

## Queensland Fruit & Vegetable Growers

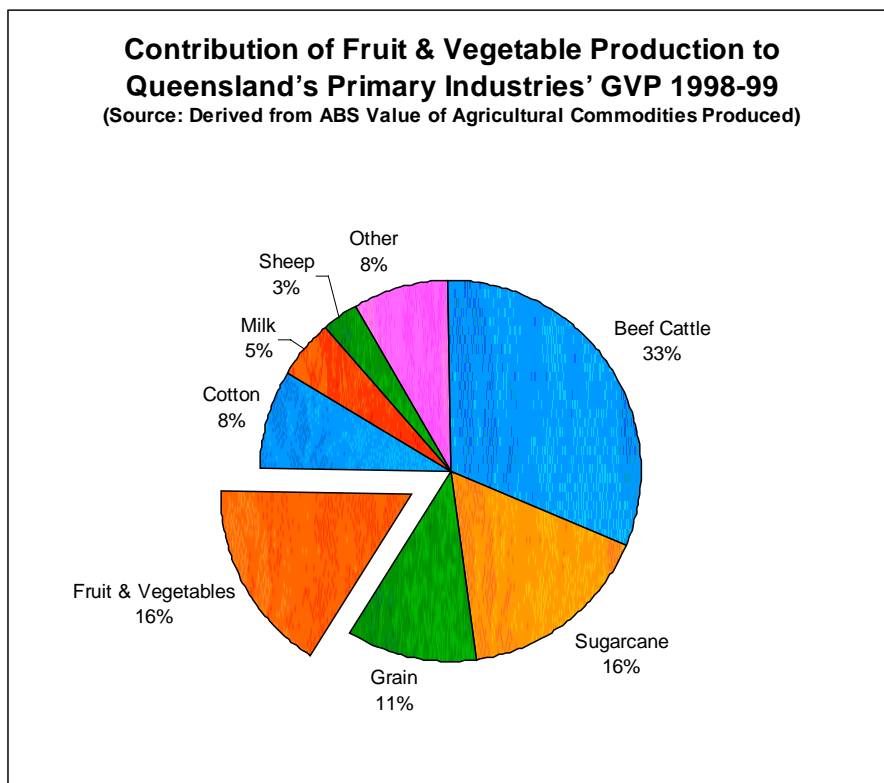
Additional information for the submission to the Productivity Commission study  
*“Industries in the Great Barrier Reef Catchment and measures to address declining  
water quality”*

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The QFVG submission to the study *“Industries in the Great Barrier Reef Catchment and measures to address declining water quality”* noted that additional information regarding multipliers and projections would be forwarded as soon as possible.

These additional notes include this information along with further data regarding the location and size of horticultural enterprises in the reef catchment and employment information.

Below is a chart highlighting the significance of the fruit and vegetable sector to the Queensland's primary industry's gross value of product.

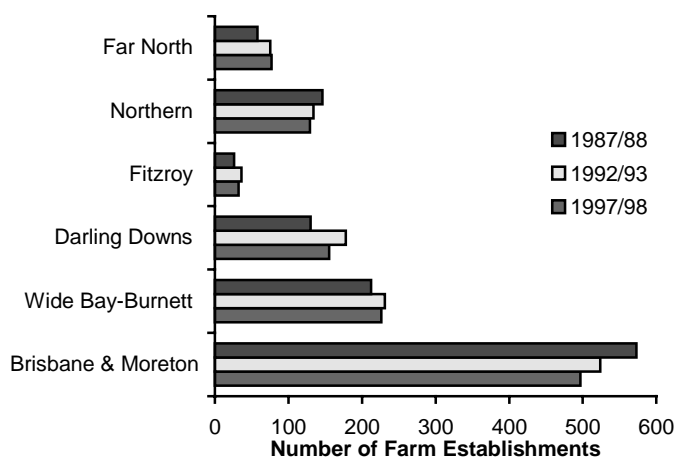


## Horticultural enterprise locations and values in the reef catchments

### Vegetable Production

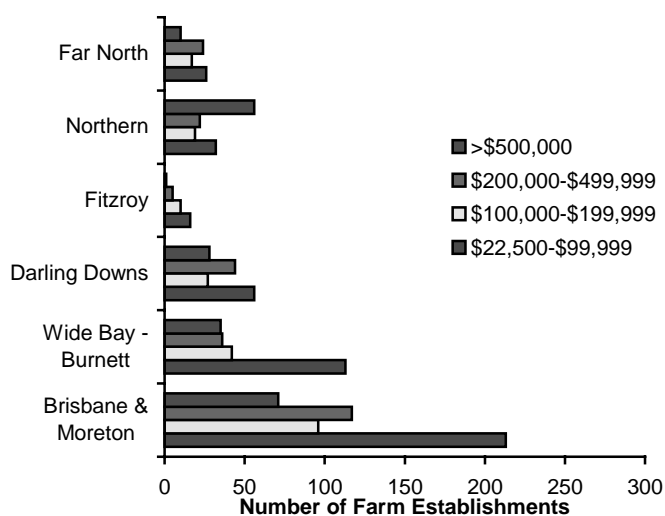
Between 1987-88 and 1997-98, the majority of Queensland vegetable growing farm establishments were located in the Brisbane and Moreton Statistical Division (SD), Wide Bay -Burnett SD, Darling Downs SD, Northern SD and Far North SD.

#### Location of Queensland Vegetable Growing Farm Establishments 1987-88, 1992-93, 1997-98 (Source: DPI from ABS unpublished data)



In 1997-98, 41% of Queensland vegetable growing farm establishments had an estimated value of agricultural operations (EVAO) between \$22,500 and \$99,999 and 19% of had an EVAO between \$100,000 and \$199,999. The majority of these farm establishments occurred in the Brisbane and Moreton, and Wide Bay-Burnett SDs. This indicates that around 60% of Queensland vegetable farm establishments are 'small' enterprises. A further 22% of vegetable growing farm establishments had an EVAO between \$200,000 and \$499,999. These were mainly located in the Brisbane and Moreton, and Darling Downs SDs. The remaining 18% had an EVAO greater than \$500,000 and were concentrated in the Brisbane and Moreton, and Northern SDs.

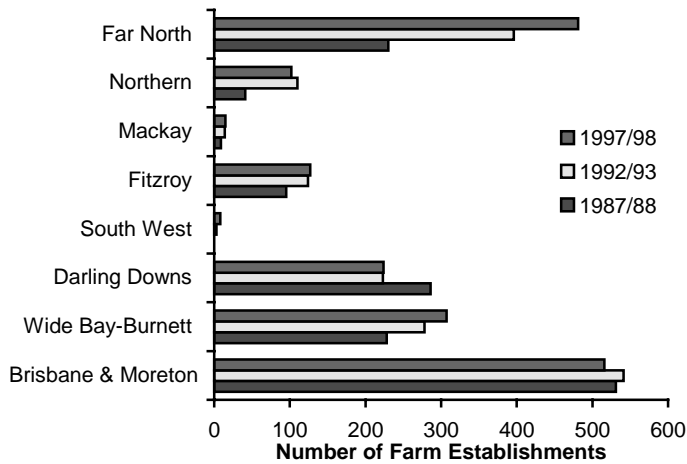
#### Location of Queensland Vegetable Growing Farm Establishments by Size, 1997-98 (Source: DPI from ABS unpublished data)



## Fruit Production

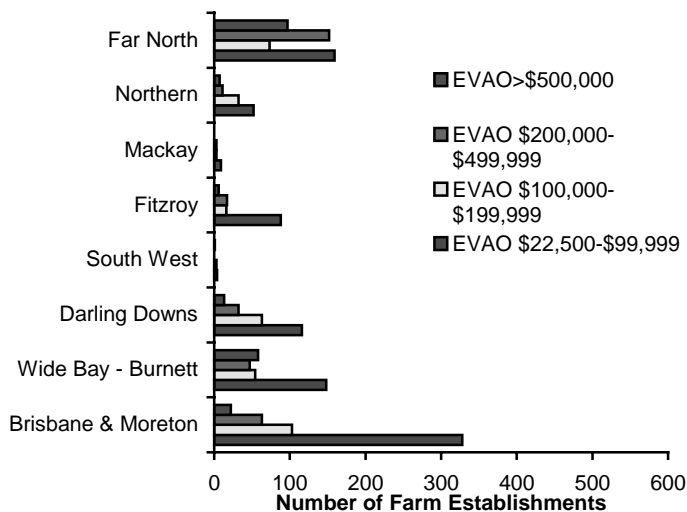
The majority of Queensland fruit growing farm establishments were located in the Brisbane and Moreton Statistical Division (SD), Far North SD, Wide Bay-Burnett SD and the Darling Downs SD.

### Location of Queensland Fruit Growing Farm Establishments 1987-88, 1992-93, 1997-98 (Source: DPI from ABS unpublished data)



In 1997-98, 51% of Queensland fruit growing farm establishments had an EVAO between \$22,500 and \$99,999 and 19% had an EVAO between \$100,000 and \$199,999. The majority of these farm establishments occurred in the Brisbane and Moreton, Wide Bay-Burnett, Darling Downs and Far North SDs. This indicates that around 70% of Queensland fruit farm establishments are 'small' enterprises. A further 18% of fruit growing farm establishments had an EVAO between \$200,000 and \$499,999. These were mainly located in the Far North, Brisbane and Moreton and Wide Bay-Burnett SDs. The remaining 11% had an EVAO greater than \$500,000 and were concentrated in the Far North and Wide Bay -Burnett SDs.

### Location of Queensland Fruit Growing Farm Establishments by Size, 1997-98 (Source: DPI from ABS unpublished data)



## Additional information regarding employment

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The horticulture industry in Queensland is the state's largest employer of rural labour, providing work for approximately 25,000 people.

Based on a proportion of the whole horticultural workforce, it could be estimated that between 13,000 and 15,000 people are employed in both full-time and part-time/casual work within horticultural industries of the Great Barrier Reef Catchment.

There is a large seasonal workforce, consisting of locals, travelling Australians and non-residents, employed in fruit picking and vegetable harvesting, both very seasonal activities requiring a pool of flexible part-time workers (labour costs are generally about 40% to 50% of the fixed costs of a horticulture enterprise).

The continued demand for labour, particularly harvest labour, is a result of:

- Farmers moving from other commodities, e.g. sugar cane and beef, into more labour intensive crops such as fruit, vegetables and cotton.
- Increasing areas under cultivation to obtain returns from the efficiency of size.
- A growing export market in fruit and vegetables.
- A greater emphasis on quality that requires more careful and consequently slower picking especially in relation to export markets.
- The establishment of new crops such as olives, durian, rambutans and Chinese cabbage.
- New varieties of traditional crops (stella cherries, white flesh peaches, amber jewel plums, pink lady apples).

Source:

*Harvesting Australia ~ Report of the National Harvest Trail Working Group*, Department of Employment and Workplace Relations, 2000, p5

## Multipliers for the fruit and vegetable industry

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In addition to the direct output of horticulture, the industry also produces economic benefits for the region. The fruit and vegetable industry generates significant economic linkages and multiplier effects to other sectors such as:

- Processing industries eg fruit processing and canning, along with manufacturing of inputs such as chemicals, fertilisers, cartons, machinery etc.
- Construction and infrastructure development and services eg water supply, road and street maintenance.
- Retail and wholesale, both as suppliers of farm inputs eg fertilisers, chemicals, petroleum products and mechanical repairs, and suppliers to farm families and employees.
- The tourism and accommodation industries supported by travellers working along the Harvest Trail.
- Transport and storage including port services eg specialist commodity loading facilities.
- Communication and utilities services.
- Finance, insurance, property and business services.
- Government administration and services.
- Education.
- Health and Community Services, education and other human services industries.

The multipliers for agriculture vary significantly but are generally accepted to be in the order of two to three (Young 1993, p2). Therefore, a rough estimation could place the worth of the industry in the Great Barrier Reef Catchment to the economy at anywhere between \$1.4 billion and \$2.1 billion per annum.

This multiplier may not, however, include subsequent processing of horticultural produce. When such value-added processes are included the total value can be another two to three times the initial multiplier (Young 1993, p2).

Source:

Young, RT, 1993, *The Importance of Agriculture and its Relationship to Land Use Planning*, Paper presented to RAPI (NSW) Conference, Penrith.

## Projections for growth

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Based on a “business as usual” growth in the industry of 3% per annum and 2% per annum for fruits and vegetables respectively (based on 2002-2003 DPI estimates), the gross value of the horticulture industry (in 2002 dollars) could be in the region of \$1.6 billion in 2010 (\$842 million for fruit and \$855 million for vegetables) and \$2.1 billion by the year 2020 (\$1.09 billion for fruit and \$1.02 billion for vegetables).

(Note: The *USDA Agricultural Baseline Projections to 2010* (Economic Research Service, USDA, February 2001), allows for between 2% and 4% growth between 2001 and 2010 for horticultural crops including wine grapes and nuts).

Factors that may to varying degrees positively affect industry growth include:

- Interest in new crops, particularly tropical fruits.
- Development of value-adding industries such as food processing.
- Increased exports eg to South East Asia.
- Technological developments driving productivity gains in the industry.

Factors that could negatively impact on industry growth include:

- Drought – for example, between 1994-95 and 1995-96, fruit production in Queensland was affected by drought, with value declining from \$460.1 million to \$438.5 million, recovering to \$450.8 million in 1996-97 and \$470 million in 1997-98 (Source: ABS Agriculture: Gross value of production by commodity, Queensland, 1990–91 to 1999–00).
- Pest and disease outbreaks such as Papaya Fruit Fly and banana black sigatoka.
- Loss of market access for export commodities.
- Floods and cyclones.

Other factors likely to influence the industry over the period include:

- Maintaining the integrity of Australia’s quarantine function.
- Availability of sufficient resources such as irrigation water.
- Potential movement of significant numbers of cane growers into horticulture enterprises.
- IPA planning constraints eg on the intensification of agriculture, conflicting land uses.
- The effectiveness of marketing and promotions strategies for fruit and vegetables.