

Media Release

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Workforce and freight are key challenges to the continued growth of the Tasmanian fresh produce industry

A new report by Deloitte Access Economics *‘The economic contribution of the Tasmanian fresh produce sector’* highlights the importance of the Tasmanian berry, apples, cherry and vegetable industry to the local economy, but also flags the need to address two key challenges for industry growth - namely workforce and freight.

“The Deloitte reports shows the overall value of the Tasmanian fresh produce industry is more than \$458 million – with the size of the industry being under reported by official statistics due to the rapid growth in production. Importantly, the fresh produce industry provides \$336 million value adding to the Tasmanian economy, creating jobs and wealth for all Tasmanians” said Michael Rogers, CEO, Australian Fresh Produce Alliance.

“Tasmania’s fruit and vegetable farmers provide more than 3,000 (FTE) jobs across regional Tasmania, and pay more than \$162 million in wages, annually supporting local towns and small business. Permanent roles are often filled by Tasmanians while harvest roles are typically filled by visa holders who spend their earnings while living, working and holidaying in Tasmania” said Mr Rogers.

Tasmanians consume nearly a quarter of their own produce (23%), with the majority being supplied to mainland Australian consumers, while international exports are also vital. Given the unique challenges for Tasmania as an island state, there are two key challenges to address to support continued industry growth; workforce and freight.

“Harvesting fruit and vegetables is labour intensive – individual berries are still picked by hand as no machine can yet match the dexterity and experience of a harvest worker, nor ensure the quality of the produce. COVID19 has disrupted the normal movement of workers into Australia and between states. Growers call on the Commonwealth and State Governments to act quickly and decisively to implement solutions to the harvest workforce crisis” said Mr Rogers.

The Tasmanian economy is reliant on sufficient capacity of affordable freight to send Tasmania’s fruit and vegetables to the Australian mainland and international markets. This is vital for not only Tasmania’s economy but the food security of mainland Australia.

“The Tasmanian fresh produce industry is a key plank of Australia’s food security. Tasmania has resilient infrastructure, access to water through extensive irrigation schemes and strong biosecurity arrangements. Key to the continued growth and success of industry is a cost effective freight bridge with mainland Australia. The Tasmanian Government cannot provide this alone, it must be supported by all Australians and the Commonwealth Government” said Mr Rogers.

Copy of the report:

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Key Facts: Deloitte Access Economics report *'The economic contribution of the Tasmanian fresh produce sector'*

For the purposes of this report, analysis was conducted on berries, apples, cherries and vegetables. It is important to note that this is not the entire Tasmanian fruit and vegetable industry but simply the products studied for this report.

The total revenue of the four crop types considered (berries, apples, cherries, vegetables) is reported as \$458.1 million annually. While the total value added of the four crop types is \$336.7 million annually.

Composition of each industry sector within Tasmanian Fresh Produce

Berries	\$millions
Revenue	200
Cost of Intermediate inputs	74.7
Wages Paid	90.6
Jobs (FTE)	1,356
Apples	
Revenue	49.7
Cost of Intermediate inputs	21
Wages Paid	16.2
Jobs (FTE)	310
Cherries	
Revenue	62.8
Cost of Intermediate inputs	25.5
Wages Paid	15.8
Jobs (FTE)	336
Vegetables	
Revenue	145.6
Cost of Intermediate inputs	66.8
Wages Paid	39.5
Jobs (FTE)	706

'Intermediate inputs' were predominately purchased from the following upstream sectors:

- Freight and logistics to packing and storage in Tasmania, as well as shipping costs to send freight to the mainland
- Farm inputs such as fertiliser, chemicals, seeds and packaging
- Repairs and maintenance
- Water and utilities (including gas and electricity)
- Regulation and compliance such as food and farm safety audits.