

Strawberry Market Access Update

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In 2019, exports of Australian strawberries totalled 5144 tonnes worth AUD\$36.78M (ITC calculations based on Australia Bureau of Statistics). Export represented 5% of total strawberry production, with the remaining 88% being consumed by the domestic market and 7% being used by the processing industry (2018-2019 Australian Horticulture Statistics Handbook).

Strawberries are Australia's 8th largest fruit export by value and 11th largest by volume (2018-2019 Australian Horticulture Statistics Handbook). Between 2009 and 2019, Australian strawberry exports have increased in volume by 325% but more notably, they have increased in value by 432%.

Over the past ten years, the Australian strawberry industry's six largest markets – Singapore, Thailand, UAE, NZ, Malaysia, HK – have all shown steady growth. It is not common for an industry to consistently perform so well across so many markets over such a long period of time.

The largest market for Australian strawberries is a contest between Singapore and Thailand. These two markets combined represent just over 40% of all exports.

The UAE is the third largest market for Australian strawberries and interestingly, the data shows a range of other Middle Eastern countries such as Kuwait, Saudi Arabia, Oman, Bahrain, Qatar also starting to feature in the top 10 markets in recent years.

Currently these market's individual import volumes are almost negligible in comparison to the top performing markets, but their consistent growth over the last five years suggests they hold potential. Cumulatively, the Middle East represents almost 25% of all Australian strawberry exports.

In 2019, the average Australian strawberry export unit-value was AUD\$7.15 kg which is higher than the world

average at AUD\$4.48 kg (ITC calculations based on UN COMTRADE and ITC statistics).

Interestingly, NZ was the only other southern hemisphere exporter with a slightly higher average unit-value than Australia at AUD\$8.56 kg, but they exported only 696 tonnes which is 13 times less by volume than Australia.

From a global perspective, strawberries continue to gain popularity internationally and the category has maintained a compound annual growth rate (CAGR) of 5.81% over the last decade (ITC calculations based on UN COMTRADE and ITC statistics).

The trend towards healthy eating, the rise in popularity of fruit for 'snacking' purposes and the versatility of strawberries suggest both global strawberry consumption and the corresponding opportunity for Australian strawberry exports is positive.

The Strawberry Strategic Investment Plan (SIP) (Hort Innovation 2017), set a target of 8% of total production bound for export by 2021. In 2019 terms, 8% equates to 6128 tonnes whereas actual exports were closer to 5% at 5144 tonnes.

To reach the industry goal set in the Strawberry SIP, exports need to lift by an additional 984 tonnes. If industry is able to reach this 984 tonne aspiration through market access and/or market development, the value of Australian strawberry exports, using 2019 prices, would increase by AUD\$7.04 million.

In 2018, the 'Berry Export Strategy 2028' (Auspex Strategic Advisory 2018) was commissioned to provide a commercial perspective for export development of the Australian strawberry industry.

In addition to sustained effort in existing export markets, the strategy recommended market access be sought for China, Vietnam and Taiwan as well as market improvement in Thailand and New Zealand.

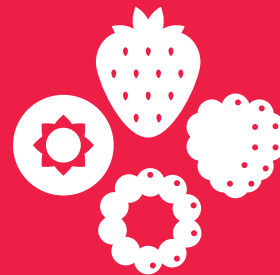
To this end, Strawberries Australia Inc (SAI) has submitted market improvement applications for Thailand and New Zealand to add an irradiation pathway to the existing protocols.

These applications were approved by the Hort Innovation review committee and are now ready for negotiation at the Australian Government's discretion.

Despite current market access barriers, Australian strawberry exports are continuing to grow, and SAI are confident ongoing investment in technical market access and trade development will yield positive returns for the industry and the broader Australian economy.

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

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