

Vegetable Spotlight – Lettuce

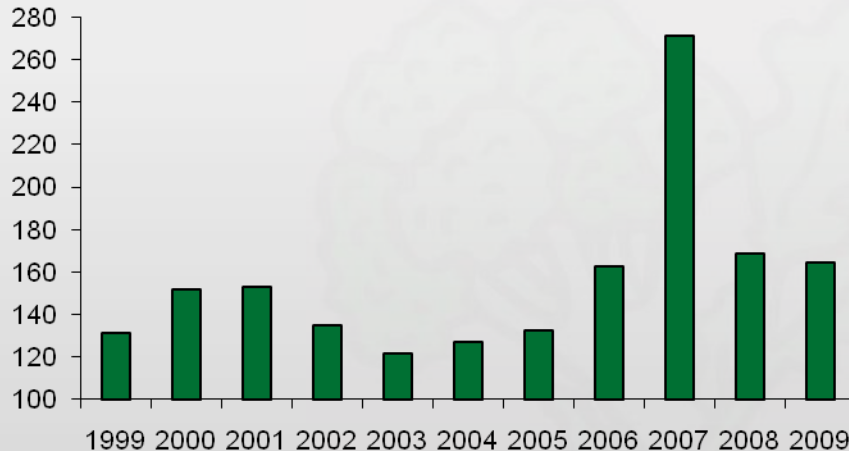
Snapshot

- The value of lettuce production rose by 11.3% to \$187 million in 2008/09.
- Lettuce was Australia's 6th largest vegetable crop in 2008/09, accounting for 6.2% of total vegetable production by value.
- Production and yields fell slightly in 2009, but there was a small rise in the area planted.
- Production is concentrated in the Eastern states, particularly Victoria and Queensland.
- Based on production estimates consumption of lettuces has risen in recent years.
- Prices on both domestic and export markets were strong in 2009.
- The total number of growers rose from 557 in 2008 to 566 in 2009 but there is a significant variation in the size of operations between the States.
- Exports have risen over the past three years and Australia runs a positive balance of trade in lettuce as imports are negligible.

Production

National Production

Tonnes ('000s)

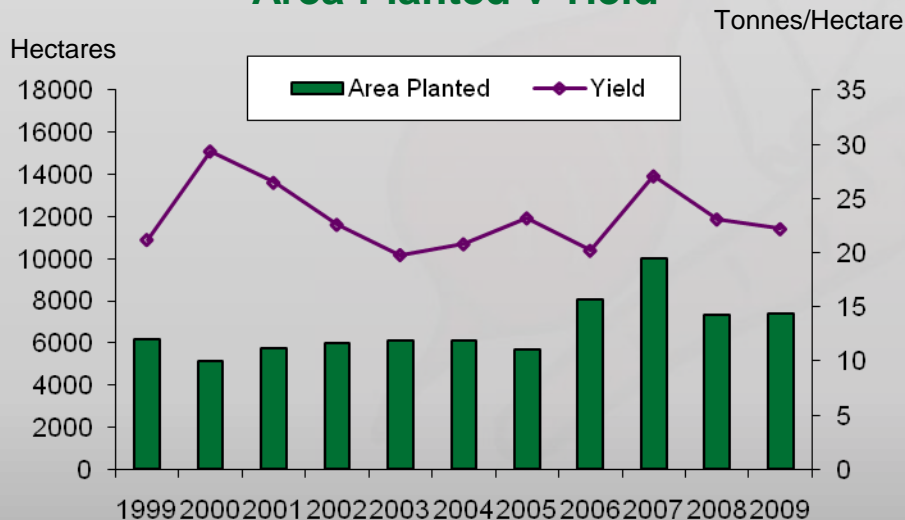


The Australian Bureau of Statistics employed a new methodology in collecting data for the 2005/06 Agricultural Census. As a result, the data generated from the census – such as production volumes, area planted and yields – are not directly comparable to historical statistics. Readers should use this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

Current Australian Lettuce Production

- Australian lettuce production totalled 164,543 tonnes in 2009.
- The area planted to lettuce was 7,411 hectares.
- The average yield per hectare over the year was 22.2 tonnes.

Area Planted v Yield

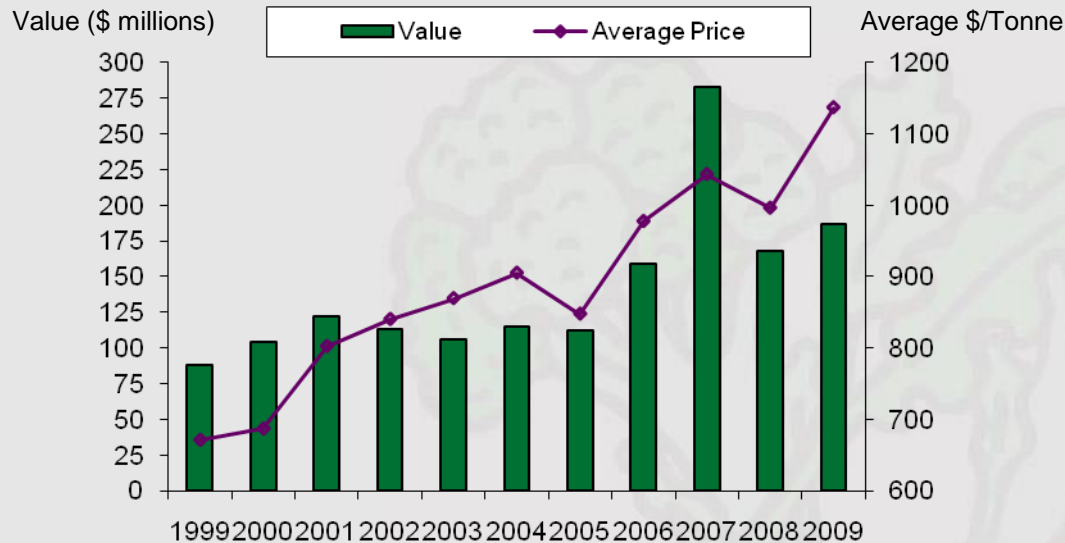


Long Term Production Trends

- After declining between 2001 and 2003, national production rose between 2003 and 2007. Production declined by 38% in 2008, after the strong surge in 2007, and by 2.5% in 2009 but remains well above the levels in the early years of this century.
- Area planted, which fell by 27% in 2008 after strong rises in 2006 and 2007, rose slightly in 2009. Yields fell by 15% in 2008 and by 4% in 2009 after a strong 34% increase in 2007.
- The trend is for lettuce area planted and production to increase.

Value and Pricing

Value of Production



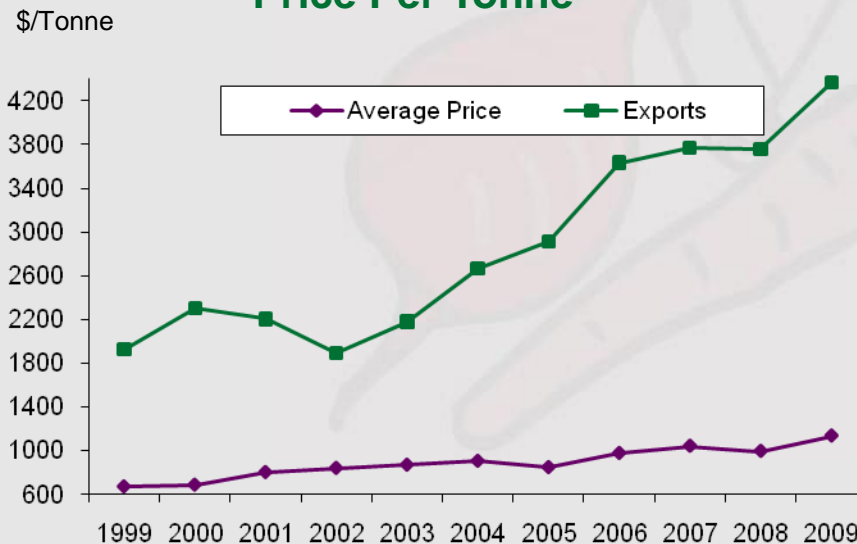
Domestic Value of Production

- The gross value of lettuce grown in Australia in 2009 was \$187 million.
- This is an increase of 11% on the previous 12 months, which is due to higher prices.
- The national gross unit value (average price per tonne), which fell by 4.5% in 2008, rose by 14% in 2009 to \$1136.

Lettuce Pricing

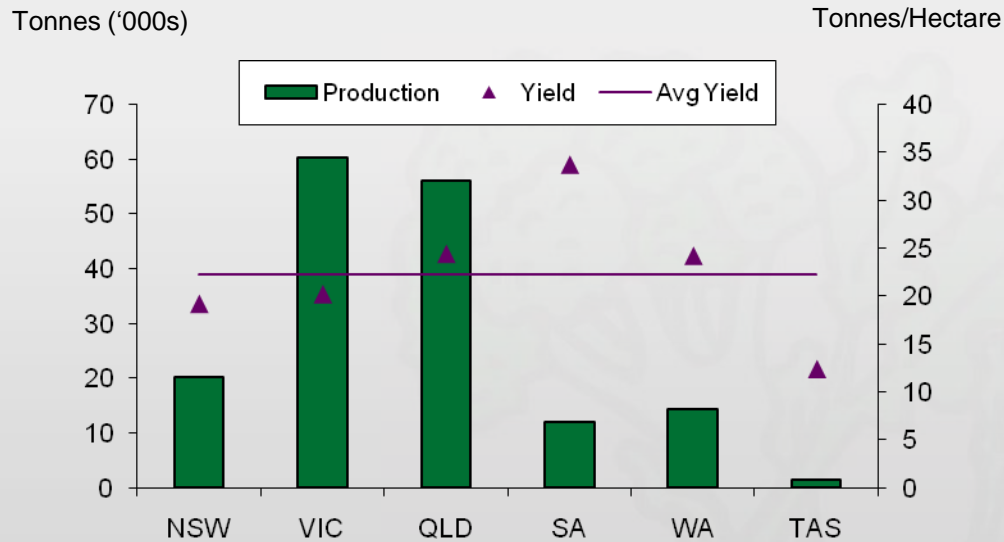
- Average prices based on production estimates rose to a record high in 2009 to average \$1137 per tonne up from \$996 in 2008.
- Average export prices in Australian dollars were also higher at a record of \$4370 per tonne.
- Based on this data returns to lettuce growers in both domestic and export markets were much better than in 2008.
- In recent years, Australia has imported lettuce in very small quantities. Prices have been excluded from the chart as they may not provide an accurate indication of actual levels.

Price Per Tonne



State production and national consumption

Production v Yield



State Lettuce Production

- Victoria (37%) and Queensland (34%) produce over two-thirds of the national lettuce crop.
- Production fell in all states in 2009 except Victoria and South Australia where there were increases in production of 13% and 10% respectively.
- There are sharp fluctuations in yields in individual states from year to year. The highest yields in 2009 were in South Australia and the lowest in Tasmania.

Lettuce Consumption

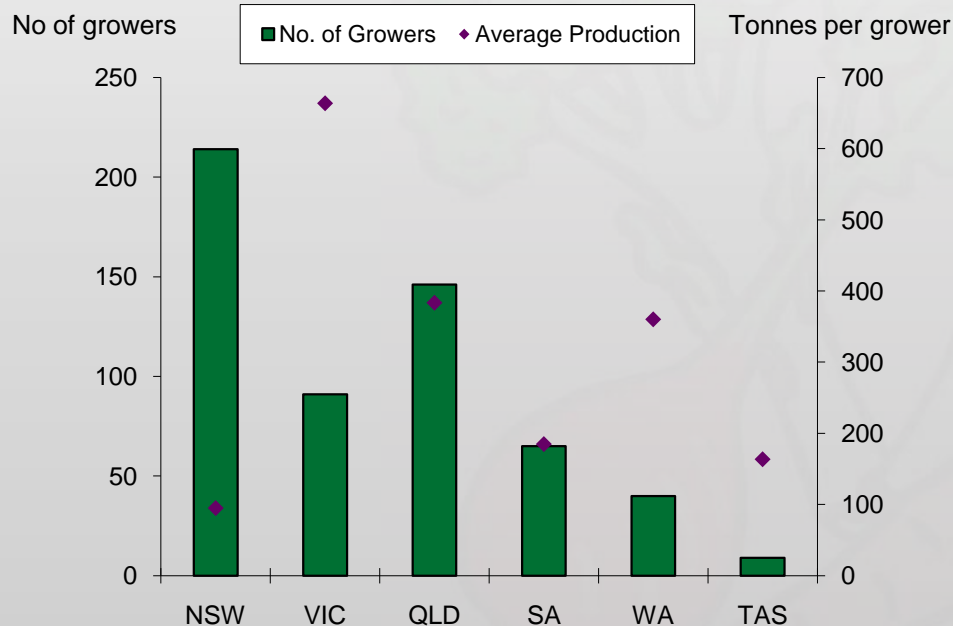
- Data on consumption is fragmented and anecdotal.
- Based on official production data and population statistics it is estimated that annual consumption has risen in recent years to around 9.3 kg per capita.
- This is a strong increase and supported by the trend to higher production and increased plantings and may reflect an increase in varieties.
- Comparisons with estimates of per capita consumption of some other major vegetables are presented in the table to the left.

Vegetable	Average for 3 years ending 1999(kg)	Average for 3 years ending 2009(kg)
Lettuce	6.4	9.3
Carrots	11.1	9.8
Potatoes	70.5	61.6
Tomatoes	22.0	20.9

Grower numbers and production

Lettuce Growers by State

2009



- The total number of lettuce growers in Australia rose from 557 in 2008 to 566 in 2009.

- There were increases in the number of growers in all states in 2007 except Victoria and Western Australia where estimates of the number of growers fell sharply. The biggest increase was in South Australia where the number of growers rose from 20 to 65.

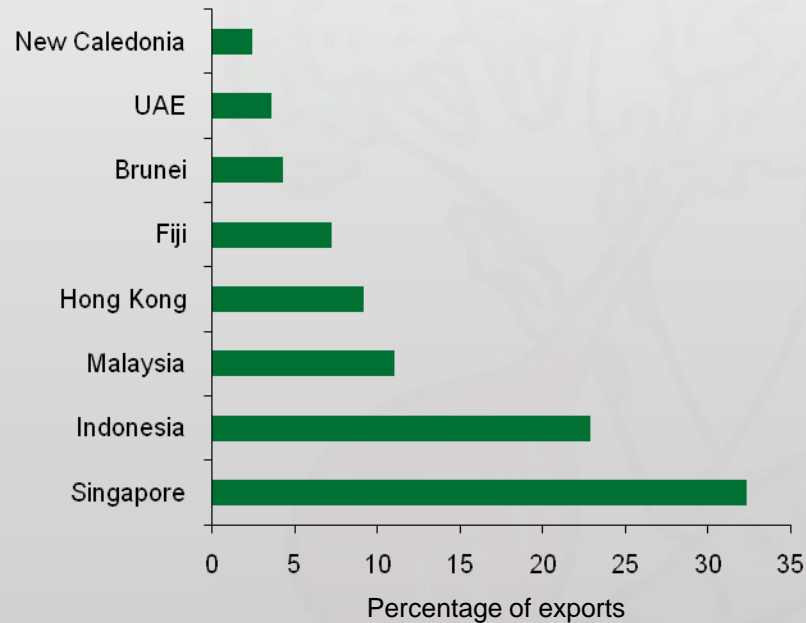
- New South Wales has the largest number of growers, with its share of the national total rising from 36% in 2008 to 38% in 2008. Queensland's share of the total rose from 24.4% to 25.8%, while Victoria's fell from 17.8% to 16%.

- Average production per grower is more than twice the national average of 291 tonnes in Victoria while tonnages in Queensland and Western Australia are well above the national average. Tasmania and South Australia are well below the national average and New South Wales even more so.

- Victoria and New South Wales provide interesting contrasts with lettuce production in Victoria produced by a small number of growers on larger holdings compared to the relative small scale operations in New South Wales.

Export markets in 2009

Destination of Australian Lettuce Exports



- Exports are exclusively fresh, with key markets in East Asia. Singapore and Indonesia have been the leading markets over the past two years, with Hong Kong falling to fourth position in 2008/09 from first in 2006/07.
 - Imports are sporadic and do not serve to satisfy any continuing demand.
 - Due to the labour intensive nature of production, low cost countries, in particular China, are beginning to dominate regional trade in Asia.
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Exports and Imports

Value of Lettuce Exports



- Export values fell sharply in 2002/03 and 2003/04.
- An upward trend has been evident since 2005/06 with lettuce exports in the year to June 2009 up by 13% on the previous 12-months period to \$5.6 million.
- Australian exports have slowly begun to reclaim some of the lost ground in markets in Singapore, Indonesia and Malaysia.

Lettuce Imports

- Imports of lettuce are negligible, with some years, including 2008/09 registering none at all.
 - In the past, imports have come from the US, Thailand, New Zealand or China.
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Market

Market Segments

- The lettuce market consists of the fresh market segment and the growing processed segment (which is mainly pre-packaged salads).
- There are a wide range of lettuce varieties available in Australia, with the most popular being crisphead (iceberg), romaine (cos), butterhead and looseleaf.
- Lettuce is in season from September through May, however it is still available during the winter months.

Market Access

- Domestic markets are free and there are no restrictions on lettuce production. Imports of lettuce are free to enter Australia.
 - Exports to three of the major export markets (Singapore, Hong Kong and Malaysia) do not incur a tariff.
 - There are some significant tariffs in place in some of the smaller ASEAN countries which Australia is unlikely to trade with e.g Laos. The major countries that Australia has had some vegetable trade with where tariffs exist are in Indonesia 5% phasing to 0 in 2013 and the Philippines at 25%.
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For further details on these statistics please contact AUSVEG on (03) 9882 0277.



The data and information in this document has been put together by Industry Data Economic Analysis. Industry Data Economic Analysis is contracted by Horticulture Australia Limited to provide economic services to the vegetable industry including collation and analysis of data provided by other sources. Information is to be communicated to the industry through a number of channels, the AUSVEG website being one. Industry Data Economic Analysis, its principal, contractors and employees, does not guarantee the accuracy or completeness of any data or information contained in the document and does not accept legal liability for its contents or any loss or damage which may result. Professional advice is recommended for all strategic and financial decisions. This document does not represent professional advice.
