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**MEDIA RELEASE 20 April 2015**

**Australia's on a high as its quality cherry fruit is reaping rewards with a 30 per cent increase in cherry exports totalling around \$47 million for the 2014/15 season.**

Figures just released by the industry have indicated overall nearly 3500 tonnes were exported to protocol and non protocol markets in the 2014/15 season.

Cherries from across Australia were exported over 30 countries with about 90% of these going to Asian countries. Exports volumes were up from Victoria, Tasmania and South Australia this year too with a slight fall from New South Wales.

Cherry Growers Australia (CGA) National President, Andrew Smith said: "Australia has the production potential to more than double its exports from 3500 tonnes to 7000 tonnes within the next five to seven years which could equate to about \$90 to \$100 million in export value. The industry is seeing strong demand coming from across all of Asia, the Middle East and other global markets including getting back into Russia and Vietnam where bans currently exist".

"Australia's strength is the proximity to the Asian region and to a range of markets by airfreight, with many bigger growers now gearing up for more exports from Victoria, New South Wales and South Australia. Tasmania with its pest-free status has access to protocol such as China, Taiwan, South Korea and Thailand, markets later in the Australian season" Mr Smith said.

Also the quality of the Australian cherries is keenly sort after by all markets across the season from early November to end of February.

Hong Kong was the biggest market followed by Singapore and China has lifted 114pc with 323 tonnes is now third largest export market for cherries ahead of traditional market Taiwan. Korea was also a success story in 2014/15 with over 250 tonnes sent from Tasmania compared to 5 tonnes the year before as the tariffs came off due to the Free Trade Agreements (FTA) coming into operation and growers are expanding orchards here to meet the new demand.

Simon Boughey Chief Executive Officer of CGA said:

"The Australian cherry industry, growers and exporters are being asked to supply cherries from a number other regions in SA, NSW and VIC from early November into a number of

markets and we are working hard to improve market access into those protocol markets via airfreight with the Federal Department of Agriculture and Horticulture Innovation Australia (HIAL) and other State Governments but the process is very slow and we need a more commercial approach to be taken to match the expectations created by the FTA's and to get back into regulated markets that were previously unregulated".

"CGA has certainly been discussing their ideas with the Federal Government, HIAL and State Governments on how this can be achieved and will continue these discussions but it is the growers and our exporters who are a key part of this as they head off to a number of trade events and tours over the past few years and are the ambassadors for our industry and having that experience first hand reflects in our growing export culture in the industry and are keen to achieve good access results so that pays dividends at the farm gate and with top prices being paid for export quality cherries", said Mr Boughey.

"We need to have market improvements in about 10 markets now, so we can airfreight from all cherry growing regions in Australia and we could have exported another 1500 tonnes if we did have that market improvement into Thailand, China and Taiwan alone this season and the Koreans are keen to have out Cherries in there too earlier in the season." Mr Smith said.

"Our industry Biosecurity Management Programme also is leading the way as a framework to ensure this happens from pest free areas, to a systems approach to end point treatments to cater for the range of requirements we face exporting into a range of protocol and non protocol markets." he said.

"I respect our growers as they are looking at a range of new markets and with new technology are thinking about things differently. Growers are also creating new markets valuing adding fruit, from cider and juices to foods, deemed not pretty enough for retail and consumer choice. We are even getting inquiries about cherry pulp from Thailand to go into ice creams and yoghurts," Mr Smith said.

We also forget the flow on effects of our industry and other in rural communities with seasonal employment and spending in regional and rural towns.

Some of our largest growers employ 500 people or more to pick cherries and work in packing shed and they spend in those local areas and stay there.

"It's not only cherries but right across horticulture that this export approach needs to be taken to meet expectations and the potential to meet demand," he said.

CGA will continue its drive to reach its export potential, through ongoing discussions with a number of governments, and importers over the next few months and attending trade shows in collaboration with the Australian Government, HIAL and the State Governments that are having overseas delegations but as we said it is our growers who are showing the way.

**Contact for further information: Andrew Smith 0427 257 339 and/or Simon Boughey 0419 871 824.**

## FEBRUARY 2015 CHERRY EXPORT / IMPORT SUMMARY



Australian cherry exports were 30 % higher at 3,545 tonnes for the 8 months to February 2015 (99.9 % of the season) and valued at \$47.9 million which was 23 % higher than last year for the same period. The unit values were 6 % lower at \$13.52 / kg with a higher proportion exported from NSW and Victoria.

**Table 1 : Cherry Key Measures**

|                 | YTD     | Chg LY |
|-----------------|---------|--------|
| Volume (tonnes) | 3,545   | 30%    |
| Value (M AUD)   | 47.91   | 23%    |
| \$ per kg       | \$13.52 | -6%    |

Source: World Trade Atlas; Fresh Intelligence analysis

Table 2 shows a snapshot of key market trends.

Hong Kong and Singapore were the key markets accounting for 55 % of all exports with Taiwan dropping to No 3 position and 40 % lower trade.

China lifted 114 % and now in No 3 position with 323 tonnes exported and is now ahead of Taiwan. Significantly South Korea lifted from 5 tonnes last year to 247 tonnes with the elimination of the 24 % tariff as the Korean FTA came into effect in December. Trade to Thailand was 73.5 tonnes after being 2 seasons out of the market.

Trade to Vietnam reached 135 tonnes ahead of the suspension of trade taking effect from 1<sup>st</sup> January 2015 and with no trade in January Vietnam finished 7 % lower for the season.

Japan recorded 14.9 tonnes of trade in January which was 18 % higher arguably with some influence from the JAEPA coming into effect 15<sup>th</sup> January and immediately eliminating the 8.5 % tariff.

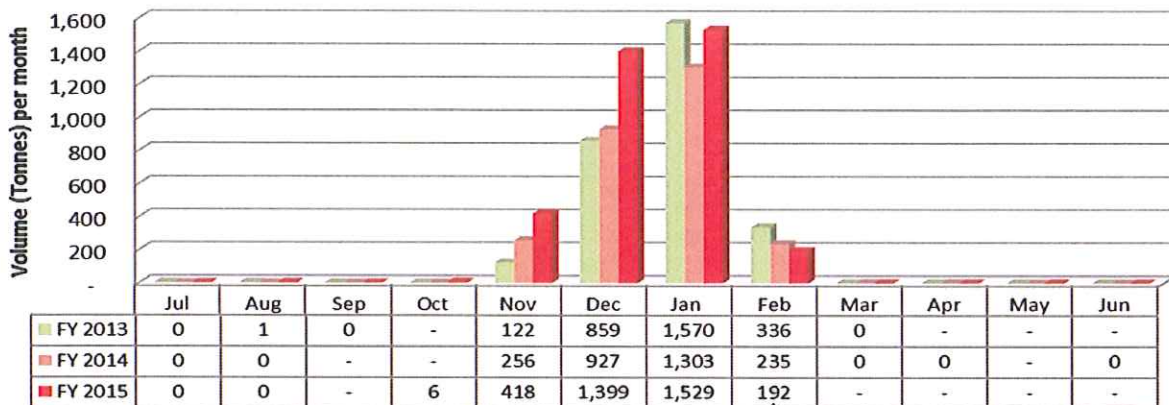
Trade to Russia was zero due to the bans dropping from 65 tonnes last season.

| Market               | July to February |            | Share         |
|----------------------|------------------|------------|---------------|
|                      | *2015            | Chg LY     |               |
|                      | Tonnes           | %          | %             |
| Hong Kong            | 1,567.0          | 33%        | 44.2%         |
| Singapore            | 390.5            | 37%        | 11.0%         |
| China                | 323.5            | 114%       | 9.1%          |
| Taiwan               | 279.9            | -40%       | 7.9%          |
| Korea, South         | 247.6            | 4576%      | 7.0%          |
| Malaysia             | 167.7            | 3%         | 4.7%          |
| Vietnam              | 135.2            | -7%        | 3.8%          |
| United Arab Emirates | 119.8            | 138%       | 3.4%          |
| Thailand             | 73.5             | 958%       | 2.1%          |
| Indonesia            | 62.6             | -18%       | 1.8%          |
| Kuwait               | 36.7             | 217%       | 1.0%          |
| Saudi Arabia         | 32.7             | 172%       | 0.9%          |
| Japan                | 14.9             | 18%        | 0.4%          |
| all other            | 107.8            | 217%       | 3.0%          |
| <b>Total Tonnes</b>  | <b>3,544.5</b>   | <b>30%</b> | <b>100.0%</b> |

Source: World Trade Atlas; Fresh Intelligence analysis

\*Ranked by 2014/15 YTD volume

### Cherry Exports per month



## Exports of Australian cherries to all markets

| Market               | 2013/14 | 2014/15 | change |
|----------------------|---------|---------|--------|
|                      | Tonnes  | Tonnes  |        |
| Hong Kong            | 1,180.3 | 1,567.0 | 33%    |
| Singapore            | 285.7   | 390.5   | 37%    |
| China                | 151.1   | 323.5   | 114%   |
| Taiwan               | 468.4   | 279.9   | -40%   |
| South Korea          | 5.3     | 247.6   | 4576%  |
| Malaysia             | 162.5   | 167.7   | 3%     |
| Vietnam              | 144.6   | 135.2   | -7%    |
| United Arab Emirates | 50.4    | 119.8   | 138%   |
| Thailand             | 6.9     | 73.5    | 958%   |
| Indonesia            | 76.4    | 62.6    | -18%   |
| Kuwait               | 11.6    | 36.7    | 217%   |
| Saudi Arabia         | 12.0    | 32.7    | 172%   |
| Myanmar              | 1.2     | 20.3    | 1658%  |
| Qatar                | 22.3    | 20.1    | -10%   |
| India                | 6.1     | 15.8    | 160%   |
| Japan                | 12.7    | 14.9    | 18%    |
| New Caledonia        | 7.7     | 8.2     | 7%     |
| Bahrain              | 4.1     | 7.1     | 74%    |
| Netherlands          | 29.1    | 4.5     | -84%   |
| Philippines          | 2.6     | 3.8     | 47%    |
| Italy                | -       | 3.5     |        |
| Lebanon              | 0.3     | 3.4     | 1241%  |
| United Kingdom       | 2.6     | 1.3     | -52%   |
| Christmas Island     | -       | 1.2     |        |
| Switzerland          | 1.7     | 1.1     | -35%   |
| Papua New Guinea     | 1.4     | 1.1     | -26%   |
| Brunei Darussalam    | 0.7     | 1.0     | 56%    |
| Bangladesh           | -       | 0.3     |        |
| Fiji                 | 0.2     | 0.3     | 24%    |
| Canada               | 1.1     | 0.1     | -92%   |
| Vanuatu              | 0.3     | 0.0     | -85%   |
| Russia               | 65.6    | -       |        |
| Nauru                | 0.4     | -       |        |
| French Polynesia     | 0.2     | -       |        |
| France               | 5.8     | -       |        |
| World                | 2,721.0 | 3,544.5 | 30%    |

## Exports of Australian cherries by state

| Market          | 2013/14 | 2014/15 | change | share |
|-----------------|---------|---------|--------|-------|
|                 | Tonnes  | Tonnes  |        |       |
| Tasmania        | 1,316.2 | 1,561.2 | 19%    | 44%   |
| Victoria        | 484.4   | 1,015.0 | 110%   | 29%   |
| New South Wales | 888.5   | 702.9   | -21%   | 20%   |
| South Australia | 3.9     | 245.7   | 6274%  | 7%    |
| Queensland      | 28.0    | 10.0    | -64%   | 0%    |
| Other           | -       | 9.6     |        | 0%    |
| World           | 2,721.0 | 3,544.5 | 30%    | 100%  |

Source : World Trade Atlas, Fresh Intelligence analysis