Excellent quality
Export ready

48% of Australian horticulture exports in 2015-16 were from Victoria

$450m worth of almonds was exported from Victoria in 2015-16
Why invest in Victoria’s horticulture industry?

Well connected markets
Victoria is Australia’s major exporter of horticultural products. Melbourne’s world-class port and transport infrastructure allows efficient export to international customers. Fresh and dried fruit are the highest value export category and almonds are Victoria’s single most valuable horticultural export. Horticultural products are in demand within Australia as well, particularly among the rapidly growing population of Melbourne, where health conscious residents are increasingly seeking fresh, local fruits and vegetables.

Value adding opportunities
Victoria is Australia’s leading state for food processing. In 2015-16, horticulture processing in Victoria was worth $5.4 billion, with alcohol and beverages manufacturing worth a further $6.0 billion. Horticulture processing is divided evenly between Victoria’s regions and its capital city. Melbourne has the lowest costs for food manufacturing in Australia, and the lowest costs for research, development and extension (RD&E) anywhere in the Asia Pacific. Processors benefit from Victoria’s cutting-edge systems for innovation and quality control, and its skilled workforce.

Advanced research, development and extension
Agricultural research scientists in Victoria foster long-term collaborations with Horticulture Innovation Australia Limited and other peak industry bodies, including Summerfruit Australia Limited, the Almond Board of Australia, and Apple and Pear Australia Limited. This gives the Victorian horticultural industry a competitive edge in an increasingly global market. Some of the many research areas are agronomy, protected cropping and molecular biology.
Supported by a skilled workforce

Victoria has a number of world class universities teaching specialised courses, educating and upskilling the workforce on advanced horticultural production.

Favourable climate

Victoria’s diverse climate and soils are major assets for horticulture producers. They mean longer growing seasons and a wide range of horticulture products. The Mediterranean climate of the state’s north-west is ideal for grapes, citrus and nuts, while more temperate areas are perfect for pome fruit. Victoria’s location in the southern hemisphere means it can provide counter-seasonal supply into international markets. Horticulture production is underpinned by a mature irrigation and water trading system, and the growing use of high-technology controlled environments.

Emerging crops

Victoria’s innovative agriculture and food industries are constantly generating new opportunities, such as medicinal cannabis, native herbs, truffles, and ready-to-cook meals. There is also potential for significant growth in the export of fresh products to Asian markets.
Victoria produced $3.1 billion worth of horticulture products in 2015-16.

- Victoria produces 32 per cent of Australia’s horticulture products (in value terms). Victoria produces more horticultural value than any other State or Territory.
- Horticulture processing in Victoria adds $5.4 billion of value per year. A substantial proportion of food processing cannot be allocated to any single sector, especially the $6 billion of alcohol and beverages food processing in Victoria.
- Victoria’s pome, berry and stone fruit industries predominantly sell their produce into domestic markets, while the almond, table grapes and citrus industries are export oriented.
- Victoria’s secure water resources for irrigation, suitable soils and climatic diversity enable many different fruits, vegetables and nuts to be grown across the state.

**Victorian fruit at a glance**

(INCLUDING GRAPES NOT FOR WINE)

- Total fruit produced **575,513 tonnes**
- Value of fruit produced: **$695.6 million**

**Victorian nuts at a glance**

- Total nuts produced **55,782 tonnes**
- Value of nuts produced: **$523.3 million**

**Victorian wine grapes at a glance**

- Total grapes produced **288,431 tonnes**
- Value of grapes produced: **$444.8 million**

**Victorian vegetables at a glance**

- Total vegetables produced **817,083 tonnes**
- Value of vegetables produced: **$972.5 million**

*unless otherwise stated, all dollar values refer to gross values in this publication.

**Figure 1: Victoria’s vegetable and fruit production, by value, 2005-16**

$millions

03 invest.agriculture.vic.gov.au interactive mapped data; industries; regions

Sources for this page: agriculture production, ABS 7121 and 7503 2005-16; food processing value, Victorian Government estimate based on 2016 REMPLAN data and 2011-12 RISE data.

03 invest.agriculture.vic.gov.au interactive mapped data; industries; regions
Victoria accounts for almost half of Australia’s horticulture exports

Victoria horticulture exports are booming, with 31 per cent growth between 2014–15 and 2015–16.

**Horticulture exports**
- Horticulture exports from Victoria were valued at nearly $1.2 billion in 2015-16, an increase of $278 million from 2014-15.
- Fresh and dried fruit were the highest value category, making up 46 per cent of Victorian horticulture exports.
- Nuts was the second most valuable horticulture commodity, making up 39 per cent of horticulture exports. Almonds are Victoria’s most significant horticulture export.
- China was Victoria’s highest value market for horticulture exports, valued at $137 million in 2015-16. 72 per cent of horticulture exports to China were table grapes, which increased by $84 million from 2014-15.
- Hong Kong was the second largest horticulture export market for Victoria ($128 million), followed by India ($107 million).

**Figure 2: Victoria’s key horticulture markets**

**Figure 3: Victoria’s horticulture exports by value**

**Sources for this page:** exports, Victorian Food and Fibre Export Performance Report 2015–16.

invest.agriculture.vic.gov.au
interactive mapped data; industries; regions
Competitive advantages of the Victorian horticulture industry

Deloitte Access Economics has assessed data on numerous factors of competitive advantage relating to agriculture and food at the regional and industry levels. Victorian horticulture industries are export focused and supported by favourable growing conditions and strong RD&E.

Export ready
• Victoria has strong relationships with major export partners including China, USA and Japan across a range of horticultural products, such as almonds, table grapes and citrus fruits.
• China, Hong Kong and India are the biggest importers of Victorian horticulture products.
• Victoria’s reputation for ‘clean and green’ food products, stemming from robust food regulation and safety standards, makes its horticulture products appealing for consumers globally.
• Victoria’s extensive and innovative food processing industry gives horticulture producers the opportunity to supply value add products. Major companies in Victoria such as Simplot use Victoria’s competitive advantage to export their processed horticulture products around the world.

Transport connectivity
• An advantage for Victoria is its ability to airfreight produce into Asian markets within a day of harvest and at competitive prices. This is particularly relevant to premium highly perishable produce including asparagus, cherries and herbs.
• Victoria has world-class export infrastructure and is home to Australia’s largest container and general cargo port in Melbourne.
• Recent investment by the Victorian Government in the Murray Basin Rail Project will further facilitate the efficient transportation of horticultural produce. The Victorian Government is also working on a range of initiatives that seek to increase the volume of freight carried on rail in Victoria.

Advanced RD&E
• Property Identification Codes are being progressively introduced to Victorian plant industries to minimise the impact of any pest or disease outbreak on horticultural production and market access.
• Agriculture Victoria undertakes research in horticulture, with specialist expertise focusing on pests and diseases, production systems, water, soils and nutrients. Field laboratories have also been established for new production systems in stone fruit and almonds as well as for new pear varieties.
• Victoria has three major research facilities in Bundoora, Tatura and Irymple and long-term national and international collaborations are nurtured between agricultural research scientists in government and industry.

Favourable growing conditions
• Victoria’s fruit and nut industries are diverse, with a wide geographical spread and a range of products. Victoria’s climatic diversity allows specialist production of an extensive range of horticulture products.
• Victoria’s main fruit groups are pome fruit (e.g. apples and pears), stone fruit (e.g. peaches, apricots, cherries and nectarines), berry fruit, citrus (e.g. oranges and mandarins), nuts (e.g. almonds), and table and wine grapes.
• Victoria’s seasons are opposite to those in the northern hemisphere. This counter seasonal growing availability gives Victorian producers a competitive advantage over growers in the northern hemisphere, who compete against a much higher number of producers for the same in-season products.
• In addition to its favourable natural growing conditions, Victoria also has a mature water infrastructure and trading system as well as opportunities for glasshouses and hydroponic farming.
Victoria’s major horticulture regions

With a diversity of regional climates, topography and soils, Victoria is able to produce an enviable range of premium fresh produce. Harvest is spread across several regions and months, extending the season for supplying domestic and international markets.

Victoria’s fruit, nut and vegetable production is concentrated in four main regions:

- In the north west, the Mallee’s Mediterranean climate and extensive irrigation make it Victoria’s prime horticultural region. It produces nearly 40 per cent of horticultural production, especially high quality citrus, grapes and almonds. The Mallee produces over 90 per cent of Victoria’s grapes (wine and table grapes) and 86 per cent of citrus. The Mallee also produces 99.6 per cent of Victoria’s almonds.
- The Goulburn Valley in the north has two major rivers with extensive irrigation, plus good alluvial soils and a mild climate. Known as the ‘fruit bowl’, the Goulburn area produces 67 per cent of apples, 95 per cent of Victoria’s pears, 57 per cent of stonefruit, and 64 per cent of cherries. Field tomatoes are also grown in the region.
- One of Victoria’s main vegetable growing regions is around the city of Melbourne: near to domestic markets, processing facilities and transport infrastructure. The Melbourne region produces 41 per cent of Victoria’s vegetables, including lettuce, cauliflower and Asian greens. Almost all of Australia’s asparagus and much of Victoria’s brussel sprouts and strawberries are grown here.
- Gippsland in the south east has a cooler climate, good rainfall and irrigation in the Macalister Irrigation District. It accounts for 25 per cent of the State’s vegetable production, including potatoes, peas, beans and onions, and increasingly brassicas such as broccoli, cauliflower and cabbage.

Distribution of production by value: Victoria

- **$972.5m**
  - **VEGETABLES FOR HUMAN CONSUMPTION**
- **$695.6m**
  - **FRUIT (EXCLUDING GRAPES)**
- **$327.9m**
  - **TABLE GRAPES**
- **$116.9m**
  - **WINE GRAPES**
- **$523.3m**
  - **NUTS**
- **$2.636bn**
  - **TOTAL HORTICULTURE**

Sources for this page: agriculture production, ABS 7121 and 7503 2015-16.

invest.agriculture.vic.gov.au
interactive mapped data; industries; regions
The gross value of horticulture processing in Victoria is $5.45 billion, 48.6 per cent of which is in regional Victoria.
A wealth of skills and knowledge

Victoria has a number of top universities teaching specialised courses in agriculture and food processing. These are building the agronomic, scientific, technological and agribusiness capabilities of today’s horticulture workforce and tomorrow’s leaders.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Specialist Agriculture Courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills Victoria Technical and Further Education (TAFE) e.g. Sunraysia</td>
<td>Certificate in Horticulture</td>
</tr>
</tbody>
</table>
| RMIT University | Master of Food Science and Technology  
| | Bachelor of Science (food technology) |
| Victoria University | Bachelor of Applied Science (food science)  
| | Bachelor of Science (biotechnology) |
| The University of Melbourne | Master of Agriculture Sciences  
| | Master of Agribusiness  
| | Bachelor of Agriculture  
| | Graduate Diploma in Climate Change for Primary Industries  
| | Bachelor of Science (agricultural science) |
| Monash University | Bachelor of Food Science and Technology |
| Swinburne University | Certificate III in Rural Operations |
| Deakin University | Graduate Certificate of Agricultural Health and Medicine |
| La Trobe University | Bachelor of Agricultural Sciences  
| | Bachelor of Agriculture and Technology  
| | Bachelor of Business (Agribusiness) |
| Federation University | Certificate III in Agriculture  
| | Diploma of Agriculture |
| Institutes of Technical and Further Education (TAFE) e.g. Sunraysia TAFE, Goulburn Ovens TAFE, Bendigo TAFE, The Gordon, Melbourne Polytechnic | Certificates and Diplomas in:  
| | Horticulture  
| | Production Horticulture  
| | Agriculture, Agribusiness and Rural Operations  
| | Food Science and Technology  
| | Arboriculture  
| | Production Nursery |

Victoria also has a number of dedicated agricultural colleges such as Longerenong College and Marcus Oldham College.
Victoria’s horticulture industry has a strong outlook

An outstanding long-term outlook for Victoria’s horticulture industries presents strong investment opportunities now.

The outlook
- The Victorian horticulture industry is going through an exciting transformation as it moves to target high-value domestic markets and specific new markets in Asia and the Middle East.
- Of particular importance to Victoria are the citrus, apple and pear, nectarine, peach, plum, cherry, and table grape industries, where there is stronger export potential and where Victoria is a dominant contributor to Australian production.
- Projections from ABARES indicate that the values of fruit and nuts (excluding wine grapes) and vegetables will rise in the medium term as domestic demand for fresh produce grows and favourable export opportunities continue.
- Australia’s export competitiveness is expected to continue to improve in the medium term as import tariffs on horticulture products are reduced under the trade agreements with China, Japan and Korea. The real value of horticultural exports is also expected to rise as access to markets continues to increase.

Spotlight on almonds
- In 2015-16, 56,000 tonnes of almonds were produced in Victoria, up from just 4,600 tonnes in 2005-06. Almonds currently account for around 40 per cent of total horticulture exports in Victoria in value terms.
- One of the largest contributors to the growth in the almond industry has been increased involvement from corporate growers.
- Almond production is likely to increase significantly in the future as further young plantings mature and approach optimum yields.

Figure 4: Victoria’s nut production, by value and by volume, 2010-16

Sources for this page: agricultural production, ABS 7121 and 7503 2005-16; projections, ABARES Agricultural Commodities March Quarter 2017.
Investment opportunities in Victoria’s horticulture industries

Global and domestic growth prospects for high-value food products, combined with Victorian factors of competitive advantage, indicate that there are strong investment opportunities in Victoria. This page summarises just a few of the numerous opportunities in Victorian horticulture.

1. Export counter seasonal produce

*Investment in response to growing demand for availability of fruits, nuts and vegetables year-round.*

**Victoria produces counter seasonally**
- Victoria’s horticulture production occurs at the opposite times of the year to the northern hemisphere. This means that when northern hemisphere fruits, vegetables or nuts are out of season, Victorian produce is in season.
- Expanding capacity of Victorian horticulture allows for more exports, as global demand for food increases and food consumers increasingly expect year-round availability of fresh fruits, nuts and vegetables.
- Producers can take advantage of Victoria’s world class port and air transport infrastructure to efficiently transport export produce.

2. Produce specialist products

*Victoria’s diverse production conditions allow farmers within Victoria to produce horticulture products that are niche and region-specific.*

**Climatic diversity and global reputation**
- Victoria’s climatic diversity and access to secure water resources for irrigation make it favourable for growing a wide range of horticulture products. Victoria’s farmers grow many specialist horticulture products, such as nashi pears, lemon myrtle, and organic produce.
- Victoria’s ‘clean and green’ reputation means that emerging middle classes across Asia and the Middle East trust Australian horticulture products. This is an increasingly wealthy market looking for exciting new food products from Australia.
3. Enhance horticulture processing

There is a strong opportunity to invest in technology that further modernises existing food processing and packing facilities to create products for high-value target markets.

Victoria’s strong manufacturing base and technology adoption
- Over 30 per cent of Australia’s food processing RD&E occurs in Victoria. Its strong manufacturing base underpins opportunities in horticulture.
- The highly skilled workforce in the agriculture and food processing sector allows advanced technology transfer and adoption.
- Horticulture processing in Victoria is worth $5.45 billion per year.

4. RD&E and technology throughout the supply chain

Investment to combine cost-competitive primary production, leading processing technologies and export market access.

Victoria’s well-established RD&E sector
- Industry and government researchers have well-established RD&E partnerships in Victoria. Agricultural research scientists in Victoria foster long-term collaborations with Horticulture Innovation Australia Limited.
- Examples of innovations occurring in Victorian horticulture include investing in GPS-controlled tractors, water-jet vegetable cutting systems that eliminate manual cutting, and electrolysed water systems to wash vegetables and reduce chemical use.
- There are substantial opportunities to build hydroponic, aquaponic and aeroponic glasshouse production systems. Investors can take advantage of competitive water, energy and land near major regional centres, with good access to metropolitan distribution centres and wholesale markets.

5. Emerging crops cultivation

Exciting opportunities in emerging horticultural crops such as hops, poppies for pharmaceutical use, medicinal cannabis, truffles, and native herbs and fruits.

Changing trends in consumers’ preferences
- There is increasing demand for bespoke food such as craft beer, alternative medicines and healthier oils from temperate regions such as Victoria.

Victoria’s extensive experience and capability to innovate
- The horticulture industry in Victoria is well placed to cultivate emerging crops by leveraging both its capability to innovate and its experience in producing high quality, high value products.
Many top global companies have a presence in the Victorian horticulture industry, reaping the benefits which come with operating facilities in the region. According to IBISWorld and Deloitte’s analysis, major horticulture companies in Victoria include:

**Kagome**
Kagome is a Japanese tomato grower and processor with operations across the globe, including offices and processing facilities in regional Victoria. Kagome bought a large tomato processor in 2010, making it Australia’s largest. The company processes approximately 200,000 tonnes of locally grown tomatoes at its Echuca headquarters each year, supplying 45 per cent of the processed tomatoes consumed in Australia. Kagome also exports to Asia, primarily in Japan, Thailand and Indonesia.

**Flavorite Hydroponic Tomatoes**
Flavorite is one of Victoria’s largest Australian-owned growers and marketers of vine ripened produce, growing large truss tomatoes, cherry tomatoes and capsicums. The company has grown from 3,000 square metres of tomato farming in 1994 in Warragul, Victoria to 210,000 square metres of production today. In 2017, Flavorite Tomatoes received a Latrobe Valley Economic Facilitation Fund grant to build a new 4.3 hectare glasshouse fitted with heating, irrigation and infrastructure. The glasshouse will use new environment control systems to increase production yields by 10–15 per cent.

**Select Harvests**
Select Harvests is the largest vertically-integrated nut and health food company in Australia. The company is a grower, processor, marketer and distributor of nuts, seeds, dried fruit and health foods. Select Harvests’ focus is on almonds. The company has an almond primary processing facility in northwest Victoria and a value added processing facility in Thomastown, Melbourne, which produce around 20,000 tonnes of almonds during harvest. Much of the almonds that Select Harvests produce are exported to Asia.

**Mildura Fruit Company (MFC)**
Mildura Fruit Company (MFC) is a leading Australian citrus packer and marketer operating out of a large packing facility that can process over 60 tonnes of fresh fruit per hour. MFC provides technical support to a very large supplier base spread over a wide geographic area. MFC has an export focus, shipping to customers in over 30 countries.

**Costa Group Holdings**
Costa Group is Australia’s leading grower, packer and marketer of fresh fruit and vegetables. As the major supplier of fruit and vegetable to Coles, Woolworths and Aldi supermarkets, Costa’s operations include approximately 3,500 planted hectares of farmland, 30 hectares of glasshouse facilities and seven mushroom growing facilities across Australia. In Victoria, Costa operates the largest mushroom farm in the southern hemisphere, located north of Melbourne.
The Victorian Government can facilitate your next investment

The Victorian Government provides local and international investors with the information needed to establish or expand their business.

What the State Government of Victoria can provide

The Victorian Government’s investment team provides free confidential services and professional advice to both existing and new investors. Invest Victoria is the first point of contact for new clients. It provides support to international investors, and can direct domestic clients to investment advisors specialising in Melbourne (Metropolitan Investment) or regional Victoria (Regional Development Victoria), including a dedicated Agribusiness Facilitation service.

Services include:

1. Help with your market-entry business case. Our dedicated team will supply you with up-to-the-minute information on market potential, existing companies, research and development capabilities, labour market skills and costs.
2. Introductions to our great industry contacts and local suppliers.
3. Confidential expert advice to help support your choice of investment. Our experienced team can help you work through the formal approvals you might need and even visit potential sites with you and speak to estate agents on your behalf.
4. On-ground support for existing and local investors seeking assistance for their business expansion plans through our metropolitan or regional investment engagement teams. Support for international investors in their home market through our extensive network of international offices.
5. Introductions to contacts across all levels of government. Financial support to attract projects of strategic significance may also be available.
6. A large team of experienced local and overseas officers ready to give you the practical support you need to maintain your new project’s momentum.
7. Investment facilitation specialists who can work with you in relation to sites, infrastructure connections and project approvals.

See the ‘Who to Contact’ section, on the next page, or visit: invest.vic.gov.au

Grants for businesses

The Victorian Government offers a range of grant programs to help grow Victoria’s agriculture and food processing industries, infrastructure and supporting systems. To identify the programs most relevant to your project, contact us directly using the details on the following page, or browse the links below.

- Grants directed at strategic priorities, including food and fibre: invest.vic.gov.au/how-we-can-help/planning/incentives-grants-and-programs
- Grants focused on regional development: rdv.vic.gov.au
- Targeted programs to support business growth: business.vic.gov.au/support-for-your-business/future-industries
- Programs to support infrastructure or innovation: rdv.vic.gov.au/programs-and-grants

invest.agriculture.vic.gov.au
interactive mapped data; industries; regions
Further Information

This document is one of 16, which describe the investment opportunities in each of Victoria’s agriculture and food processing industries and regions. The following documents are especially relevant to Horticulture industries: The Mallee, Goulburn, Melbourne, Gippsland, Victoria and Food Processing. These are available at the website below. This website also has an interactive map providing access to data on rainfall, production, processing, infrastructure, and other factors relevant to agriculture and food processing.

invest.agriculture.vic.gov.au

Who to contact

All investment inquiries
Invest Victoria can put you in touch with the best advisors for your project:

info@invest.vic.gov.au
invest.vic.gov.au

Victorian regions
If you already know which part of regional Victoria you wish to invest in, you may wish to speak directly to Regional Development Victoria:

rdv.vic.gov.au/contact-us

Authorised and published by Department of Economic Development, Jobs, Transport and Resources, 1 Spring Street, Melbourne. August 2018.

The content in this document is provided for information purposes only. No claim is made as to the accuracy or authenticity of the content in this document. In no event will the State of Victoria, its agents, instrumentalities and employees be liable for the accuracy of the information contained in this document nor its use or reliance placed on it. The information in this document is provided on the basis that all persons undertake responsibility for assessing the relevance and accuracy of its content.

This document is also available in an accessible format at invest.agriculture.vic.gov.au.

This document is produced and maintained by Agriculture Victoria.

ISBN 978-1-925734-41-6 (Print)
ISBN 978-1-925734-42-3 (pdf/online/MS word)