

Fresh, Healthy and Affordable

*Growing the future of the
fresh produce industry*





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About

In 2019, the Australian Fresh Produce Alliance (AFPA) was formed by key fresh produce growers and suppliers to develop pragmatic solutions to the challenges facing the industry. Today, the AFPA membership includes:

- Australian Produce Partners
- Costa Group
- Driscoll's
- Fresh Produce Group
- Fresh Select
- Mackay's Marketing
- Montague
- Perfection Fresh
- Pinata Farms
- Premier Fresh Australia
- Rugby Farming

These businesses represent



half the industry turnover of the Australian fresh produce (fruit and vegetables) sector – \$6 billion of the \$12.2 billion total



more than 1,000 growers through commercial arrangements, and



a quarter of the volume of fresh produce grown in Australia – 1.5 million of the 6.2 million tonne total



more than 15,000 direct employees through peak harvest, and up to **25,000 employees in the grower network.**



more than a third of fresh produce exports – \$500 million of the \$1.5 billion export total

The key issues the AFPA is focusing on include



packaging and the role it plays in product shelf life and reducing food waste landfill,



product integrity both within and outside of the supply chain and,



labour and the need for both a permanent and temporary supply of workers,



pollination and research into alternative sources.



market access to key export markets for Australian produce,

The AFPA's aim is to be the first-choice fresh produce group that retailers and government go to for discussion and outcomes on issues involving the growing and supply of fresh produce.

Products grown by AFPA Members include

- Apples
- Apricots
- Asparagus
- Avocado
- Baby Broccoli
- Baby Corn
- Bananas
- Beetroot
- Blackberries
- Blueberries
- Broccoli
- Broccolini
- Brussel Sprouts
- Butternut Pumpkin
- Cabbage
- Cauliflower
- Celery
- Cherries
- Cucumber
- Fioretto
- Green Beans
- Herbs
- Lemons
- Lettuce
- Mandarins
- Mango
- Mushrooms
- Nectarines
- Onions
- Oranges
- Peaches
- Pears
- Pineapples
- Plums
- Potatoes
- Raspberries
- Salad leaf
- Spinach
- Strawberries
- Sweet Corn
- Table grapes
- Tomatoes
- Water Cress
- Wombok



Executive Summary

The fresh produce industry and its ongoing supply of nutritious and safe fruit and vegetables plays a crucial role in the health and well-being of Australia's population, underpins national food security and is a major contributor to the economy. A profitable and sustainable fresh produce industry is in Australia's national interest.

Australia is the envy of many countries due to its diverse climate and geography that enables more than 100 varieties of fruit and vegetable to be grown productively year-round. This advantageous environment has enabled a diverse horticulture industry to flourish, directly supporting between 65,000–80,000 FTE roles per annum, and a further 15,000 FTE indirectly. It is estimated that for every dollar of horticultural value added, an additional 27.6 cents is generated in the broader economy.¹

In 2022–23, the industry's production value surpassed \$12 billion, well on its way to the target of \$20 billion by 2030. Despite challenging economic conditions and adversity, the industry remains one of agriculture's fastest growing sectors, a demonstration of its resilience and potential growth trajectory.

However, this growth cannot be maintained without greater consideration being given to the challenges that lay ahead, how to overcome them and turn these obstacles into opportunities.

The purpose of this paper is to set out several of these critical areas that require a concentrated and collective effort to address, including boosting domestic consumption of nutritious fruits and vegetables, expanding trade through new and improved market access, developing long-term workforce solutions, progressing holistically considered environmental outcomes, and maintaining investment in industry research and development.

In these areas, industry seeks to work collaboratively with governments, retailers, consumers, and other stakeholders to develop initiatives, set policies and make investments that will support the industry's ongoing viability and a ready supply of affordable fresh produce to Australian households and our major trading partners.

Industry also seeks to work with government and stakeholders to curb the rising cost of producing food in Australia and develop greater stability and productivity in the fresh produce industry and its supply chains to secure ongoing access to Australian grown fresh produce.

To support and enhance the ongoing growth of the fresh produce sector, industry, government and other stakeholders must collaborate on five (5) key areas:

Domestic Consumption

Good nutrition is universally beneficial and can be achieved through regular consumption of fresh produce. However, numerous studies have shown that Australians are not meeting the recommended daily intake of fruit and vegetables. Most concerning, consumption has significantly declined over the past twelve months. Between 2021–22 and 2022–23, Australians consumed 7.1% less vegetables and 7.9% less fruit.

This decline is alarming and, if not rectified, will have a profound and lasting consequences including higher incidences of chronic diseases amongst the population, increased burden on public and private health systems, loss of productivity, and other economic costs, further straining government budgets.

Australian governments, at all levels, must implement new and revitalised strategies to improve household consumption of nutritious fruits and vegetables, including reviewing existing initiatives to better support consumption, improving the health of all Australians.

Governments must also consider more intently how its policies and decision making may directly and indirectly affect production costs and therefore shelf prices, which is a major determining factor in household consumption of fresh produce, especially during a period where cost of living increases are outpacing household income growth.

Trade and Market Access

The future growth of the fresh produce industry is dependent on securing greater market access into key export markets, this must be a priority for the Australian Government's international engagement. Improved export opportunities for the fresh produce industry will:

- support economic growth and the ongoing prosperity of Australia, especially regional communities,
- increase the number of local, full-time, secure jobs supported by the industry, and
- drive innovation and support domestic resilience, innovation, price stability and more through increased production and efficiency gains

Priority markets for progressing fresh produce trade negotiations are China, Japan, Korea, Thailand and Vietnam. Gaining new or improved market access for key commodities across these five markets would grow the value of the Australian fresh produce industry. It will also support increased competition in Australia's domestic market.

Growing exports will require a purposeful effort from government, support for industry in market and investments in Australia's technical trade / scientific capacity. Government must support improved market access through:

- a reinvigorated whole of Government approach to negotiating horticulture market access,
- research and development to improve and develop treatment protocols to improve market access, and
- securing investment to increase scientific capacity within the Department of Agriculture Fisheries and Forestry to address technical market access now and into the future.

Workforce Development

Sustaining Australia's fresh produce supply and the sector's growth requires a more concentrated effort on the development of the sector's workforce. Government must, in consultation with industry, implement comprehensive strategies to address workforce shortages and uncertainty in the fresh produce industry. This includes strategies to enhance employment opportunities for Australians, improve education and training programs, and offer greater support to small and medium enterprises.

Importantly, there is an immediate need to develop a stable, productive and returning harvest workforce, ideally through the introduction of a Harvest

Work Visa, as well as other strategic reforms to migration and the Pacific Australia Labour Mobility (PALM) Scheme.

Introducing a Harvest Work Visa would fill an existing labour gap, while providing flexibility for workers and employers and ensuring enhanced worker protections.

With the right strategies and solutions, the Government can help build a resilient, skilled, and sustainable workforce for the fresh produce industry, ensuring its continued growth and contribution to Australia's economy and food security.

Environmental Sustainability

The Australian fresh produce industry supports an approach to sustainability that is holistic, balances economic, social, and environmental factors in decision-making, policies and practices, and considers the long-term outcomes and consequences of today's actions.

Within the fresh produce industry, environmental sustainability encompasses a broad range of issues, from reducing greenhouse gas (GHG) emissions, to conserving biodiversity, to reducing waste and more efficiently using and recycling natural resources, including water. Three interconnected priorities have been identified by industry for discussion, action and investment. These are GHG emissions, food waste and packaging.

To drive significant advancements in environmental sustainability, governments and all stakeholders must maintain a holistic and pragmatic approach to ensure solutions are truly beneficial. This includes providing support for data collection and research initiatives, promoting best practices, addressing misconceptions, and ensuring that policies are designed to foster long-term environmental, economic, and social benefits. By collaborating closely with the fresh produce industry, the government can help create a sustainable future that balances the needs of the environment with the demands of the market, ensuring the ongoing prosperity and resilience of Australia's fresh produce sector.

Industry Research and Development

The Australian fresh produce industry is a leader in agricultural innovation due to stable, long-term investments in research and development (R&D). These investments have been crucial in addressing challenges on farm and across the supply-chain, all the way to consumers. Central to these efforts are strategic collaborations between industry, government, universities, private companies, and other institutions, such as Hort Innovation.

Current areas requiring both public and private R&D focus include pollination alternatives, extending shelf-life, understanding consumer preference, and technological integration to support precision agriculture, among others.

Supporting the industry through targeted R&D investments and fostering collaboration is critical. Governments must commit to sustained R&D funding to support the fresh produce sector. Innovation will drive the development of new technologies and practices, enhance sustainability, resilience and improve efficiency across the supply chain. This commitment will ensure that the Australian fresh produce industry can continue to supply Australian households with affordable, high-quality, nutritious, and sustainable fresh produce.

By working together with Government across these five priority areas, industry can create more permanent jobs, enhance its regional and national economic contribution, and ensure a stable supply of affordable and nutritious fresh produce for Australian households.

The path to a \$20 billion fresh produce industry by 2030 is ambitious but achievable with a concerted effort from all stakeholders. Committing to this collaborative effort will not only benefit Australian consumers, but also reinforce the resilience and sustainability of the sector, securing its essential role in Australia's economy for generations to come.

1. Purpose

The purpose of this White Paper is to support an ongoing conversation between the fresh produce industry and Australia's leaders, policy-makers and key stakeholders about the future of the industry.

The paper provides a brief overview of the industry and offers some important context on the current pressures being experienced by producers as a prelude to outlining the challenges and opportunities of priority areas including domestic consumption, trade and market access, workforce development, and environmental sustainability, and industry research and development. Understanding and progressing solutions in these key areas is vital to the ongoing viability of Australia's fresh produce industry, and by association the supply of nutritional, safe, and fresh fruits and vegetables that are enjoyed by Australian households year-round.

2. Introduction

The fresh produce industry plays a crucial role in the health and well-being of Australia's population through the supply of nutritious and safe fruits and vegetables, it underpins national food security and is a major contributor to the economy. A profitable and sustainable fresh produce industry is in Australia's national interest.

Australia is the envy of many countries due to its diverse climate and geography that enables more than 100 varieties of fruit and vegetable to be grown productively around the country. This advantageous environment has enabled a large-number and wide-variety of fruit and vegetable producing businesses to be established.

Over the past 50 years, Australia's fresh produce industry has undergone significant transformation from a largely traditional sector into a dynamic, innovative and advanced industry. This evolution has been driven by the adoption and development of cutting-edge agricultural technologies and practices that have drastically increased efficiency, productivity and the quality and shelf-life of produce. As a result of this transformation and demand for higher quality produce, many producers in the industry, particularly large-scale growers that supply the bulk of Australia's fresh produce and trade internationally, now operate businesses closer in nature to light-manufacturing than what would be considered traditional farming.

However, despite these advancements, the fresh produce industry faces several challenges that threaten its continued growth and sustainability. Rising production costs, labour challenges, climate change impacts, and increasing global competition are significant hurdles that require ongoing attention and strategic action. Additionally, the industry must navigate the complexities of regulatory compliance and ever-increasing expectations around environmental and social practices, which add to costs and demand constant innovation and adaptability.

The Australian Fresh Produce Alliance (AFPA) recognises the critical need for a collaborative approach to address these challenges. By fostering partnerships between industry stakeholders, government, statutory agencies, research institutions, and consumers, the AFPA aims to develop and implement pragmatic and long lasting solutions that enhance the industry's resilience and competitiveness.

The path to a \$20 billion fresh produce industry by 2030 is ambitious but achievable with a concerted effort from all stakeholders. This vision encompasses not only economic growth but also a commitment to environmental stewardship, social responsibility, and community well-being. By working together, the industry can create more permanent jobs, enhance national prosperity, ensure a stable supply of affordable and nutritious fresh produce for Australian households.

3. Fresh Produce Industry Overview

The Fresh Produce Industry encompasses the production and supply of fruits and vegetables, and is part of the broader horticulture industry, which is the third largest agricultural sector in Australia by value.

The fresh produce industry is one of the fastest-growing sectors in Australian agriculture, nearly doubling in value from \$7.1 billion in 2013 to \$12.2 billion in 2023. The industry has the potential to reach \$20 billion by 2030, however this growth will only be achievable through a cooperative and collaborative effort between fresh produce companies, retailers, government and Australian families.

Fresh Produce Industry – quick facts²

- In 2022–23, the total production value of the fresh produce industry was **\$12.2 billion**
- The industry is estimated to directly support between **65,000–80,000** roles³
- Australia's diverse climate and geography enables **more than 100 varieties of fruit and vegetable** to be grown productively in regions around the country.
- Australia produced over **6.2 million tonnes of fresh produce in 2022–23**, the majority for fresh supply goes to the domestic market (61.6%) and processing (28.9%).
- **Only 9.5% of Australian fresh produce is exported**, unlike the broader agriculture industry that exports around 72% of total production.
- **Australia imports less than 3% of produce for fresh supply**, meaning over 97% of fresh fruits and vegetables consumed in Australia is grown in Australia.
- Of the total fresh supply for the domestic market, **83.5% goes to retail** (e.g. supermarkets) for household purchase and **16.5% goes to food service**, such as cafes, restaurants, hotels, etc., typically via the wholesale markets in each state and territory.

A country-wide network of growers provide year-round supply of local fresh produce

Delivering year-round supply of local fruits and vegetables to Australian households and businesses takes a national effort and significant capital and operating expenditure.

All fruits and vegetables require the right combination of climate, soil, and growing conditions to thrive. Australian producers over many decades have been working to identify the optimal region, time of year, and cultivation practices to successfully produce different fruits and vegetables to a standard and consistency which maximises production and financial return.

Some produce can be grown productively year-round in a single region, like bananas in North Queensland, while most produce must be grown in multiple regions across the country at different times of the year to provide continuous supply. For example, to provide a year-round supply of blueberries, they are grown between Tasmania and Far North Queensland at different times of year, with the main production hub being around Coffs Harbour, NSW. The shifting seasonality and natural peaks and troughs of fresh produce production is one of the industry's most defining characteristics, especially of its workforce requirement, and creates a very dynamic supply-chain.

The fresh produce industry's supply-chain criss-crosses the nation, transporting millions of tonnes of produce around Australia from in-season regions to local shops. It's typical for fresh produce to be on supermarket shelves within 48–72 hours of being harvested anywhere in the country, in some cases within 24 hours.

The industry's national network of production and dynamic supply-chain ensures year-round supply of fresh produce for Australian families.

A large number of small businesses and a small number of large businesses

As of 30 June 2023, ABS data⁴ indicates there were 18,325 fruit, vegetable and nut producing businesses in Australia. As illustrated in Table 1, around two-thirds, 12,371, are non-employing entities and 5,217 employ between 1 to 19 people, which means 96% of the industry are 'small businesses' by ABS definition. Of the remaining 4% of businesses, 709 employ between 20 and 199 people and only 29 businesses employ over 200 people. This data demonstrates that the fresh produce industry is made up of a large number of small businesses and a small number of large businesses.

This is further validated by additional ABS data provided in Table 2, that identifies business turnover ranges. Of note, the fresh produce industry is typically described as a high turnover, low profit margin industry.

Table 1:

2023 Fruit, Vegetable & Nut Businesses by employment size⁴

Non-Employing	12,371
1 to 19 Employees	5,217
20–199 Employees	709
200+ Employees	29
Total Businesses	18,325

Table 2:

2023 Fruit, Vegetable & Nut Businesses by total turnover⁴

Zero to \$49k	5,913
\$50k to \$199k	5,169
\$200k to \$1.99m	5,782
\$2m to \$4.99m	870
\$5m to \$9.99m	319
\$10m or more	270
Total Businesses	18,325

All parties should consider how to best support this diverse industry as maintaining a range both small and large businesses that utilise a variety of growing techniques is in the national interests. This diversity enhances food security by ensuring a stable supply of fresh produce even in the face of economic, environmental, and social challenges. It also promotes economic resilience by fostering innovation, competition, and sustainability within the sector. Small businesses often pioneer niche markets, while large businesses can leverage economies of scale to drive efficiencies and invest in advanced technologies and practices. Together, they form a robust ecosystem that supports the well-being of Australian communities and the national economy.

4. Current Market Conditions and Pressures

As widely publicised, many Australian families are experiencing cost of living challenges and must make difficult decisions about how to allocate their household budgets. During these difficult periods, spending on many food items becomes discretionary, following the payment of mortgages, rent and utilities. This results in a softening of demand for fruits and vegetables.

At the same time as households are seeking more affordable ways to feed their families, farmers are experiencing some of the steepest increases in production costs in the industry's history.

While AFPA members are some of the largest producers in Australia, they also work collectively with around 1,000 other third-party growers, large and small producers, to supply fresh produce year round. Based on data gathered from members, on average, the cost of producing fruit and vegetables in Australia has increased by 18.9% over the last four years, between 2018/19 to 2022/23.

Major cost increases have occurred in labour, land, energy, capital, transport, fertiliser, packaging and other production inputs, which have largely contributed to a steep increase in the total production cost, as outlined in Table 3.

While this steep increase in costs was initially a result of the COVID-19 pandemic and international events, the drivers behind these cost increases are now increasingly domestic. For example, the greatest proportion of the increase in the cost of labour has occurred in the last two years, by 12.1% since 2022.

On average, labour is the largest input costs, accounting for more than half (52.1%) of total production costs. Over the past 24 months, changes of specific relevance to the industry's workforce, such as alterations to Piece Rate provisions within the Horticulture Award and changes to the Pacific Australia Labour Mobility (PALM) scheme, as well as economy wide changes, such as the increase of the National Minimum Wage, have made a significant contribution to the overall increase in the cost of production.

The data in Table 3 was collated in early 2024, since then the Fair Work Commission has advised of further changes to the Horticulture Award that will likely result in the majority of the industry's workforce receiving a pay increase of 2.74% (based on current rates), in addition to the 3.75% minimum wage increase announced in in June 2023, and

Table 3:
Fruit and vegetable production cost increases over the last four years

Category	Avg. cost Increase (%) between 2018/19 to 2022/23
Labour e.g. wages, super, allowances, administration, etc	+20.7%
Energy e.g. Electricity, gas, fuel, etc.	+20.0%
Capital costs e.g. Irrigation, machinery, infrastructure, etc.	+22.3%
Other production inputs e.g. Fertilizers, chemicals, packaging, water, etc.	+19.3%
Total Avg. Production Cost Increase	+18.9%

the 0.5% increase to employer superannuation guarantee contribution. Collectively, these three changes mean that labour costs are likely to increase a further 7% in the immediate future.

Despite increasing labour costs, there has not been a corresponding increase in productivity. This has further compounded the impact of cost increases.

Maintaining affordability against increasing standards and compliance costs

Australian producers are held to some of the highest safety, ethical and environmental standards and requirements in the world, and the bar continues to rise. Industry recognises the value and need for appropriate standards to ensure the health and safety of consumers, protect the environment, and ensure the ethical treatment of workers.

However, meeting these standards can require significant investment in sustainable practices, advanced technologies, capital and equipment, as well as a high and ongoing cost associated with administration and demonstrating compliance. There is often a disconnect between these costs incurred by producers, their capacity to pass on costs through the supply chain, and the ability of consumers to pay higher prices at the checkout.

Changes to packaging regulation is one example whereby industry is being required to transition to alternative materials, which are typically more expensive and often less suitable for purpose, leading to other costs such as increased food-waste and associated environmental harm which accompanies this. These changes continue to place significant financial pressure on producers and too often do not deliver on the desired outcome.

Collaborative efforts among industry stakeholders, policymakers, and consumers are essential to support producers in meeting increasing standards and requirements while at the same time ensuring the long-term viability and competitiveness of the Australian fresh produce industry is maintained.

5. Domestic Consumption

Good nutrition is universally beneficial and can be achieved through regular consumption of fresh produce. However, numerous studies have shown that Australians are not meeting the recommended daily intake of fruit and vegetables. Most worryingly, the Australian Bureau of Statistics (ABS) has identified a significant decline in the consumption of fresh produce over the past twelve months. Between 2021-22 and 2022-23, Australians consumed 7.1% less vegetables and 7.9% less fruit.

This decline is alarming and, if not rectified, will have a profound and lasting public health, social and economic consequences. When the population's consumption of nutritional produce declines, public health systems face increased burdens due to higher incidences of chronic diseases like cardiovascular disease, Type II diabetes, and certain cancers. This leads to escalating healthcare costs and greater demand for medical services. Economically, the situation results in increased healthcare expenditure, loss of productivity, and higher social security and disability payments, further straining government budgets. Additionally, poor diet quality reduces overall quality of life and exacerbates health inequities, particularly in lower-income communities.

To address this critical issue, it is imperative to consider how governments can support consumer trends around convenience and the availability of fresh produce to improve the health of all Australians. Ensuring that existing government programs and incentives better support fruit and vegetable consumption is a key recommendation. Research from the World Health Organisation (WHO) underscores the importance of policy interventions in promoting healthy eating habits. Strategies such as public awareness campaigns and integrating nutrition education into school curricula have proven effective and should



continue, but a fresh approach is needed, that considers the links between convenience, health, and lifestyle.

Initiatives to better promote the nutritional benefits of fresh produce, such as showcasing vitamin and mineral content, should be considered, possibly as part of the 'Health Star Rating' program or through government funded research. Governments should also consider their own procurement policies in schools, hospitals and institutions, as well as other means to get more Australians eating the recommended amount of nutritional produce.

Novel ideas being tested overseas that have shown promise in improving dietary habits and health outcomes include "produce prescription" programs which involve healthcare providers prescribing fruits and vegetables at a subsidised price to patients.⁵

Governments at all levels should act now to reverse the decline in fresh produce consumption, and by doing so ultimately foster a healthier, more resilient population and alleviate the economic burdens associated with poor nutrition.



RECOMMENDATION

That Government implement new and revitalised strategies to improve household consumption of nutritious fruits and vegetables, which consider current consumer preferences for convenience and shelf-life to ensure value for money and reduce waste.

Government led initiatives should also be reviewed and optimised to better support fruit and vegetable consumption where possible, improving the health of all Australians.



6. Increased access to more consumers through new and improved export market access

The future success of the Australian fruit and vegetable industry, and the many regional communities it underpins, is in growing exports. While opportunities exist in many markets to grow fresh produce exports, focus should first be on countries that have shown an appetite for Australia's premium produce and can support a high-volume of trade.

Improved export opportunities for the fresh produce industry will also drive productivity growth and innovation in the sector, build resilience into the supply-chain, deliver cost savings through efficiency gains and create a more stable supply of produce domestically.

Importance of market access

Domestically, Australia's market is fully saturated (97% of fresh produce consumed in Australia is grown locally). While more needs to be done to encourage Australians to increase their consumption of fruit and vegetables, the industry's growth will likely remain limited to Australia's population growth unless greater market access is achieved.

There is great potential to grow Australia's export of fresh produce. Australian produce is highly sought after around the world. The broader agriculture industry has demonstrated how exponential growth is achievable when export opportunities are created. In 2022/23, the value of Australia's total agricultural exports reached \$79.9 billion, a rise of \$12.5 billion (+18.6 per cent) from the year before – fresh produce was less than 2% of this total export value, demonstrating there is significant untapped potential to grow fresh produce trade.

More than 100 different products are grown across Australia, a major strength of our national fresh produce industry. The challenge is that each product often needs a specific technical market access protocol to be agreed with our trade partners. In some instances, market access is required at a varietal level (e.g. specific variety of table grapes) adding to complexity. This differs for beef or grain where a single technical market access protocol will allow these products to be exported to an international market.

From a standing start, gaining new market access for fresh produce can take more than 10 years, however, this can be hastened through long-term investments by both government and industry in capacity building, and by raising fresh produce trade and market access during high-level engagements between trading governments. The ability to achieve swifter outcomes through political engagement has been demonstrated by many of Australia's competitors, who are often gaining new market access faster than Australia.



Success story – Citrus and Table Grapes

Over the past decade, the citrus and table grape industries have demonstrated the value of enabling export growth.

Citrus growers now have one of the most mature export networks, with access to almost every major citrus market in the world. Between 2013 and 2023, Australian citrus exports doubled in value from \$188 million to \$441 million. Over the same period, this strong export growth enabled the citrus industry as a whole to grow from \$427 million to be nearly a billion dollars, \$977 million. This growth has been of great benefit to regional communities, local workers, and the broader economy, as well as improving food security and price stability in Australia.

Australian table grapes have experienced even more dramatic growth over the past ten years. In 2013, table grape exports were valued at an estimated \$180m, in 2023 the value was \$557 million, and the industry as a whole is also fast approaching a billion dollars, valued at over \$900 million today.

The growth of both these products is attributable to improved market access and efforts to increase international market share over the past decade, as well as local investments to support research, treatment facilities and other export initiatives. The citrus and table grape industries still have challenges in maintaining access to markets, improving trade protocols and conditions, however, have proven the potential of fresh produce exports.

The aim of industry and government should be to replicate the growth of citrus and table grape exports across the fresh produce sector, enabling the industry to reach its potential as a major economic contributor to Australia's national prosperity and strengthen domestic production.



Future focus – Priority Countries

To help focus government and industry efforts, the AFPA has identified five markets and eight commodities that are of the highest commercial priority and benefit to industry. By concentrating resources and strategic initiatives on these key areas, the industry can maximize its export potential and achieve sustainable growth. This targeted approach will enable the Australian fresh produce sector to tap into new markets, expand its global footprint, and reinforce its reputation for high-quality, safe, and nutritious products.

The selected commodities and their respective priority markets are outlined in Table 4. This strategic emphasis on specific markets and commodities is designed to address both new market access and market improvement opportunities.

Ongoing collaborative efforts between government, industry stakeholders, and research institutions are essential to navigate trade requirements, meet international standards, and enhance competitiveness. By leveraging Australia's strengths and capitalising on emerging opportunities, the fresh produce industry can secure a prosperous future and contribute significantly to the national economy.

Table 4:

Summary of commercially significant fresh produce market access priorities

Commodity	Country				
	China	Japan	Korea	Thailand	Vietnam
Apples	MI*	MI		MI	MA
Avocados	MA	MI		MI*	MA
Blueberries	MI*	MA	MA	▶	MA*
Citrus	▶	MI*	MI*	▶	▶
Mangos	MA		MA		
Rubus				MA	MA
Summerfruit	▶	MA	MA		MA*
Table Grapes	▶	▶	MI	MI*	▶

KEY: MA = New Market Access MI = Market Improvement * = Under Negotiation ▶ = Access Achieved

What about Biosecurity?

Biosecurity is a critical component of the Australian fresh produce industry, safeguarding both domestic and international trade. Protecting against pests, diseases, and invasive species is essential to maintaining the high standards and quality of Australian fruits and vegetables. Domestically, stringent biosecurity measures ensure that crops remain healthy, reducing the risk of widespread agricultural issues that can devastate local economies and threaten food security. Internationally, Australia's reputation for producing safe and high-quality produce hinges on robust biosecurity protocols. These measures facilitate access to global markets by assuring trading partners of the safety and integrity of Australian produce.

Effective biosecurity is vital for preventing economic losses due to quarantine breaches and ensuring that Australia remains competitive in the global fresh produce market. By investing in comprehensive biosecurity strategies, Australia can protect its agricultural assets, support sustainable farming practices, and enhance its trade relationships worldwide.

The AFPA supports ongoing efforts to strengthen Australia's biosecurity system, including the development of advanced detection and treatment technologies, efficient inspection processes, and collaboration with international bodies to maintain stringent, but viable standards. The AFPA also supports increased resources for Australia's biosecurity capability as a means to hasten trade negotiations, as staffing constraints around assessing import requests can delay improved market access progress. By championing these initiatives, the AFPA aims to ensure the continued health and prosperity of the Australian fresh produce industry.



Recommendation

Growing exports to both established and developing markets will require a concentrated effort from across Government and its support for industry in market, as well as investments in Australia's technical trade and scientific capacity. The AFPA seek government support to expand market access for fruit and vegetables, specifically through:

- A reinvigorated whole of government approach to negotiating horticulture market access; leveraging both Ministers and Departments of Agriculture, Fisheries and Forestry, Trade and Foreign Affairs and Prime Minister and Cabinet.
- Investment in research and development to improve and develop treatment protocols to improve market access.
- Securing investment to increase scientific capacity within the Department of Agriculture Fisheries and Forestry to address technical market access now and into the future.
- Making clear to trading partners that the resolution of technical access issues is also a trade priority for the government.



7. Workforce Development

Sustaining Australia’s fresh produce supply and the sector’s growth requires a more concentrated effort on the development of the sector’s workforce. To support the long-term viability of the industry, the AFPA are focused on five key areas for further work and development:

1. Employing Australians
2. Education and Training
3. Supporting Employers and SMEs
4. Migration Settings and the introduction of a Harvest Work Visa
5. Solving Information and Data Gaps

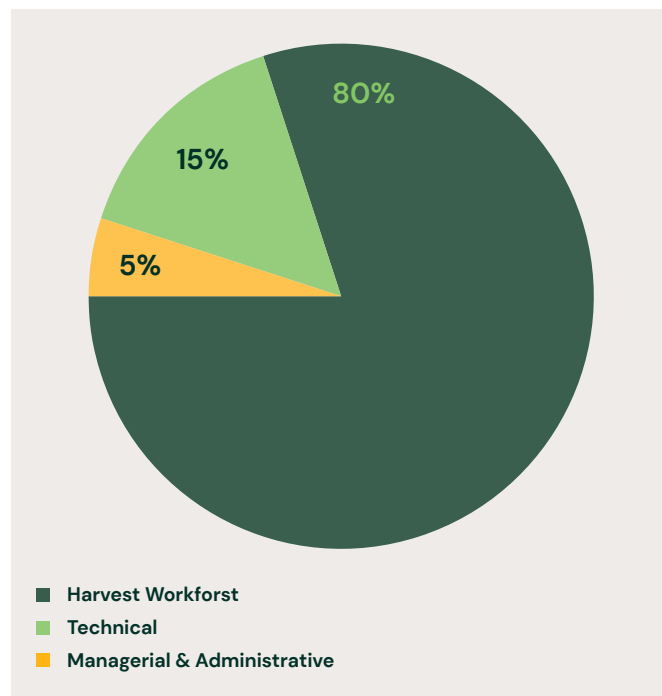
On average, the cost of labour comprises of more than half (52%) of the total cost of producing fruit and vegetables. Therefore, any changes to the industry’s workforce, whether by design or unintended consequences of broader policy, have a profound impact on both the cost of production of fresh produce, the viability of fresh product businesses and ultimately the consumer price of fresh produce.

Industry’s Workforce Profile

Australia’s fresh produce sector is estimated to directly support between 65,500–80,000 full-time-equivalent positions³. Employment in horticulture can be separated into three distinct functional areas:

- **Harvest Labour** – 80% of workforce: harvesting, picking, packing, planting and maintenance (e.g. pruning) of horticultural crops
- **Technical Expertise** – 15% of workforce: skilled and semi-skilled roles including supervisors, agronomists, food technologists and food safety specialists
- **Management & Administration** – 5% of workforce: farm managers, sales and marketing, category management, human resources and finance and accounting.

Figure 1:
Horticulture Workforce Categories and Breakdown



Unlike broadacre farming and other agriculture sectors, which have become highly mechanised, horticulture remains labour intensive. This is because, despite technological advancements in many areas of farming, most fruits and vegetables still need to be hand harvested to ensure quality and consistency.

The harvest workforce makes up the largest proportion of workers (80%) and supports the entire fresh produce industry. The supply of fresh produce is entirely dependent on the industry’s ability to engage a harvest workforce. The harvest workforce also underpins every permanent jobs in the industry. Based on AFPA data, every permanent job performed by an Australian citizen or permanent resident in the industry is dependent on at least three harvest roles.

While Australian residents typically fill the skilled (technical, managerial, and administrative) positions, workers from overseas are the main source of harvest workers. The industry’s reliance on overseas workers for harvest labour is unlikely to change because the characteristics of harvest work is unattractive to most Australians. Harvest work is seasonal (temporary), regional, variable (influenced by weather and other factors) and physical.

Workforce Focus Areas

To support the long-term viability of the industry, the AFPA are focused on five key areas and seek to work with industry, government, and other key stakeholders to progress work in these areas:

1. Employing Australians:

- The fresh produce industry consistently seeks to employ Australians. The majority of the workforce undertaking ongoing, skilled roles in the sector (by FTE) are Australians or Permanent Residents.
- Unemployment rates are low, making it difficult to attract local workers, and the industry is in tough competition with the broader economy for skilled workers.
- Accommodation shortages in regional areas act as an impediment to attracting workers, necessitating nuanced solutions.

2. Education and Training:

- There's a growing unmet demand for skilled workers in technical, managerial, and administrative roles.
- Challenges attracting skilled workers include a lack of clear career pathways and relevant education programs.
- The sector seeks employer-driven, skills-focused, and knowledge-based training programs.

3. Supporting Employers and small and medium enterprises (SMEs):

- Most producers are SMEs and, due to their resource and capacity constraints, experience additional challenges to effectively engage and maintain a workforce.
- There is a high reliance on labour hire services in the industry as the "HR function" of many horticulture businesses is underdeveloped due to capacity constraints or other challenges.
- There is a need to improve access to industry specific HR support for SMEs and increase coverage of ethical auditing schemes to improve industry standards and worker welfare.
- The introduction of a National Labour Hire Licensing Scheme would further support workers and employers in the fresh produce industry.

4. Migration Settings:

- The horticulture industry heavily relies on migrant workers including skilled, semi-skilled, and unskilled workers, to fill workforce roles. Both permanent and temporary migration pathways are utilised by industry.
- While challenges exist in securing skilled migrants to meet technical expertise and managerial shortfalls, increasingly the greatest challenge is the employment of harvest workers through limited and ever more costly and shifting visa pathways.

- Developing a productive and returning harvest workforce is key to the industry's long-term viability. Solutions to support a productive and returning harvest workforce include:
 - » Continuing to develop and improve the PALM Scheme.
 - » Support solutions, including the Working Holiday Maker Program, that enable industry to source labour during peak harvest periods.
 - » Introduce a Harvest Work Visa to create a regulated visa program that supports peak harvest needs for the horticulture and broader agriculture industry.

5. Solving Information/Data Gaps:

- Detailed and collated data on the horticulture industry's workforce is lacking, with existing information being piecemeal and/or regionally focused.
- The information that is gathered is further hampered by the absence of 'ground truthing' of data, and incorporation of information from employers to give a more holistic view of industry's workforce.
- Data gaps include number of workers in the sector (people vs. roles, vs FTE), demographic information, skills and training needs and a range of other fundamental measures.
- Collaboration among government, industry, academia, and other stakeholders is essential to improve data collection, dissemination, and empirical analysis.

Addressing migration and the harvest workforce

The horticulture industry relies heavily on migrants to fill harvest roles within the sector. The supply of fresh produce is entirely dependent on the industry's ability to engage a harvest workforce, which pick, pack, process and maintain horticulture crops, among other tasks. The harvest workforce is also crucial to supporting permanent jobs in the industry. By its nature, harvest work is:

- **Seasonal** – depending on the commodity and location, harvest employment opportunities can range from weeks to months to years.
- **Regional** – fruit and vegetable production typically occurs in rural and remote areas.
- **Variable** – production is highly influenced by weather and other external factors; output may vary between seasons and therefore labour requirements.
- **Physical** – picking, packing, and maintaining crops can be physically demanding, with most work occurring outdoors.

In 2020, AFPA collated data from Australia's major producers and labour hire companies and found that of 23,000 enquiries for horticulture work received between March – June 2020, only 8% were from Australians. AFPA members make concentrated efforts to engage more Australians in their harvest workforce, including running targeted job campaigns in local regions and providing incentives. Despite this, it remains a significant challenge to attract Australians, to undertake temporary work in remote locations, that is both physically challenging and variable. Therefore, the fresh produce industry has come to rely heavily on a large migrant workforce, most commonly made up of PALM Scheme and Working Holiday Maker (WHM) visa holders.

Developing a productive and returning harvest workforce is key to the industry's long term viability.

The PALM Scheme

The PALM (Pacific Australia Labour Mobility) scheme is a regulated visa program that requires employer sponsorship. It was initially piloted in 2009 with foreign aid objectives to "allow Pacific and Timor-Leste workers to take up jobs in Australia, develop their skills, and send income home to support their families and communities," while simultaneously filling "labour gaps in rural and regional Australia."

There has been significant growth in the use of PALM workers in the horticulture sector. The PALM program is now an integral part of industry's harvest workforce. As of June 2024, it was estimated that over 20,000 PALM workers were engaged in horticulture work. Results from the ABARES horticulture survey in 2020–21 showed that around half of all PALM workers on horticulture farms were returning workers, demonstrating the mutual benefit and success of the program.

However, the annual non-wage labour cost of PALM workers was found to be 12.1 times higher per worker than for working holiday makers in 2018⁶ and recent changes introduced to

the PALM Scheme Deed and Guidelines in July 2023 have made the scheme even more challenging to operate and increasingly inflexible. In the months following these changes, the number of PALM workers engaged in horticulture work fell by an estimated 10%. For many producers, particularly small growers/businesses, the scheme became unviable due to increased administrative burdens, financial risks, and other challenges, including housing availability.

There is also a lack of resources within the Department of Employment and Workplace Relations (DEWR) to resolve operational issues promptly, and the new IT system is ineffective, adding to the administrative costs and burdens. The consistent shifting of operational policy within the program is a significant challenge for employers, workers and other stakeholders – there is a need to offer stability and certainty to all stakeholders within the program.

Given the importance of the PALM scheme to the horticulture workforce, the AFPA remains a strong supporter of this regulated visa program and will continue to advocate for its continuity, as well as operational improvements, increased enforcement of standards and other improvements that deter unscrupulous employers and protect workers. Looking forward, it will be important for all PALM stakeholders, including relevant Australian government agencies, to look to develop a future strategy for the program considering:

- The needs of Pacific partner countries, for example, their desired engagement in either the short or long term PALM streams or both, and how this information could better support industry recruitment.
- The needs of current industries engaged in the program, including future workforce demands.
- Consideration of access to different and alternative visa pathways within the program including examining the introduction of different program settings for workers who have worked in Australia for multiple years.



Working Holiday Makers

WHMs (Working Holiday Makers) contribute around \$3 billion a year to the Australian economy and play a critical role in the Australian workforce, particularly in regional Australia. Across the WHM program (the 417 and 462 visas subclasses) there were 181,216 working holiday visas in Australia as at 29 February 2024. This is well above the previous peak of 141,000 in December 2019, and significantly higher than during the COVID pandemic.

The WHM visa is largely unregulated with respect to employer participation, meaning any business in the economy can employ a WHM visa holder for a certain period. However, WHMs are required to undertake specified full-time equivalent work over a minimum period of 88 calendar days (three months) for a second-year visa and 176 calendar days (six months in total) for a third-year visa in regional Australia within certain industries. In part due to this requirement, the Department of Agriculture, Forestry and Fisheries (DAFF) estimate around 25–30% of all WHMs undertake work in the horticulture sector.

Beyond the requirement of WHMs to undertake specified work to receive a visa extension, WHMs in Australia are highly mobile and flexible, making them ideal for the fresh produce industry's seasonal labour needs. WHMs can relocate quickly for short-term employment opportunities, adapting easily to various locations and work environments. This mobility is crucial for addressing the regional and seasonal demands of agriculture, where the workforce needs can change rapidly.

There is also close alignment between WHMs, who typically seek a short-term work commitment, and the peak harvest periods (spiking labour demand) experienced across industry. Visa conditions often see WHMs work with one employer for up to six months; matching the intense but brief labour demands of crops like cherries, mangos, strawberries, and grapes. This temporary engagement is beneficial for producers who need to scale their workforce quickly and for short durations, making WHMs a practical solution for handling peak labour requirements efficiently.

The industry has long sought to work with Government on the development of an alternative visa pathway, to develop a productive and returning harvest workforce, however, in the absence of any alternative, the WHM visa remains vital to the industry's ability to produce and supply fruits and vegetables.

Harvest Work Visa

While there are multiple visa schemes available to the fresh produce industry, and each has their merits and value, collectively they do not meet the needs of the industry.

A visa gap exists for a regulated program to support the industry's workforce requirement, with built in worker protections, that enables workers to complete short term (e.g. 12 week) work assignments with the flexibility to move between employers and return year on year. To fill this gap, the industry requires a new visa to secure a productive peak-harvest workforce and better guarantee Australia's ongoing supply of fresh produce.

The AFPA in consultation with migration law experts developed a visa solution to fill the gap in the industry's migration framework and better support workforce development and productivity. The full proposal can be viewed on the [AFPA website](#). Most OECD countries operate a visa similar to the proposed HWV (Harvest Work Visa), and this should be introduced as part of any reforms to migration and visa arrangements.

The HWV is intended to be a highly mobile visa that allows workers to shift both between employers and geography, following seasonal needs and peak labour demand. The HWV should be capped at 10,000 places per annum and allow visa holders to access roles within the harvest workforce for up to 9 months at a time with the ability to return to Australia year on year. The HWV could also more appropriately capture the cohort of WHMs that travel to Australia specifically to work in the horticulture industry. In this respect, the proposed HWV program complements, rather than replaces existing visa programs, and would not diminish the importance of the PALM Scheme or jeopardise the Government's Pacific primacy policy.



Recommendations

That Government, in consultation with industry, implement comprehensive strategies to address workforce shortages in the fresh produce industry by:

- Supporting initiatives to enhance employment opportunities for Australians, improve education and training programs, and provide targeted HR support to small and medium enterprises (SMEs).
- Working with industry stakeholders to address information and data gaps by improving workforce data collection and analysis.
- Supporting industry to develop a productive and returning harvest workforce through:
 - » Initiating a strategic review of the PALM Scheme to ensure the program is fit for purpose for all stakeholders.
 - » Continuing to support the Working Holiday Maker program.
 - » Introducing a Harvest Work Visa to create a regulated pathway to address peak harvest labour needs.

8. Environmental Sustainability

Generations of Australian fresh produce growers have practiced sustainable farming through responsible environmental stewardship, including the sustainable use of natural resources. Australia's international reputation as a country renowned for the production of 'clean and green' produce is clear evidence of this.

The Australian fresh produce industry recognises that sustainability is about meeting the needs of the present without compromising the ability of future generations to meet their needs – producing fresh produce in a way that is economically, socially, and environmentally responsible. The industry supports an approach to sustainability that is holistic, balances economic, social, and environmental factors in decision-making, policies and practices, and considers the long-term outcomes and consequences of today's actions.

Within the fresh produce industry, environmental sustainability encompasses a broad range of issues, from reducing greenhouse gas (GHG) emissions and adapting to climate change, to conserving biodiversity and protecting ecosystems, to reducing waste and more efficiently using and recycling natural resources, including water.

To best focus efforts, the AFPA has identified three interconnected areas of priority for discussion, action and investment, these are GHG emissions, food waste and packaging.





Horticulture's Greenhouse Gas Emissions

Available data demonstrates that the horticulture industry represents a very small proportion of total agriculture emissions, however, it is insufficient to develop an accurate and complete emissions profile of the industry. Furthermore, the existing research on Australian horticulture industry emissions varies in the application of boundaries and methodologies for calculating emissions. Addressing this lack of consistency is key to realising opportunities around emissions and what role horticulture could realistically play with respect to economy wide emissions reductions.

Without this data to guide conversations and inform decisions, the setting of targets and overt focus on emissions reduction is pre-emptive and not productive. The data gaps and outdated research around horticulture's emissions needs to be addressed to allow informed conversations, the development of evidence-based policies and drive industry-wide action to deliver effective and sustainable outcomes.

The AFPA have developed a [Common Greenhouse Gas Accounting Framework](#) to support producers to accurately capture and measure their emissions. The AFPA released the Framework to industry in mid-2024, with the aim of it being widely adopted by producers and used as a foundational piece upon which industry and stakeholders can begin to achieve a better understanding of the industry's emissions profile. A better understanding of this profile will assist in identifying opportunities, forming considered and deliberative policy, and coordinating both public and private investment.

The horticulture industry is naturally positioned to be a key part of the solution to reducing Australia's emissions and the achievement of other environmental ambitions. Indeed, there are numerous opportunities to explore in horticulture, including utilising existing capital and assets, such as the use of orchards for carbon capture and sequestration.

Packaging in the fresh produce industry

The AFPA acknowledges and supports initiatives to reduce the environmental impact of plastics and packaging. While the fresh produce industry is a relatively low user of plastics and packaging, it is a highly visible user, and Australian consumers are concerned about the impact of plastics on the environment. It is therefore imperative to understand that the use of packaging in the fresh produce industry is critical to both reducing food waste and enabling consumers, both in Australia and overseas, to access fresh, safe fruit and vegetables at affordable prices.

In 2019, the AFPA commissioned and released [research](#) undertaken by RMIT University on the role that packaging plays in the fresh produce supply chain. The report confirmed that functional packaging assists in reducing food waste as it protects products, increases shelf life and creates opportunities to supply produce which would otherwise be considered uneconomical to harvest and sell as individual items.

The important role of packaging in the integrity and protection of fresh food as it travels through supply chains from farm to plate must be better recognised. Product safety, protection, increasing shelf-life and reducing waste should be the primary goal of packaging as food waste generally accounts for a larger proportion of negative environmental impacts than packaging does. To that end, embracing simplistic solutions, such as blanket plastic bans, need to be resisted and the consequences carefully thought through.

A key example is the periodic call to ban plastics and/or remove packaging entirely for fresh produce. This fails to acknowledge the functional role of packaging in reducing food waste, the overall impact on the product, and the importance of material selection in meeting a primary objective – to ensure Australian households can access affordable, high quality (including shelf-life/longevity), and safe fresh produce.

The AFPA will continue to strongly advocate for the use of functional packaging for fresh produce, while working with industry, suppliers, recyclers, and retailers, to research and implement sustainable product and packaging combinations that are fit for purpose and help to prevent food waste. Further, the AFPA have also funded the development of a [Materials Selector](#) and [Materials Guide](#) to assist the fresh produce industry in selecting the most appropriate packaging formats for their products, supporting improved outcomes towards 2025 packaging targets. Action by industry must also be supported by action from government through investment in infrastructure to support the collection, recycling, and remanufacturing of (plastic) packaging.

The AFPA seeks to work with government, retailers, and industry to educate and improve the understanding of the role and importance of functional packaging in the fresh produce industry and to develop solutions that build and sustain the infrastructure required to deliver and promote the use of recyclable and recycled packaging.

The food waste challenge

Food waste is a global challenge that has environmental, economic, and social impacts. It is a complex issue that occurs across the supply chain, most prevalently in Australian households. Australian households account for an estimated 32% of total food waste and any meaningful reduction efforts should be foremostly focused on reducing waste in the home.

Members of the AFPA are invested in reducing food waste on-farm and across the supply-chain. The AFPA has released two research reports on food waste, packaging and recycling. Through our work it has become clear that understanding consumer behaviour, particularly in the home, is critical to addressing food waste. Ensuring that consumers can access fresh food, in a format that meets their needs is a goal that will address food waste and help Australians meet the necessary daily intake of fruit and vegetables to support health outcomes.

It's also important to understand that not all food waste should be considered the same, as there is a significant environmental and economic variation between waste that occurs at the beginning of the supply-chain (on-farm) as opposed to at the end of the supply chain (in households).

Of the 7,700 thousand tonnes of food waste that occurs in Australia annually, around 800 tonnes (10.7%) is estimated to be wasted fruit and vegetables 'on-farm' or at the primary production stage (beginning) of the supply-chain. Food waste on farm is not only bad for the environment and society, but bad for business – no farmer wants to see the fruits of their labour wasted.

When issues arise on-farm, many groups advocate that farmers donate their surplus or 'damaged' food to charity or sell it at a heavily discounted rate. While this may be preferable to wasting edible produce, it also comes at a significant cost to the farmer that must be considered given they have likely already incurred the full cost of growing and harvesting the produce. Most large producers with the capacity to donate produce prefer to make this a planned part of their business. AFPA members are some of the largest regular donors of fresh produce to charities like Foodbank and OzHarvest.

The AFPA seeks to work cooperatively with Government, retailers, and other stakeholders to take a holistic view on food waste reduction, including evaluating the use of best-before and use-by dates on fresh produce; better understanding the importance of functional packaging to increase product shelf life and reduce waste at a consumer level; exploring opportunities to increase the amount of first grade product that is produced; and implementing consumer education and behaviour change programs to drive down household waste, all the while ensuring Australian families continue to access fresh produce that is safe, nutritious and affordable.



Recommendation

That governments, retailers and other relevant entities adopt a holistic approach to sustainability that considers environmental objectives alongside the industry's viability and consumer accessibility to fresh produce, with an emphasis on collaborating with industry to progress any policies or initiatives related to industry emissions, food waste, and packaging sustainability.

9. Industry Research and Development

The Australian fresh produce industry stands as a beacon of agricultural innovation, driven by substantial investments in research and development (R&D) and technology adoption. These efforts are pivotal in addressing multifaceted challenges such as rising production costs, labour shortages, climate variability, resource scarcity, and global competition. By leveraging advancements from R&D, the industry can enhance its efficiency, sustainability, and profitability, delivering higher-quality produce at affordable prices.



Government Support and Strategic Partnerships

Central to the success of R&D endeavours in the fresh produce sector are strategic collaborations with government bodies, universities, private companies, and other institutions. Australia's Rural Research and Development Corporations (RDCs) play a particularly pivotal role in fostering these collaborations across agriculture. These corporations are essential in delivering practical improvements in productivity, profitability, and sustainability through targeted investments and partnerships in research, development, and adoption initiatives.

Hort Innovation, the horticulture industry's RDC, plays a crucial role in advancing the sector by focusing on strategic investments that benefit the entire horticulture industry. By consulting closely with industry, Hort Innovation is able to invest grower levy funds, alongside matched funding from government, in key areas of most benefit.

The ongoing government investment in R&D through entities like Hort Innovation is paramount for both maintaining Australia's domestic supply and providing industry with a competitive edge in global markets. Such investments not only support the development of new technologies and practices but also ensure that Australian growers remain adaptive to evolving market demands and environmental conditions. This sustained support underscores the government's commitment to fostering a resilient and innovative agricultural sector.

Private Sector Initiatives and Innovations

Private entities within the fresh produce sector are actively pursuing R&D initiatives aimed at overcoming business, sector and industry-specific challenges. This includes investments directed towards developing new plant varieties that promise improved yield, quality, and resistance to pests and diseases. Such advancements not only bolster grower returns but also elevate consumer access to superior produce. Moreover, ongoing investments in intellectual property (IP) protection and innovative cultivation methods play a crucial role in sustaining high-quality production standards.

Private companies are also allocating considerable resources to refining harvest and post-harvest practices to optimise efficiency and quality throughout the supply chain. These efforts yield extensive benefits, including enhanced traceability, elevated food safety protocols, improved product quality, and reduced food wastage throughout the supply chain.

Current Challenges and Strategic Focus

Beyond key issues already covered in this Paper, the fresh produce industry is confronting many other complex challenges that require both public and private R&D focus, including on:

- **Pollination:** Exploring alternative pollination methods such as drone pollination and enhancing native habitats to reduce dependency on European honey bees.
- **Shelf-life Extension:** Developing technologies to prolong produce shelf-life, enhancing quality and reducing waste.
- **Consumer Preferences:** Meeting demand for sustainable practices, nutritional value, and product diversity through innovative breeding and cultivation techniques.

- **Technological Integration:** Embracing digital tools for precision agriculture and real-time analytics to optimise farm management and decision-making.
- **Biosecurity:** Managing pests and disease and chemical usage; this includes pest management that supports technical market access.

Looking ahead, the fresh produce industry aims to lead innovation globally. By prioritising R&D investments, fostering collaboration, and embracing technology, the industry can overcome these challenges and others to better capitalise on opportunities in domestic and international markets.



Recommendation

Governments, industry stakeholders, and research institutions commit to sustained investment in R&D to support the fresh produce sector. By advancing innovation, enhancing sustainability practices, and meeting consumer preferences, Australia can strengthen its position as a leading provider of high-quality, nutritious, and sustainable fresh produce.





10. Recommendations

The path to a \$20 billion fresh produce industry by 2030 is ambitious but achievable with a concerted effort from all stakeholders. This vision encompasses not only economic growth but also a commitment to environmental stewardship, social responsibility, and community well-being. By working together, the industry can create more permanent jobs, enhance national prosperity and ensure a stable supply of affordable and nutritious fresh produce for Australian households.

Domestic Consumption

That Government implement new and revitalised strategies to improve household consumption of nutritious fruits and vegetables, which consider current consumer preferences for convenience and shelf-life to ensure value for money and reduce waste.

Government led initiatives should also be reviewed and optimised to better support fruit and vegetable consumption where possible, improving the health of all Australians.



Trade and Market Access

Growing exports to both established and developing markets will require a concentrated effort from across Government and support for industry in market, as well as investments in Australia's technical trade and scientific capacity. The AFPA seek government support to expand market access for fruit and vegetables, specifically through:

- A reinvigorated whole of government approach to negotiating horticulture market access; leveraging both Ministers and Departments of Agriculture, Fisheries and Forestry, Trade and Foreign Affairs and Prime Minister and Cabinet.
- Investment in research and development to improve and develop treatment protocols to improve market access.
- Securing investment to increase scientific capacity within the Department of Agriculture Fisheries and Forestry to address technical market access now and into the future.
- Making clear to trading partners that the resolution of technical access issues is also a trade priority for the government.





Workforce Development

That Government, in consultation with industry, implement comprehensive strategies to address workforce shortages in the fresh produce industry by:

- Supporting initiatives to enhance employment opportunities for Australians, improve education and training programs, and provide targeted HR support to small and medium enterprises (SMEs).
- Working with industry stakeholders to address information and data gaps by improving workforce data collection and analysis.
- Supporting industry to develop a productive and returning harvest workforce through:
 - » Initiating a strategic review of the PALM Scheme to ensure the program is fit for purpose for all stakeholders.
 - » Continuing to support the Working Holiday Maker program.
 - » Introducing a Harvest Work Visa to create a regulated pathway to address peak harvest labour needs.

In progressing these recommendations, the industry is seeking that Australian governments and leaders commit to and recognise that Australian families benefit from access to affordable, healthy fresh produce, and that the ongoing production of fresh food in Australia is in the interest of all Australians.



Environmental Sustainability

That governments, retailers and other relevant entities adopt a holistic approach to sustainability that considers environmental objectives alongside the industry's viability and consumer accessibility to fresh produce, with an emphasis on collaborating with industry to progress any policies or initiatives related to industry emissions, food waste, and packaging sustainability.



Industry Research and Development

Governments, industry stakeholders, and research institutions commit to sustained investment in R&D to support the fresh produce sector. By advancing innovation, enhancing sustainability practices, and meeting consumer preferences, Australia can strengthen its position as a leading provider of high-quality, nutritious, and sustainable fresh produce.

Endnotes

¹ Hort Innovation & Centre for International Economics – *Contribution of Australian horticulture industry 2023*

² Australian Horticulture Statistics Handbook 2022/23 – Hort Innovation

³ Contribution of Australian horticulture industry – Centre for International Economics

⁴ 8165.0 Counts of Australian Businesses, including Entries and Exits – ABS

⁵ *Health and Economic Impacts of Implementing Produce Prescription Programs for Diabetes in the United States: A Microsimulation Study* – National Library of Medicine

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