



Mango Agribusiness Research Program

Evaluation of technical issues and commercial constraints in Australian exports to China ECR study – Mango Biosecurity Project

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Information
Markets
Biosecurity
Quality


Implementing Agency




Funding Agency



Overview

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- ▶ Introduction
 - ▶ Market overview
 - ▶ Methodology
 - ▶ Results
 - ▶ Conclusion
 - ▶ Recommendations

Introduction

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- ▶ Aim is to identify the technical, scientific and commercial constraints that may be impeding Australia from meeting mango export market requirements to China.



Market overview

Key export market summary

Australia Export Statistics

Commodity: 080450, Guavas, Mangoes And Mangosteens, Fresh Or Dried

Year To Date: January - December

Partner Country	Unit	2016/17		2017/18		2018/19		\$ /kg			Volume variance	
		AUS	Quantity	AUS	Quantity	AUS	Quantity	16/17	17/18	YTD18/19	17/18	YTD18/19
World	KG	\$ 31,400,728	7,359,205.00	\$ 30,950,813	8,069,482.00	\$ 32,070,378	8,703,290.00	\$ 4.27	\$ 3.84	\$ 3.68	10%	8%
Hong Kong	KG	\$ 14,050,507	3,180,384.00	\$ 12,785,765	3,244,431.00	\$ 7,912,058	2,250,514.00	\$ 4.42	\$ 3.94	\$ 3.52	2%	-31%
Singapore	KG	\$ 3,863,631	1,104,029.00	\$ 5,328,575	1,591,628.00	\$ 7,182,986	2,115,952.00	\$ 3.50	\$ 3.35	\$ 3.39	44%	33%
New Zealand	KG	\$ 3,143,323	855,379.00	\$ 3,698,673	1,118,897.00	\$ 4,292,924	1,297,728.00	\$ 3.67	\$ 3.31	\$ 3.31	31%	16%
United Arab Emirates	KG	\$ 2,901,477	754,738.00	\$ 2,839,168	836,852.00	\$ 3,508,778	918,322.00	\$ 3.84	\$ 3.39	\$ 3.82	11%	10%
China	KG	\$ 471,888	64,885.00	\$ 754,778	119,150.00	\$ 1,262,966	225,633.00	\$ 7.27	\$ 6.33	\$ 5.60	84%	89%
Saudi Arabia	KG	\$ 817,100	189,483.00	\$ 1,009,941	243,254.00	\$ 1,243,228	331,061.00	\$ 4.31	\$ 4.15	\$ 3.76	28%	36%
Lebanon	KG	\$ 1,443,953	410,816.00	\$ 592,573	209,163.00	\$ 1,097,612	399,249.00	\$ 3.51	\$ 2.83	\$ 2.75	-49%	91%
Korea South	KG	\$ 809,472	110,252.00	\$ 563,160	60,534.00	\$ 986,156	139,925.00	\$ 7.34	\$ 9.30	\$ 7.05	-45%	131%
Kuwait	KG	\$ 520,905	118,836.00	\$ 456,218	114,626.00	\$ 954,567	237,431.00	\$ 4.38	\$ 3.98	\$ 4.02	-4%	107%
Canada	KG	\$ 513,213	122,211.00	\$ 635,527	122,432.00	\$ 896,361	208,516.00	\$ 4.20	\$ 5.19	\$ 4.30	0%	70%
Qatar	KG	\$ 420,683	96,956.00	\$ 732,519	168,812.00	\$ 785,746	212,128.00	\$ 4.34	\$ 4.34	\$ 3.70	74%	26%
United States	KG	\$ 960,641	93,363.00	\$ 542,656	63,676.00	\$ 501,063	75,763.00	\$ 10.29	\$ 8.52	\$ 6.61	-32%	19%
Japan	KG	\$ 616,549	60,106.00	\$ 417,180	34,634.00	\$ 374,060	36,308.00	\$ 10.26	\$ 12.05	\$ 10.30	-47%	5%



China market

	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Crop Flow	1%	10%	20%	25%	30%	10%	3%	1%

Australian exports to China

- ▶ Increased volumes exported directly to China over last few seasons
- ▶ YTD exports to China 225 tonnes versus last year 120 tonnes
- ▶ Increase in registrations for China exports (Orchards, Packhouse and VHT treatment facility)
- ▶ Orchard registrations namely from Queensland
- ▶ All 3 VHT facilities are based in Queensland
 - ▶ Mutchilba, Giru and Brisbane

Australian export registrations for China			
Season	1718	1819	
Orchards	14	18	29%
Packhouses	9	12	33%
VHT Treatment Facilities	2	3	50%



Methodology

- ▶ Semi-structured interviews:
 - ▶ 18 registrations, with only 14 unique businesses
 - ▶ All were invited to participate in study
- ▶ Completions:
 - ▶ 5 orchards / 5 packhouses
 - ▶ 3 VHT

Austrade export process defined



- Crop monitoring
- Chemical control
- Pest and disease control

Application
for orchard
registration

Crop
monitor
online
training

Orchard,
packing
shed audits
DAWR

Preseason
review
Country of
Export
protocols

Sent to VHT
facility for
treatment

Different
packaging and
paperwork
requirements for
COE

Treated and
repacked ready
for export





Results

Industry feedback

- ▶ Orchard requirements

Time/cost to comply with **property registration** (Crop monitoring, Chemical control, Pest and disease control) to supply **treatment/protocol markets**

- ▶ Communication and education

Need for improved effective communications (Orchards, Exporters, Treatment facilities, Government, Industry)

- ▶ VHT

Available facilities / location / treatment capacity / handling

Alternatives to VHT, less strict requirements, protecting ?

- ▶ Market volatility

Good domestic market, supply at the detriment of the export market

Price competition from 'other' markets

Unpredictability of trade



Results

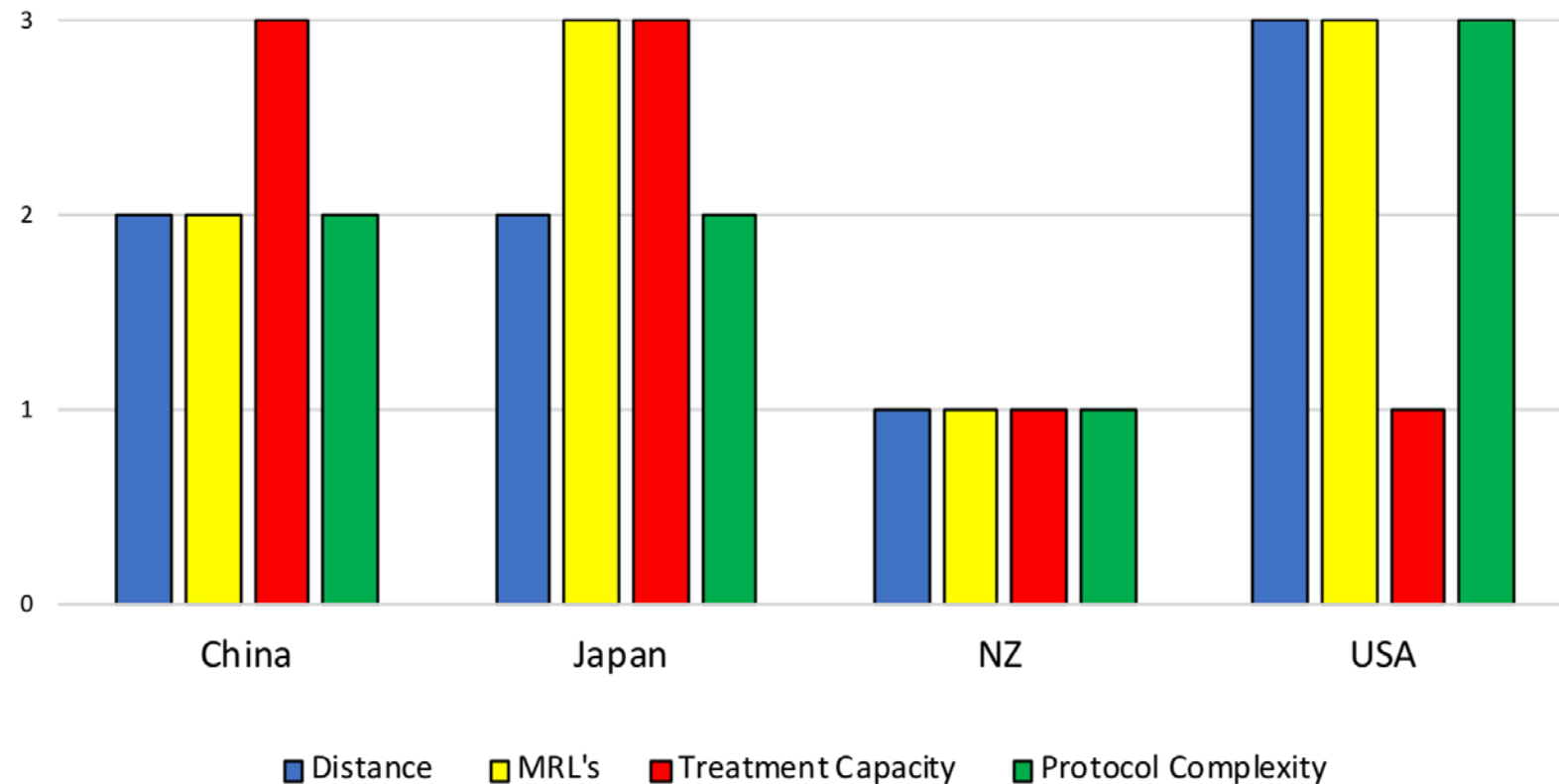
Market comparisons

Export Market Restrictions

1 = Limited or no challenge

2 = Moderate challenge

3 = Significant challenge





Conclusion

Current Australian mango industry

- ▶ Domestic market provides higher prices, lower market access costs resulting in better returns, lower risks, more convenience, personal relationships, language & culture etc.

China exports

- ▶ High % of Australian exports is opportunistic
- ▶ Exporting becomes favourable in peak of the Australian mango season when production/harvest exceeds Australian domestic demand and prices in Australia fall
- ▶ However, those lower prices do not incentivise growers to invest in export market access or development (at an individual farm/enterprise level at this stage).



Recommendations

Requirements for export

- ▶ Different biosecurity requirements for domestic and foreign markets
- ▶ Increasingly complex for growers to service multiple markets
- ▶ Review requirements

Effective communication and education

- ▶ Encourage growers to export to phytosanitary markets
- ▶ Training and education of quality manual
- ▶ Application process workshops
- ▶ Support to reduce audit times, improved online services or applications.



Recommendations

VHT

- ▶ Review of protocols
- ▶ Consider other possible treatments in place of current VHT process

Market volatility

- ▶ Reduce desire for opportunistic trade
- ▶ Collaboration e.g. similar to the US working group
- ▶ Improved importer relationships.