

## **MEDIA RELEASE**

**9 DECEMBER 2019**

### **Fresh produce industry sets ambitious \$20 billion growth target by 2030**

The Australian Fresh Produce Alliance (AFPA) has today released a White Paper outlining a number of key recommendations to grow the value of the fresh produce industry from \$9 billion to \$20 billion by 2030.

The White Paper titled *Growing a healthier Australia, the Fresh Produce Industry Roadmap* highlights a number of initiatives which must be supported for future industry growth to occur, including the opening up of access to key export markets, clearly defined water policy which promotes an efficient trading market, access to reliable sources of labour both skilled and harvest workers, and investment in R&D and agtech to improve product development, quality and productivity.

“These are all crucial issues for the industry to grow to \$20 billion in revenue by 2030. The fresh produce sector deserves a prominent seat at the table when it comes to the future direction of Australian agriculture and farming. This is due recognition for the role it plays in so many areas, whether it be the economic activity and employment it generates in regional and rural communities, the export income earned from clean and green fresh produce, or the role it plays in contributing to the health and well-being of the population, the fresh produce sector is undoubtedly a key player in Australia’s future success,” said AFPA Chairman, Mr Harry Debney.

#### **OPENING UP EXPORT MARKETS**

Significant growth in the fresh produce industry will only occur if farmers are able to access more consumers through export opportunities. The challenge in fresh produce is that often individual products require individual export protocols agreed with trading partners. Without these protocols which are not part of any free trade agreement negotiation the industry is unable to unlock new export markets.

“A whole of government effort is required to establish protocols and open up market access for fresh produce. The future growth of the fresh produce industry is dependent on securing technical market access into key export markets, this must be a priority for the Australian Government’s international engagement,” said Mr Debney.

#### **WATER POLICY TO PROVIDE CERTAINTY OF ACCESS**

Water policy is also a critical area for the fresh produce industry and such policy must focus on ensuring certainty of access to those who use this precious resource to grow and farm agricultural products. The Australian Government through appropriate policy settings and regulatory mechanisms should support and promote a clear direction as to the security of water rights and the trading of such rights. There must also be a focus on efficiency of use, including investment in the capture, recycling and reuse of water, and the continued development and expansion of water storage capacity.

“The water trading market needs to be appropriately regulated to ensure transparency and promote confidence in the operation of the market so that water is put to its most optimal use. Consideration also needs to also be given to the treatment of water purchases made by private environmental funds, where that water is returned to the environment it should be recognised as part of the government’s environmental allocation and an equivalent agriculture offset returned to the water market,” said Mr Debney.

## **SUFFICIENT LABOUR SUPPLY TO MEET SKILLS AND HARVEST NEEDS**

The availability of labour is another significant challenge for the industry, with the sector relying on temporary and seasonal migrant workers to harvest crops. The sector must continue to invest in developing its permanent skilled local workforce, allowing young people to establish a career in agriculture and continue to live and work in their local regional community, while also being able to draw on international workers through a specific visa and the Seasonal and Holiday Workers Programs during peak harvest times.

“Given the industry predominantly operates in regional and remote locations, this makes it challenging with respect to sourcing sufficient labour supply which is also skilled and incentivised to work, live and raise a family in such locations. The tax system plays a key role in making this possible through recognising the challenges and difficulties that come with operating a business in remote areas. Appropriate and targeted Fringe Benefits Tax concessions relating to remote housing and motor vehicle use must be maintained in order to ensure business can continue to access the key labour inputs they need to make their business successful,” said Mr Debney.

## **REWARDING AND INCENTIVISING INVESTMENT IN R&D**

Ongoing investment in world leading product IP and innovative growing methods is critical to maintaining and enhancing the quality of fresh produce. Increasing investment in harvest and post-harvest practices also has a wide range of benefits including improved food traceability and safety, product quality, productivity and reducing food waste.

“Australian Government policy must support continued private R&D investment in new plant varieties, new production techniques, harvest technologies, post-harvest management, and technology to enable expansion to support a more efficient, profitable and sustainable fresh produce industry. There must be sufficient incentive that rewards risk and encourages fresh produce growers to not only develop new product but also find more efficient and productive ways to grow such product,” said Mr Debney.

There is also an onus on the fresh produce industry to continue to undertake productive change while also refining and developing the way it does things. For example, the use of protected cropping for the growing of a wide variety of fruit and vegetables is not only more efficient and delivers improved yield per hectare of production, it also actively addresses and mitigates the risk of climate change, especially extreme and unpredictable weather events.

“Horticulture is the fastest growing sector in Australian agriculture. It will be impossible to achieve the Government’s goal of a \$100 billion agriculture industry by 2030 without continuous and significant growth in horticulture. As industry leaders, AFPA members call on Government to review and prioritise recommendations in this White Paper to grow a healthier Australia and a stronger Australian horticulture industry,” said Mr Debney.

**Media Contact:** Michael Rogers - CEO, AFPA: 0409 648 911

***About the AFPA** - The Australian Fresh Produce Alliance (AFPA) is made up of Australia’s key fresh produce growers and suppliers. The AFPA represents half the industry turnover of the Australian fresh produce sector - \$4.5 billion of the \$9.1 billion total; 1,000 plus growers through commercial arrangements and more than 15,000 direct employees through peak harvest, and up to 25,000 in the grower network.*