9% being used by the processing industry (2018-2019 Australian Horticulture Statistics Handbook).

Blueberries are Australia's 16th largest fruit export by value and 19th largest by volume (2018-2019 Australian Horticulture Statistics Handbook). However, when looking at price per kilo, Australian blueberries are the highest unit-value fruit exported by Australia – a truly premium crop. The unit-value should be viewed as an indicator of potential; just a small increase in the total volume will yield an impressive increase in the total value.

Over the past 10 years, between 2009 and 2019, Australian blueberry exports have fluctuated; the volume has ranged from a low of 64 tonnes in 2012 to a high of 387 tonnes in 2019. Similarly, in the corresponding years, the value has ranged between AUD\$0.97M and AUD\$7.8M (ITC calculations based on Australia Bureau of Statistics). Unsurprisingly, the lows correspond to the period directly following the loss of Australian mainland market access to Japan and the dramatic swings in the data reinforce how crucial high-value Asian markets are to this industry. Regaining access to Japan and opening similar high-value destinations is a pressing priority for the Australian blueberry industry.

Over the past decade, five markets have consistently appeared in the export footprint for Australian blueberries; Hong Kong, Singapore, Thailand, Indonesia and Malaysia. Hong Kong alone represented almost 60% of the trade in 2019 (ITC calculations based on Australia Bureau of Statistics).

Stand-out markets with exceptional growth over the last year include Thailand, which has tripled, Malaysia which has quadrupled and, Indonesia which has seen a twelve-fold increase. Although this is encouraging, both Malaysia and Indonesia have shown a historic tendency to fluctuate greatly so the recent increase may not be permanent. On the other hand, Thailand has been steadily rising and is positioned to rival Singapore in the coming years as a market of equivalent size. The other notable feature of this data is the newcomer, India. Although there has only been three years of trade, it is now the same size as Malaysia and represents 3% of total exports.

The blueberry industry can become one of Australia's leading export crops, but it needs to unlock markets able to consume sea-freight volumes at Australian premium prices. Target markets are therefore countries with large, concentrated, affluent populations willing to pay for high-quality imported fruit that can be shipped and distributed at scale. Based on this reasoning and supported by quantitative data, the ABGA has prioritised blueberry market access to Japan, China, South Korea, Taiwan, Vietnam and New Zealand.

These six priority markets have also been independently substantiated as the top priority for Australian blueberry exports by the levy-funded Australian Blueberry Export Strategy produced by McKinna et al in 2020. The report concludes these markets will be the key to blueberry export growth between now and 2030.

Obtaining new market access for a product into a country that currently prohibits import from Australia is a complex and often lengthy process. To seek new market access, the industry must develop a formal business case to support government negotiations, including economic analysis of the opportunity, detailed pest and disease data and efficacy evidence of proposed treatment schedules to manage pests of concern identified by the trading partner. The process of gathering this information and compiling a request can take many years.

Once a formal business case is ready, the Australian Government negotiates with the trading partner through official engagement mechanisms. The negotiation process can also take many years and may require additional pest and disease work to be undertaken throughout the proceedings if the trading partner requires further information.

The ABGA previously lodged market access applications for Japan and China with the Australian Government and they are current priorities for negotiation with these two respective trading partners. However, to broaden the market mix and diversify the options for exporters, the ABGA recently compiled and submitted an additional four applications to request market access to South Korea, Taiwan, Vietnam and New Zealand, in line with the industry's export strategy.

These applications were approved by the Hort Innovation review committee and are now ready for negotiation when the existing priorities for these markets are resolved.

Whilst it is likely these applications will take many years to transpire into market access agreements, ABGA has taken the first important step in the journey and in doing so, has brought the industry closer to unlocking new potential than ever before.

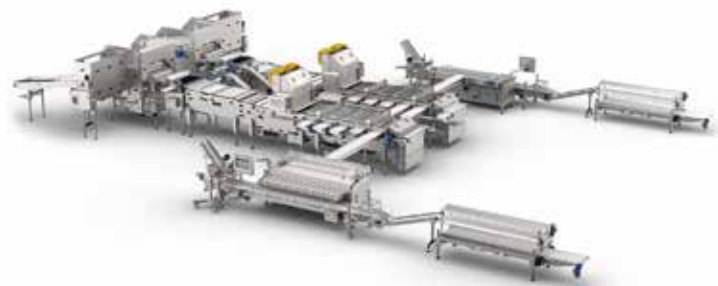
If you are interested in blueberry exports or have questions about market access, please contact:

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