

The perfect location for producing premium fruit

With its temperate maritime climate, fertile soils, four distinct seasons, abundant water resources and the biosecurity advantage of an island, Tasmania has the right ingredients for the production of outstanding fruit.

Tasmania's temperate climate provides the essential winter chill followed by a long, mild, growing season to support fruit development and enhanced flavour. Tasmanian stone fruit, cherries and berries have a clear, late season production which is an advantage both within Australia and overseas. This provides a defined market advantage since there are few competing production regions in the southern hemisphere. The timing of Tasmanian production also provides counter seasonal supply opportunities to the northern hemisphere.

The fruit industry in Tasmania is one of its oldest industries and has shaped the future of many regions including the Huon Valley and Tamar Valley. Today the Tasmanian fruit industry continues to expand and is focused on providing premium quality fruit to national and overseas markets. It has a farm gate value of \$169.7 million, with cherries and berries as the largest contributors, both valued at \$64 million each.

The Tasmanian blueberry market is almost exclusively Australian, with only a small percentage of blueberries sold into export markets. In contrast the vast majority of cherries produced in Tasmania are exported to 26 countries around the world.

The Tasmanian fruit industry comprises three key subsectors including:

- » Pome fruit (pip fruit) – Tasmanian apples have a strong domestic market with opportunities in export markets in South East Asia with access to China recently established. Pears are also produced.

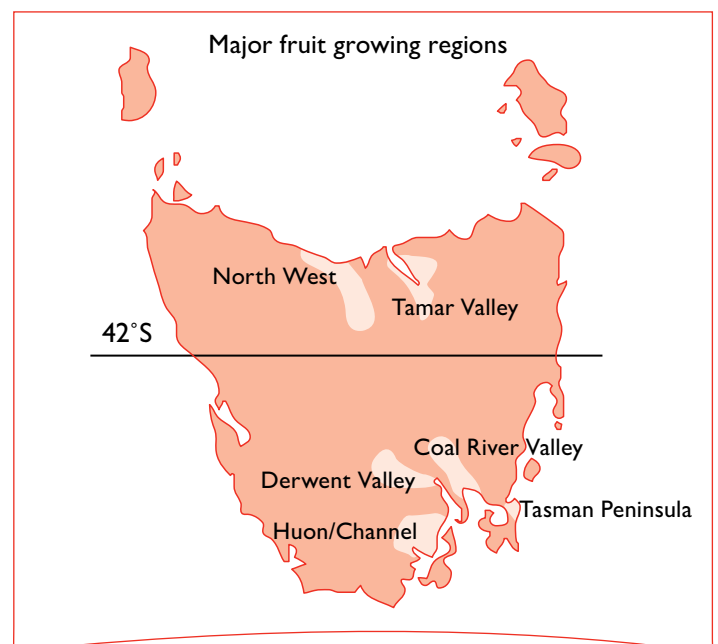


- » Stone fruit/cherries – Tasmania is the largest cherry exporting state in Australia with its niche in the top end of premium overseas markets. Apricots, some nectarines and plums are also produced.
- » Berries – fresh raspberries, strawberries, blueberries and blackberries comprise the majority of the industry value. Blackcurrants and raspberries are also grown specifically for processing.

A number of berry producers have successfully incorporated tourism and visitor experiences into their business model to add value through cafes, retail outlets and 'pick your own' experiences.

The Tasmanian Government has a vision for Tasmania to substantially increase its food and agriculture production and become a major supplier of Australia's premium food products.

The Government is keen to work with potential investors to secure value-adding investment for the fruit industry within the state.

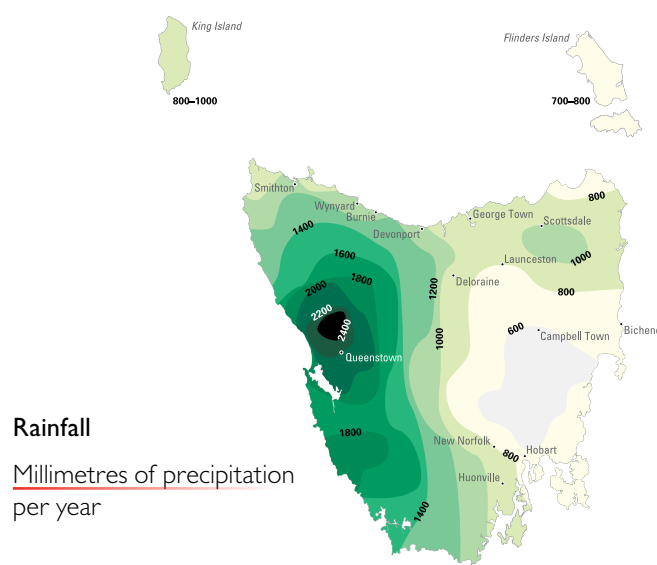
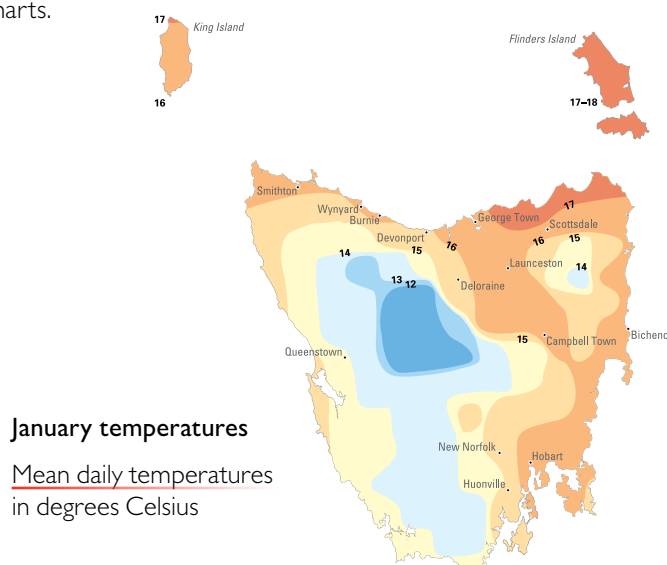


Key reasons for investing in the Tasmanian fruit industry:

- » our island status offers relative disease freedom giving production benefits and market access advantages, particularly in high-value niche markets
- » increased market access into Asia, combined with rising demand and improved cold chain, presents good export opportunities, particularly for apples and cherries
- » Tasmania's comparative water advantage is supplemented by significant irrigation investments
- » development of premium niche markets through Tasmanian brand recognition in international markets
- » an innovative industry that is utilising technology and modern production systems to increase product quality, productivity, product development, value-adding and processing
- » climate change may see new market opportunities with climatic conditions seeing the production of stone fruit moving into southern Australian states such as Tasmania
- » lower risk of extreme weather events such as heat waves and hail storms that affect other key fruit growing regions
- » long ripening season, which results in fruit of high acid, exceptional eating and extended shelf-life
- » utilisation of tourism infrastructure including the combination of niche value-adding with tourism.

Climate advantage

Tasmania has a temperate maritime climate, cooled by prevailing westerlies off the Southern Ocean, providing conditions that are generally free from extremes in temperature and providing regular rainfall as demonstrated by the following temperature and rainfall charts.



Source: vW Maps c 2009 Martin von Wyss, VW Maps Pty Ltd.

Out-of-season supply

Tasmania's counter-seasonality to the northern hemisphere offers significant strategic advantage in food production and allows local producers to supply out-of-season fresh produce to northern hemisphere markets.

The following chart highlights the harvest windows across a range of Tasmanian horticulture:

Product	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Availability per year
Apricots													3 months
Blackcurrants													2 months
Blueberries													6 months
Cherries													3 months
Nectarines													3 months
Peaches													3 months
Pears													2 months
Plums													2 months
Raspberries													5 months
Strawberries													7 months
Apple varieties:													
Granny Smith													10 months
Jazz™													6 months
Pink Lady™													7 months
Red Fuji													8 months
Royal Gala													6 months
Striped Fuji													8 months

Source: Fruit Growers Tasmania



Adaptive, flexible and innovative workforce

The Tasmanian workforce is skilled and entrepreneurial. It is readily able to adapt to meet demand and can offer investors stability, with an excellent industrial relations record.

Accessibility

In most instances business operations will be located less than 100 kilometres from plant to port, providing fast access to distribution channels.

Air freighted produce can arrive at interstate and overseas markets within 48 hours of dispatch, and there are frequent freight shipping services from Tasmania's major ports.

The Tasmanian Freight Equalisation Scheme provides financial assistance to shippers of eligible freight within Australia.

Disease freedom

As an island, Tasmania has a clear biosecurity advantage. Tasmania's rigorous biosecurity standards are at the very core of the Tasmanian brand, as its natural environmental values and quality produce rely upon the state's relative freedom from pests, diseases and weeds.

Tasmania's relative pest-free status offers additional opportunities to access a variety of international markets that are closed to other regions.

Strong trade

Tasmania's horticulture producers have had proven success in domestic and key international markets in Asia.

Tasmanian fruit is exported to markets such as China (including Taiwan and Hong Kong), Singapore, Malaysia, South Korea and Thailand.

Research and Development (R&D)

The Tasmanian Government, industry and the Tasmanian Institute of Agriculture (TIA) of the University of Tasmania work together to undertake research, development and extension (RD&E) programs designed to address agricultural productivity, safe food production, social and natural resource management issues.

TIA invests in fruit RD&E as a key strategic priority area, leads and manages national apple and cherry R&D programs and partners with leading national and international research organisations in order to support industry.

The Tasmanian Government has enforced a moratorium on commercial release of genetically modified organisms (GMO) to the Tasmanian environment since 2001. In 2014 the moratorium was extended for a further five years and will remain in force until November 2019.

Sustainable water supply

The key to sustainable horticulture is the availability of reliable water supply at key phases in the growing season.

Tasmania's most significant natural resource advantage is water. Tasmania represents one per cent of Australia's land mass, yet has 27 per cent of Australia's freshwater dam storage capacity.

This is more than twice the run-off of the entire Murray Darling Basin in South Eastern Australia.

Tasmania does not have the water supply issues experienced in other parts of Australia and much of the world.

The Tasmanian and Australian Governments are continuing to develop large scale irrigation projects to deliver water with a reliability of at least 95 per cent to Tasmanian farms which will have capacity to double the amount of irrigable land available for production purposes.

More information is available at: www.tasmanianirrigation.com.au



Explore the opportunities and your future potential in Tasmania

The Office of the Coordinator-General is Tasmania's principal entity to attract and support investment in the state. It provides free confidential services and professional advice to investors, including:

- » dedicated project teams and case management
- » a focus on lead projects that have the potential to transform a supply chain or that leverage Tasmania's advantages and resource endowments
- » planning pre-audits to support approval processes.

The Office of the Coordinator-General's specialist team will provide you with tailored assistance by providing information and support, which includes:

- » connections with local industry associations and government departments
- » information on business opportunities, investment regulations and government assistance
- » insights on business costs, skills availability, taxation and research opportunities
- » expert advice in Tasmania's industry capabilities and strengths
- » site visits to identify suitable locations in Tasmania for your business
- » links with potential partners
- » connections with infrastructure and service providers
- » information on industry strategies.

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