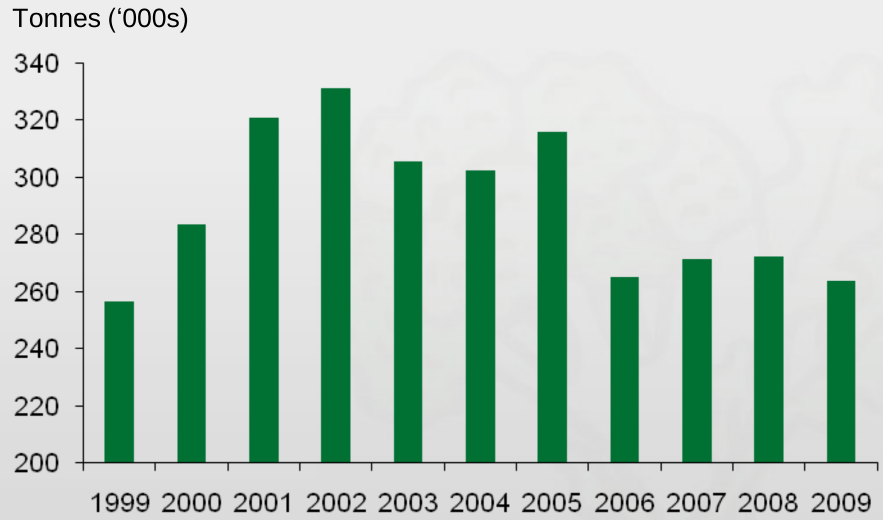
Vegetable Spotlight – Carrots

Summary

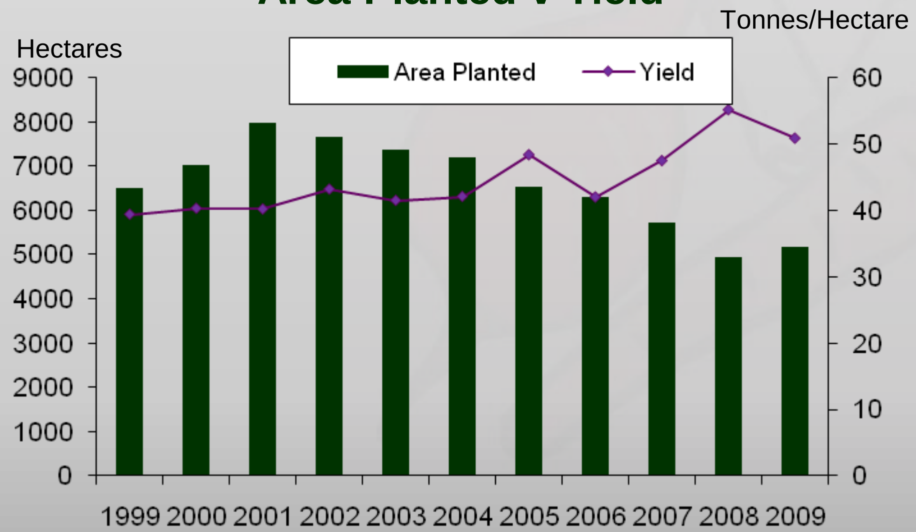
- Carrots are Australia's 5th most valuable vegetable crop, accounting for 5.6% of total vegetable production with a gross value of $188.4m in 2007/08. The value of production in 2007/08 was 19% higher than in 2006/07.
- The latest data shows production and the area planted to be relatively low when compared to past levels.
- Yields dipped in 2009 after reaching record levels in 2008.
- Australia runs a positive balance of trade in carrots. Exports rose by 20% in 2009 to $46 million and imports are negligible.
- Strong competition has to some extent eroded Australia's share of carrot imports into South East Asian economies.
- Offsetting this however, is the development of new markets in the Middle East, such as the United Arab Emirates and Saudi Arabia.

Production

National Production



Area Planted v Yield



The Australian Bureau of Statistics employed a new methodology in collecting data for the 2005/06 Agricultural Census. As a result, the data generated from the census – such as production volumes, area planted and yields – are not directly comparable to historical statistics. Readers should use this material with caution.

Current Australian Carrot Production

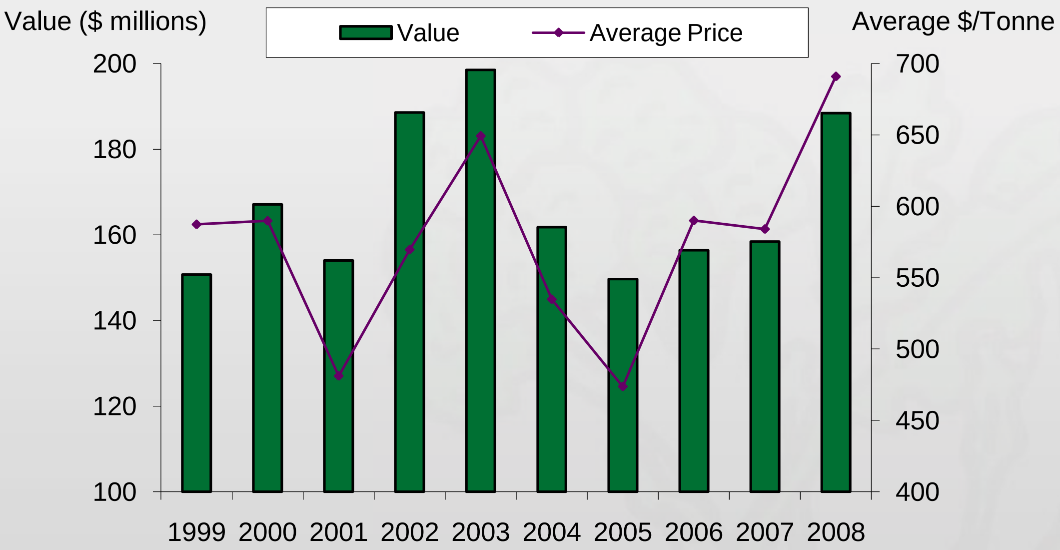
- Australian carrot production totalled 263,527 tonnes in 2009.
- The area planted was 5,174 hectares.
- The average yield per hectare over the year was 50.9 tonnes.
- Yields dipped in 2009 following increases in 2007 and 2008 which had raised them to record levels.

Long Term Production Trends

- Carrot production has remained steady in recent years.
- However the area planted has trended down.
- Productivity gains leading to higher yields have offset the decline in plantings.

Production

Value of Production



Domestic Value of Production

- The gross value of carrots grown in Australia in 2008 was $188.4 million, an increase of 18.9% on the previous 12 months.
- With production flat in 2008 the national gross unit value (average price per tonne) rose strongly to a peak $691 per tonne following a slight fall in 2007.

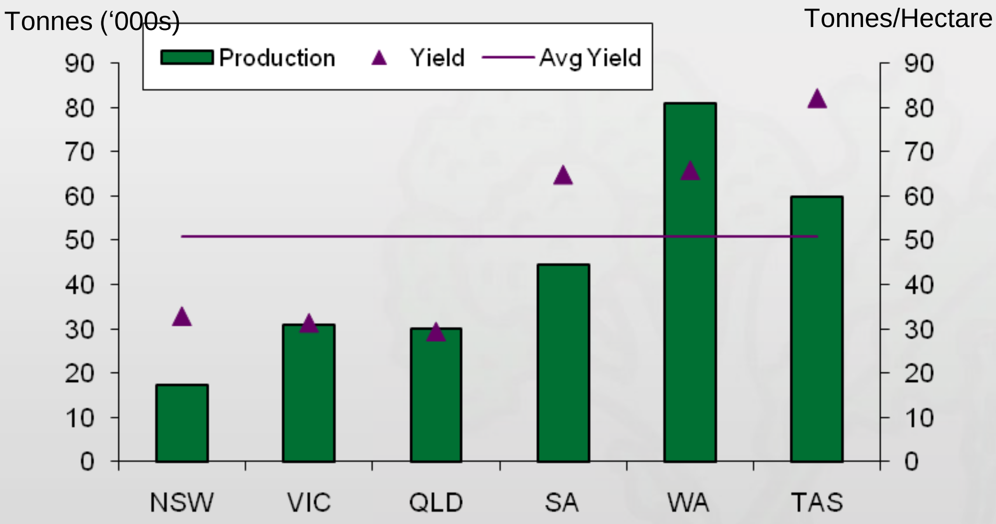
Price Per Tonne

Carrot Pricing

- Average prices based on production estimates rose strongly in 2008.
- Average export prices in Australian dollars were also higher at $710 per tonne.
- Based on this data returns to carrot growers in both domestic and export markets were much better than in 2007.
- In recent years, Australia has imported carrots in very small quantities. Prices have been excluded from the chart as they may not provide an accurate indication of actual levels.

Production

Production v Yield



State Carrot Production

• National production is fairly concentrated in three states which accounted for 70% of total production in 2009: Western Australia (31% of the national total), Tasmania (23%) and South Australia (17%).

• Production in Victoria fell by 42% in 2009 to account for 12% of the national total, down from almost 20% in 2008. In contrast, production in Western Australia rose by 24%.

• Yields in Tasmania, Western Australia and South Australia were above the national average.

Vegetable	Average for 3 years ending 1999(kg)	Average for 3 years ending 2008(kg)
Carrots	11.1	10.0
Lettuce	6.4	9.5
Potatoes	70.5	62.5
Tomatoes	22.0	21.0

Carrot Consumption

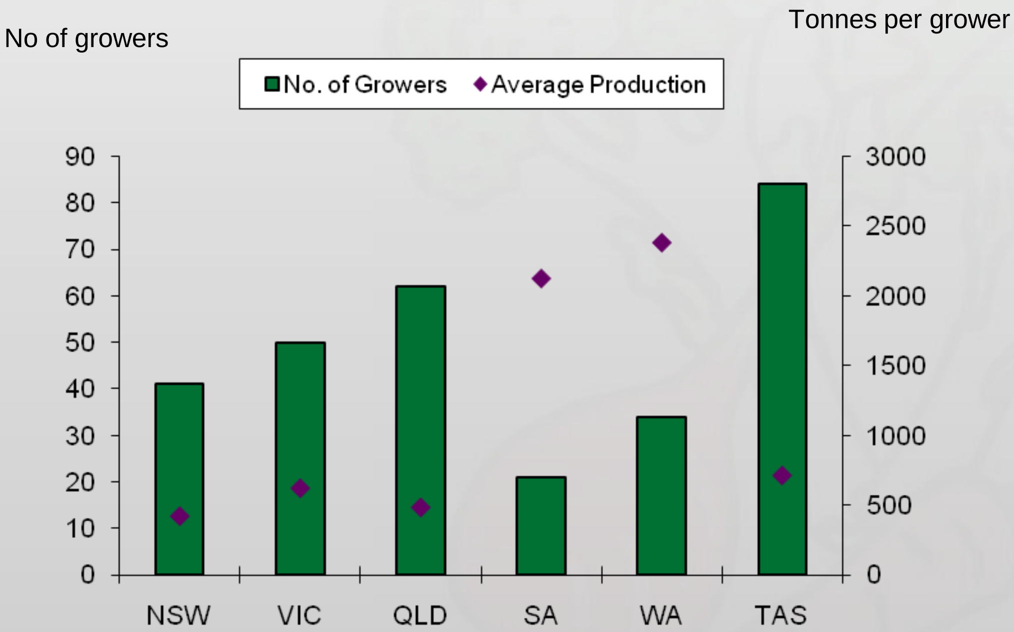
• Data on consumption is fragmented and anecdotal.

• Based on official production data and population statistics it is estimated that annual consumption has fallen in recent years to around 10.0 kg per capita.

• Comparisons with estimates of per capita consumption of some other major vegetables are presented in the table to the left.

Production

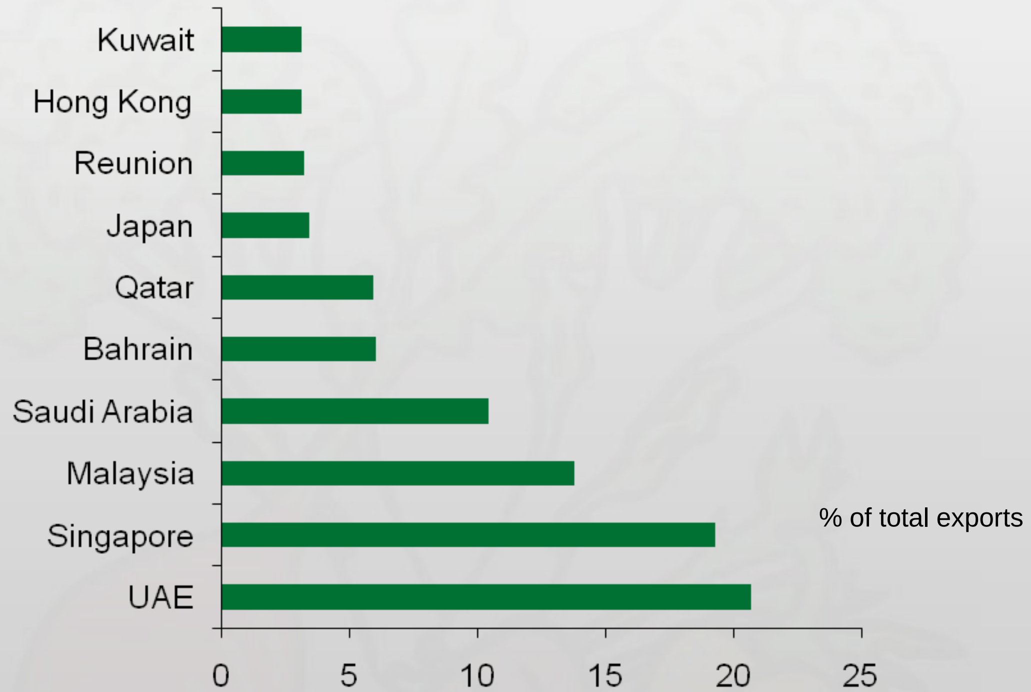
Carrot Growers by State



- The total number of carrot growers in Australia fell from 331 in 2008 to 292 in 2009. A few large growers produce a sizable proportion of the annual carrot crop..
- There were declines in New South Wales, Western Australia, and Victoria in 2009, with NSW recording the sharpest decline from 72 growers in 2008 to 41 in 2009.
- The number of growers in Tasmania rose slightly from 81 to 84 and in Queensland from 61 to 62. The number of growers in South Australia was unchanged at 21.
- Tasmania has the biggest number of growers with its share of the national total rising to 29% in 2009, ahead of Queensland with 21%.
- Average production per grower in 2009 was almost 2,400 tonnes in Western Australia and over 2,100 tonnes in South Australia, significantly ahead of the other four states with average production in the 420-720 tonnes range.

Exports

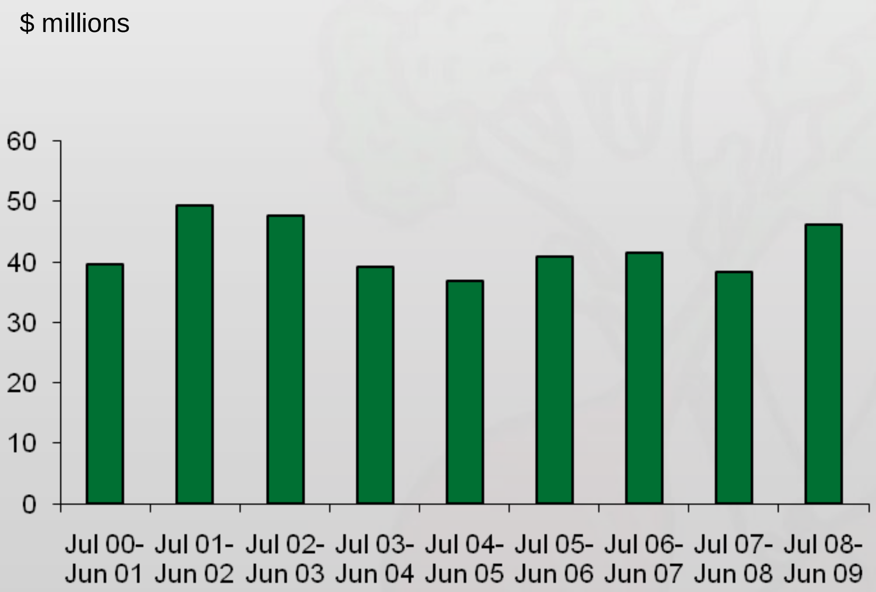
Characteristics of Australian Carrot Exports



- Australia runs a strong positive balance of trade in carrots.
- Exports are exclusively fresh, with markets developed in Asia (Singapore, Malaysia, and Japan) and in the Middle East. Western Australia has a strong export focus.
- The Middle East is a major market, with the United Arab Emirates the largest importer of Australian carrots and Saudi Arabia ranked fourth. Bahrain, Qatar and Kuwait are also in the Top Ten.
- Australian carrot growers are internationally competitive due to scale and heavy capital investment but competition is intense in South East Asia and markets remain steady there.

Exports

Value of Carrot Exports



- Carrot export values rose by 20.5% in 2009 to $46.1 million after remaining relatively stable over the preceding five years.
- Exports in 2009 were just 6.6% below their peak level of $49.4 million in 2002.

Market

Market Segments

The carrot market consists of the fresh market segment and the processed segment (which is predominantly composed of freezing).

There are a wide range of carrot varieties such as Dutch carrots (these are small and sweet), Imperator, Nantes and Kuroda.

Carrots are available throughout Australia all year round, however they are at their best value from March through to August,.

Market Access

- Domestic markets are free and there are no restrictions on carrot production.
- Imports of fresh carrots are free to enter Australia whilst a 5% tariff applies on frozen carrots (4% for developing nations) from some countries.
- Access to foreign markets is reasonable with freight costs being the major barrier to expanded exports although the Taiwanese market has been closed to exports from most Australian States.
- Exports to Singapore, Malaysia and Hong Kong do not incur a tariff.
- The only significant tariffs in place in the region are in Taiwan, the Philippines and Japan with tariffs of 20%, 20-40% and 3% respectively.

For further details on these statistics please contact AUSVEG on (03) 9882 0277.