Getting quality produce to consumers near and far
Exploring Australia’s comparative advantage for exporting fresh produce

Caroline Gunning-Trant
with Charley Xia and Rohan Nelson
Australian Bureau of Agricultural and Resource Economics and Sciences

6 - 7 March 2018
Gross value of horticultural production

Source: ABS 2017, ABARES

- Fruit and nuts (excluding wine grapes)
- Vegetables

Source: ABS 2017, ABARES
Australian fresh produce exports
2006–07 to 2016–17

Source: ABS 2017
Annual per person fruit consumption
Selected Asian countries

Source: FAOSTAT (2017)
Horticultural fresh exports

2006-07
Total: $1.0 billion

2016-17
Total: $2.1 billion

Note: 2017-18 dollars
Share of Australian fresh produce exports
2016–17

Source: ABS 2017
Determinants of comparative advantage

- Institutional enablers
  - Macroeconomic factors
  - Regulation and social license
  - Property rights and governance

- Supply chain efficiency
  - Processing
  - Transport
  - Marketing

- Production efficiency
  - Land, labour and capital
  - Management and skills
  - Technology and innovation
### The quest for competitiveness

#### Success factors
- Land, competitive water markets
- Enabling policy and investment environment
- Market driven, efficient production
- Biosecurity, sanitation and traceability
- Skills and technology supporting quality

#### Challenges
- High labour costs
- Achieving scale economies in air and specialised transport
- Industry-specific regulation
- Become robust to future exchange rate appreciation
Trade balance

Fresh horticulture

Processed horticulture

Imports
Exports

2017-18 $m
