

ABARES Outlook reports Chile to increase competition against Aussie horticulture exports

CHINA might be lapping up the quality of Australian horticulture products but Chile is intent on making sure the "waking dragon" doesn't fall too far in love with the land Down Under.

The Australian Bureau of Agricultural and Resource Economics (ABARES) Agricultural Commodities Report for the 2019 March quarter indicates horticulture as something of an exception to the rule on the farming landscape with a forecast 3 per cent growth in value to \$11.7 billion in 2019/2020.

It stands as one of the more positive outlooks within the report with other major sectors like dairy, sheep meat, beef and veal, cotton, wool, all expected to fall in value.

Citrus, nuts, stonefruit and table grapes are leading the charge with expected export value increases because of rising demand from China, spurred by tariff reductions, favourable exchange rates and reduced shipping times.

"China's imports of fruit and nuts have increased substantially in the last five years," the ABARES report said.

"Rigorous customs inspections at China's borders reinforce consumer perceptions that imports are safer than domestic produce."

But that's not an exclusive golden ticket to Australian exporters.

"Over the medium term, Australia is expected to face greater competition in China from Chile than from other southern hemisphere competitors," the report said.

"Large-scale fruit production enables Chile to supply the Chinese market with greater volumes than Australia.

"Chilean blueberries, cherries, nectarines, peaches, plums and table grapes compete against Australian exports.



"If the Chilean Government is successful in its request to China for market access for its citrus, Australian growers will face strong competition."

China's economic growth is expected to slow but remain above 6pc per year to 2020, with Chinese consumption increasing because of rising disposable incomes and improved availability of imported products.

The report said newly negotiated protocols have allowed Chile to export fresh fruit to China through combined sea and air shipments via transshipment to a third country.

"Chilean companies have invested in cold storage and quality inspection facilities in China, and have signed agreements with retailers to expand distribution networks," it said.

"These developments are expected to support Chile's competitiveness and slow Australia's export growth."

Notable mentions were given to the berry, avocado and almond sectors within the ABARES report as industries predicted to increase in value.

The report also highlighted the stagnated state of Australian per person vegetable consumption which essentially has not increased in the past six years.

The major challenges to Australian horticulture were listed as extreme weather, irrigation costs (particularly within the Murray-Darling Basin), seasonal labour shortages and significant pests such as fruit fly.

This year's ABARES Agricultural Commodities Report for the 2019 March quarter contained a reduced horticulture sector, down to just five pages where as last year's report had 10, plus an extra article on exploring Australia's comparative advantage for exporting fresh produce.

Rapport complet : <http://www.agriculture.gov.au/abares/research-topics/agricultural-commodities/mar-2019#download-report>

Lien article : <https://www.northqueenslandregister.com.au/story/5939117/aussie-horts-china-exports-given-chile-reception/?cs=4735>

