

THE VICTORIAN VEGETABLE INDUSTRY



Victoria - Clean and Natural Foods

With a worldwide demand for clean, safe and fresh food, Victoria is in a strong position to market its superior food and agricultural

products to the global community.

Victoria has one of the world's best recipes for natural foods: a temperate climate, a variety of soil types, a clean supply of water, extensive low input farming systems and skilled, efficient farmers who are environmentally responsible.

Victoria employs approximately 75,500 people in the agriculture sector (ABS Cat. 6291.0.55.001) and in 2002/03 produced \$A6.1 billion worth of food (ABS Cat. 7121.0).

The Victorian Vegetable Industry

The vegetable industry is the second largest horticultural industry in Victoria, after fruit, and in 2002/03 its market place value was \$A541 million (ABS 7121.0).

Victorian vegetables are produced in a clean environment and are renowned for their high quality and extensive variety. However, over the last 2-3 years drier than usual conditions and reduced water allocations has resulted in a reduction in the quantity of vegetable production.

Whilst vegetable production is spread throughout the State of Victoria, growers are predominantly located in areas where water is available for irrigation. In 2002/03 there were 905 reported establishments in the vegetable growing industry (ABS 7121.0).

Located in the south-east corner of the mainland, Victoria is one of eight Australian states and territories. Although small in size, Victoria's rich soils and temperate climate make it a very productive agricultural area, generating one quarter of Australia's food exports.

Vegetable Production

In 2002/03, Victoria was the largest state producer of asparagus, broccoli, cauliflower, snow peas, celery and tomatoes, the second largest producer of lettuce, behind Queensland and the third largest producer of potatoes, behind South Australia and Tasmania (ABS 7121.0). However, of the vegetable crops produced in Victoria in 2002/03, potatoes had the highest market value of \$A106 million, with major markets for both seed and fresh potatoes (ABS 7503.0).

Victorian vegetable production accounted for 24% of the total Australian vegetable production in 2002/03 with asparagus, tomatoes and broccoli the major contributors (ABS 7121.0).

VALUE AND PRODUCTION OF VEGETABLES IN VICTORIA FOR 2002/03 (ABS 7121.0 and 7503.0)

	Value (\$Am)	Production (t)	% of Australian Production
Asparagus	52.3	10,874	89%
Tomatoes	77.1	210,841	58%
Broccoli	34.2	22,836	41%
Mushrooms	59.8	11,574	29%
Lettuces	28.5	33,620	28%
Cauliflowers	13.1	19,017	26%
Carrots	42.3	75,352	25%
Potatoes	106.0	270,850	22%
Onions	8.4	16,328	7%

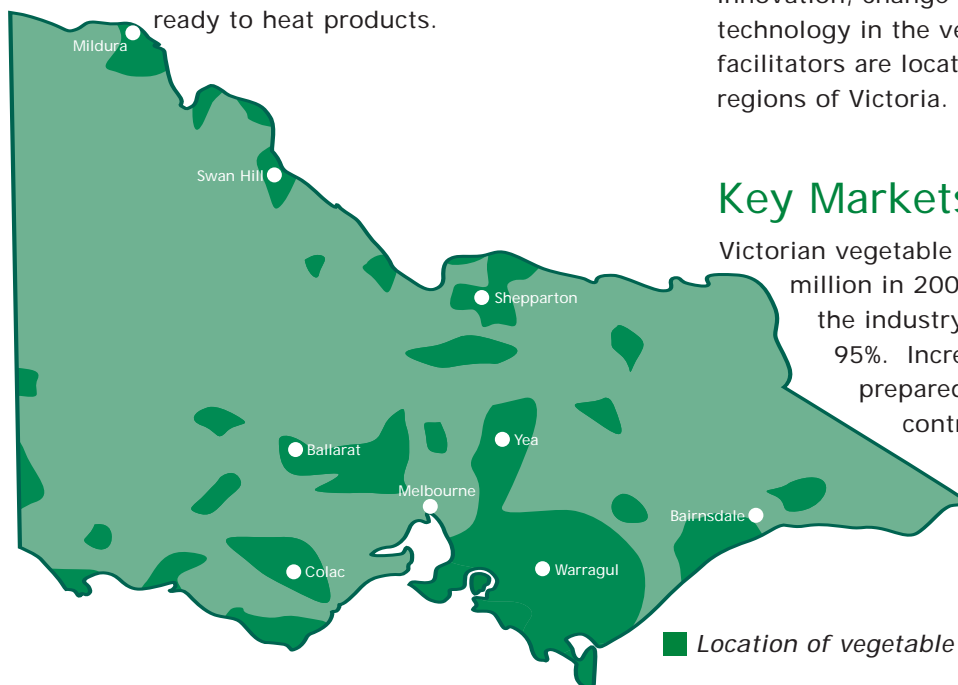
Industry Trends and Development

The Victorian vegetable industry is supported by strong production and post-harvest handling infrastructure.

There is a coordinated national approach for developing vegetable production and exports, including a number of industry initiatives to develop innovative and efficient ways of producing and packaging vegetables.

In recent years, the industry has focused on developing convenient, healthy food such as snack packs, low fat and salt reduced products and preservative-free lines, as well as more in-depth research into the health benefits associated with vegetables.

Consumer-ready fresh vegetables have also found a steady niche in the Australian domestic market with numerous companies now producing minimally processed products such as salad mix, stir-fry and ready to heat products.



Quality Assurance

Vegetable producers have readily embraced quality assurance systems, demonstrating their commitment to the production of clean, green and safe food. Most vegetable growers use HACCP (Hazard Analysis and Critical Control Point) based systems, such as SQF 2000 or ISO 9002.

In addition to the quality assurance programs there are a number of practical on farm projects that Victorian farmers participate in. Enviroveg is an environmental program, funded through vegetable grower levies, designed to help growers demonstrate and improve their environmental management practices. This program is a national based project carried out with the support of AUSVEG.

VegCheque is the Department of Primary Industries' (DPI) vegetable extension program for Victorian vegetable growers and processors. This program aims to provide an integrated approach to innovation, change and adoption of science and technology in the vegetable industry. VegCheque facilitators are located in key vegetable growing regions of Victoria.

Key Markets and Exports

Victorian vegetable exports were valued at \$95 million in 2003/04 and over the past ten years the industry has increased its exports by 95%. Increases in potatoes and frozen and prepared vegetable exports have contributed greatly to this growth.

■ Location of vegetable growing areas around Victoria.

Major fresh vegetable exports in 2003/04 included asparagus (\$A20 million), broccoli (\$A4 million), seed potatoes (\$A4 million), cauliflower and lettuce (\$A1 million each).

Major processed vegetable exports in 2003/04 included frozen potatoes (\$A14 million), vegetable juice (\$A12 million), prepared vegetables (\$A5 million) and processed tomatoes and frozen mixed vegetables (\$A4 million each).

Victorian vegetable exports are firmly focused on Asian markets, the largest being Japan, Singapore, Hong Kong and Malaysia. New Zealand, as the second largest vegetable export destination, is the only non-Asian country in the top 9 export destinations for Victorian vegetable products.

As the largest vegetable export destination, Japan imported 88% of asparagus, 84% of vegetable juice and 91% of all processed frozen vegetables exported from Victoria in 2003/04. New Zealand is a significant market for frozen potatoes and vegetables and processed tomatoes.

Trade and Investment Opportunities

Whilst vegetable produce has traditionally been traded as a commodity, processed and consumer-ready products are becoming increasingly popular and adding value to the industry. This presents opportunities to increase exports of consumer-ready and processed vegetables in products such as mixed salads, minimally processed vegetables, juices and nutraceuticals (health-giving compounds from vegetables).

The export of consumer-ready vegetable products from Victoria offers strong potential for inward investment. Overseas companies considering investing in this area may benefit from doing so in collaboration with an existing Victorian company.

There has been a recent trend towards investment in prepared meals and sourcing raw material, including meat and vegetables.

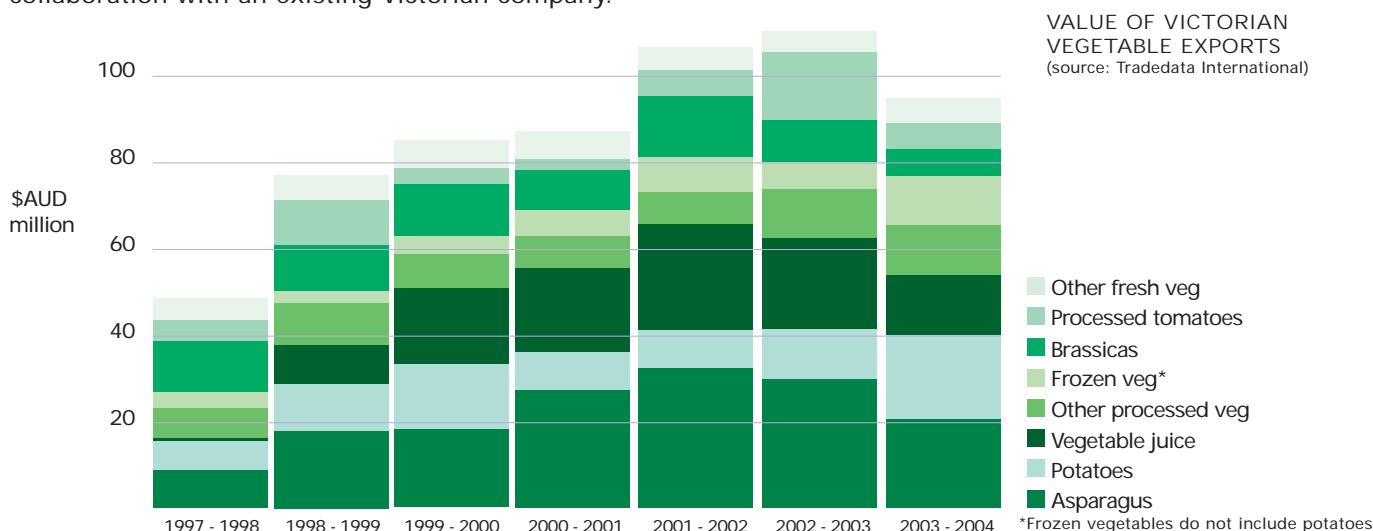
Victoria's strength in the production of meat, grain, dairy and vegetables provide opportunities for international companies to process prepared meals and portion control serves in Victoria and export these to food service customers. Processing vegetables in Victoria overcomes many of the quarantine issues faced by fresh vegetable exports, particularly in North Asia.

Current Research and Projects at the Department of Primary Industries

Major areas of DPI research and development programs for vegetables includes Integrated Pest and Disease Management and the identification of additional health benefits from compounds found in vegetables such as the antioxidant compounds in many brassicas and leafy salad varieties.

Some of the projects and research currently in progress and supported by the horticultural industry include:

- White blister in brassicas.
- Disease control in potato processing.
- Root disease in parsley.
- Celery Septoria.
- Potato breeding.
- Tomato processing cultivar selection.
- Benchmarking irrigation water use in the vegetable industry.
- Vital vegetables.



Industry Organisations and Support

The Agribusiness Group at DPI provides a market driven focus for the Victorian agrifood sector. The Group is comprised of a network of Agribusiness Development Officers located throughout regional Victoria working with regional vegetable producers and companies and a team of Market Development Officers gathering intelligence in Victoria's key export markets, primarily in Asia.

The Agribusiness Group is supported by industry development groups within DPI working with producers to improve and increase sustainable production.

The Victorian Vegetable Industry is supported by the Vegetable Growers of Victoria and the Australian Horticultural Exporters Association. In addition, Horticulture Australia provides professional services to the industry such as innovative marketing strategies, training and education, food safety and quality systems, as well as market access and development programs.

Sources and References

ABS, Australian Labour force, Australia Cat. No. 6291.0.55.001
ABS, Agricultural Commodities Produced 2002-03, Australia Cat No. 7503.0
ABS, Agricultural Commodities 2002-03, Australia Cat No. 7121.0
ABS, Australian Wine and Grape Industry 2003, Australia Cat No. 1329.0
Tradedata International, Export statistics available on request
Horticulture Australia, The Australian Horticultural Statistics Handbook 2004

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