Final Report

Australian Mangoes Industry Export Strategy

Project leader:

Georgie Aley

Delivery partner:

KPMG Australia

Project code:

MG21000

Project:

Australian Mangoes Industry Export Strategy (MG21000)

Disclaimer:

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Level 7
141 Walker Street
North Sydney NSW 2060

Telephone: (02) 8295 2300

www.horticulture.com.au

Summary

The Australian mango industry has an ambitious goal to underpin future growth by increasing the share of production exported from 9 per cent in 2019-20 to 20 per cent. The key drivers of this ambition include the desire to maintain competitiveness, recover from recent disruption, reduce pressure on domestic market and capitalise on Australia's global reputation for quality. The MG21000 Mango Export Strategy Project will provide industry members with targeted and strategic direction regarding how they can achieve these goals by expanding exports in both new and existing markets.

MG21000 has consisted of the development of a five-year Export Strategy for the Australian mango industry, together with a market prioritisation and opportunity development report which identifies export opportunities across five key export markets. This project was completed using desktop analysis, stakeholder consultation in-market with trade experts, as well as stakeholder consultation with the Project Reference Group (PRG).

The outcomes of this project identify the priority activities that the Australian mango industry should focus upon to achieve export growth, increase productivity, improve awareness/capacity for industry adoption and provide commercially relevant direction to growers.

The focus of this work is to uncover opportunities for new and continued export growth in the mango industry, both with existing trading partners as well as untapped export markets. At a high level, methodology steps included:

1. Development of a prioritisation criteria
2. Selection of markets
3. Research export market
4. Consult industry
5. Prioritisation of export opportunities in each market
6. Development of Export Strategy

To ensure the Export Strategy aligns with current industry capabilities and future ambitions, industry members were consistently involved throughout the project. This input helped to ensure project recommendations were practical, had commercial relevance, and achievable by industry.

Initial analysis was conducted on 16 geographically dispersed markets throughout South East Asia, East Asia, the Middle East, North America and Oceania. These markets were assessed against core criteria developed in collaboration with the PRG to select the top five priority export markets for inclusion in the project.

The 25 export opportunities (5 for each of the prioritised markets) were identified in line with current and future industry capability. These opportunities were identified through desktop research together with insights extracted from the industry workshop, phytosanitary matrix and other stakeholder consultations. The opportunities were ranked against market demand potential and ease of implementation to inform development of the overarching Export Strategy.

Opportunities identified in the Export Strategy are centred around the below key themes:

- Maintain market access and quality
- Expand market access
- Enhance marketing and communications in markets
- Build relationships with retailers
- Optimise supply chains

Keywords

Mangoes; Global Export Markets; Supply Chain; Market Access; Trade; Export; Consumer

Introduction

The Australian mango industry is at a stage of significant growth potential. Despite disruption over the past two years caused by the global COVID-19 pandemic and poor seasonal conditions, the industry has shown consistent year-on-year export growth over the past decade, increasing export volumes by 62% and following a 5 per cent annual growth rate. As global economies slowly recover from the pandemic, the Australian mango industry finds itself in a unique position to recover recent export declines and maintain growth by capitalising on global demand for healthy, quality products such as mangoes.

To drive future export growth, the updated Australian Mango Industry Export Strategy intends to enable the Australian mango industry to grow exports, ensure the ability to maintain and increase global market share, build export capacity and capability, and provide necessary support to relevant stakeholders across the export supply chain.

This strategy intends to work toward the following outcomes:

- Growth in export value, volume and countries and markets addressed
- Increased activity and engagement in export market opportunities
- Greater awareness and capacity for industry adoption
- Practical, commercially relevant direction for growers

To achieve this the Export Strategy:

- Unpacks the current state of the mango industry.
- Identifies priority export markets for industry to target, based on a number of validated criteria.
- Summarises industry’s reported experiences, challenges and ambitions for exporting to these priority markets.
- Analyses the phytosanitary requirements of each market and how this impacts export opportunities
- Uses these insights to outline short, medium and long-term objectives for Australian Mango exports to pursue or expand exports in these markets.
- Recommends a series of practical activities to work toward these objectives.

This Export Strategy has been designed to position the Australian mango industry with the intelligence, direction and support it needs to unlock new and diverse export opportunities over the next 5 years 2022-2026.

Methodology

A phased approach was used to carry out MG21000 to ensure that targeted objectives were met within the required timeframe.

Phase 1: Understanding Industry Export Objectives

In this phase, we conducted a PRG kick off workshop, performed a current state information review and initiated stakeholder outreach to organise the industry workshop in Phase 2. The objectives of this phase were to set project cadence, agree on the export markets for inclusion in the study and confirm assessment criteria for prioritisation.

In the PRG workshop, we probed representatives on their priorities for the project and other key focus areas and plan analysis accordingly. We worked with PRG to agree market assessment criteria which helped dictate the prioritisation process amongst 5 markets.

In the current state review, we examined existing reports on mango exports, horticulture and supply chain to help develop a high-level phytosanitary market access matrix. This was supported by the MICOR platform, input from biosecurity experts at Hort Innovation and the Department of Agriculture, Water and Environment and other desktop resources.

Phase 2: Industry capability assessment

The objective of this phase was to consult growers via an industry workshop to inform industry capability assessment and export market prioritisation.

In this phase we designed an export maturity index to be tested in the industry workshop to assess industry's capability and capacity for export. The index included an assessment of industry's current knowledge of export supply chains, operational efficiency, consumer demand, industry knowledge, future ambitions and barriers to expansion.

We then hosted a successful industry workshop to confirm this maturity index. The workshop was used to share, validate, and test learnings from initial research and present outputs of phytosanitary matrix to inform views on opportunity prioritisation. The workshop also facilitated discussions with industry members around future ambitions and current pain points experienced in exporting or pursuing export to priority markets. A number of key takeaways were extracted from the workshop to represent industry's collective view, which provides evidence for export opportunities and recommended activities.

Phase 3: Opportunity Prioritisation

In this phase oopportunities identified in each market were mapped according to their respective ease of implementation and potential to generate market demand. Those mapped in the top right quadrant of the graph have been identified as the priority for the industry's Export Strategy, where industry should focus its resources in the near term.

Phase 4: Strategy Development and Recommendations Reporting

The objective of this phase was to form a targeted Export Strategy for the industry that highlights short- and long-term opportunities and objectives, and the actions required by Industry and Government to implement such opportunities.

Along with performing additional research on market shortlist where required, we identified evidence-based objectives, opportunities, and actions for Export Strategy development over a 5-year period. The strategy included long term strategic market access opportunities and a high-level indication of the activities that may be needed for realisation

A final PRG workshop was conducted to test and validate the draft strategy to ensure practicality and review it holistically. Feedback was incorporated to finalise the Export Strategy and Prioritisation Report.

Outputs

The two key deliverables for project MG21000 were an Export Strategy and a Market Prioritisation Report. A high-level summary of each section of both reports is included below:

<u>**Export Strategy**</u>

Executive summary

The Export Strategy highlights targeted short- and long-term opportunities and objectives for the Australian Mango Industry, and the actions required by Industry and Government to implement such opportunities. The Strategy explains the key drivers behind the industry's ambition of increasing the share of production exported from 9 per cent in 2019-20 to 20 per cent as well as the desired outcomes intended by the Strategy.

The export opportunities identified in the five priority export markets revolve around five key themes:

- Maintain market access and quality
- Expand market access
- Enhance marketing and communications in markets
- Build relationships with retailers
- Optimise supply chains

Current state overview of Australian mango exports

Exports of Australian mangoes in 2020/21 were valued at AUD $25 million, accounting for only 2 per cent of total production value, reflecting the considerable opportunity to increase exports.

Recent emerging barriers to trade such as geopolitics, logistics disruptions and competition in recent years have caused Australia's export opportunities in the markets to fluctuate, increasing industry's interest in expanding market access.

Future export objectives & industry activities

Short, medium and long-term goals were mapped against each of the 5 key themes in order of priority. These included:

- Maintain market access and quality
- Expand market access
- Enhance marketing and communications in markets
- Build relationships with retailers
- Optimise supply chains

<u>**Market Prioritisation Report**</u>

Executive summary

The focus of the Market Prioritisation Report is to uncover opportunities for continued growth, both in existing export markets and new destinations, while identifying the priority activities that the Australian mango industry should focus upon to achieve the four desired outcomes below:

- Growth in export value, volume and countries and markets addressed
- Increased activity and engagement in export market opportunities
- Greater awareness and capacity for industry adoption
- Practical, commercially relevant direction for growers

The Australian mango industry has the opportunity to pursue new and rapidly growing export markets as well as expand presence in markets where strong demand for Australian mangoes already exists. The rationale for each market is detailed below, followed by the core themes of the 25 opportunities identified from within the 5 priority markets.

Outcomes

The key outcome for MG21000 outlined in the Monitoring and Evaluation plan was:

"Assist the Australian mango industry identify export opportunities and increase trade performance."

This contributes to the overarching SIP outcome:

"Demand creation supports the Australian mango industry to develop existing and future domestic and international markets."

MG21000 has met this core outcome through the following:

- Identification of high potential export markets and opportunities to improve trade performance.
- Engagement with industry to validate market intelligence findings and understand the issues facing producers.
- Analysis of consumer preferences, consumption channels, and supply chain considerations within each market identified.
- Development of short, medium and long-term export objectives mapped across a 5-year timeline

Monitoring and evaluation

MG21000's stated goals have each been met – having reviewed good engagement and feedback from key stakeholders. The outcomes noted in the previous section can be evaluated by tracking against the five key evaluation questions listed in the project's Monitoring and Evaluation plan.

- **To what extent has the project achieved its expected outcomes?**

MG21000 has met the expected outlines listed in the Monitoring and Evaluation plan. Please see the above 'outcomes' section for relevant details as to how the project has met the intended outcomes.

- **How relevant was the project to the needs of the intended beneficiaries?**

Having been engaged at the project Kick Off, the intended beneficiaries actively shaped the project's methodology and outputs by driving the selection of 5 export markets for analysis.

The draft Export Strategy and Market Prioritisation Reports were validated with the Project Reference Group at the completion of the project to ensure it aligned with expectations, and requested modifications were actioned accordingly. The proposed structure of the final report was also sense-checked with this group, to ensure the format was relevant for their needs. As such, the reports are clear and concise to ensure accessibility of all industry participants, and that outputs are relevant, practical and helpful to guide the next steps for export growth in the industry.

The project's outputs will equip beneficiaries with knowledge and capacity for industry export development, by identifying commercially relevant insights for growers relating to export development. This has been achieved through the provision of detailed insights on in-market consumer preferences and other product and market-specific considerations.

- **How well have intended beneficiaries been engaged in the project?**

Stakeholder consultations were effective, informative and gave rise to valuable insights for the project. These included interviews with in-market experts on the nuances of consumer behaviour and fresh fruit and vegetable imports in a certain market. Hort Innovation received positive feedback from stakeholders for engagement by the Consultant. Timelines were adhered to and stakeholders were engaged within appropriate timeframes to ensure the smooth progression of the project.

- **To what extent were engagement processes appropriate to the target audience/s of the project?**

The consultation methods and timelines were flexible enough to cater to grower needs. These meetings took place virtually and enabled strong input from the Project Reference Group. This was an important factor especially in the selection of 5 export markets for analysis. Virtual engagement was sufficiently prepared to ensure discussions engaged each participant. The virtual format of delivery was engaging and informative through the use of visual aids, including for example graphs and maps which show where Australian mango exports have been sent in recent years.

- **What efforts did the project make to improve efficiency?**

Several conscious decisions were made to allow the project plan to be executed effectively and to maximise time and resources efficiently.

Firstly, the delivery team was selected in order to improve execution of the project. Team members with specific previous experience in the horticulture sector and/or with trade and export experience were resourced, which enabled prior knowledge to be appropriately leveraged and built upon. The team was informed on key resources in which to scan for country profiling, ways to analyse export data, and best practice for engaging with horticultural stakeholders.

Documents were shared with Hort Innovation and the Project Reference Group with enough time to allow review and feedback, and meetings were scheduled with enough lead and flexibility to prepare and include all participants.

Risks and challenges were identified and addressed in a fast and transparent manner, for example the initial risk of late project kick off due to the changing of project managers from Hort Innovation. This risk was managed effectively by commencing non-market-specific research until a new project manager was engaged to enable the selection of priority markets.

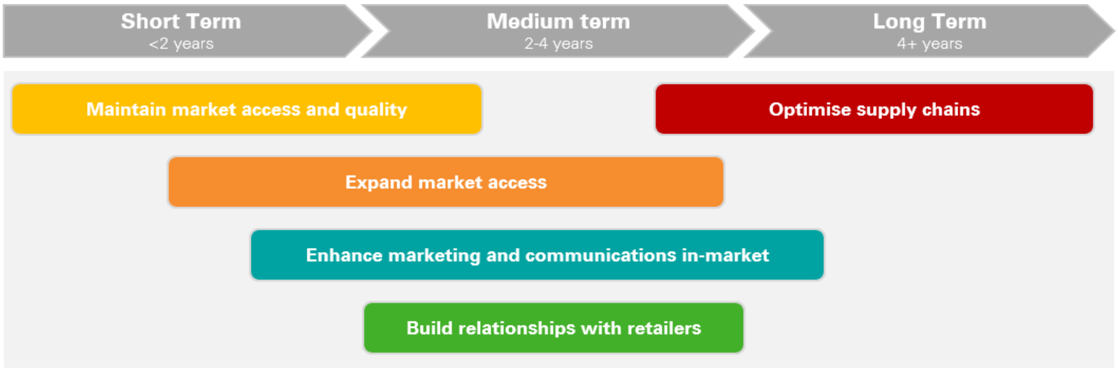
Another risk identified was the availability of mango-specific export data by both destination country and year. This information is not frequently made public; therefore, Hort Innovation was engaged to provide the data. The same information availability risk prevailed in sourcing sweet mango-specific data relating to in-market consumption behaviour and preferences in each market. For example, whether Indonesian consumers prefer mango can be difficult to confirm using publicly available resources. In these cases, the analysis may include assumptions around the general behaviour of consumers within a certain region such as ASEAN.

Despite challenges from the COVID-19 environment and inability to travel, this allowed further efficiencies for the project. This led to efficiencies relating to eliminated travel costs and other expenses, and the ability to seamlessly engage stakeholders in other countries.

The project approach was also deliberately phased, with key stage-gates or objectives set for each of the major phases. This was designed to ensure that the project was process driven and robust in how it approached the industry's requirements. As a result of clear timelines being laid out in the project plan, this ensured that the project ran more efficiently and was delivered on time, to budget, and effectively. Providing the team with set goals for each phase ensured that MG21000 was completed in a logical manner.

Recommendations

Given that MG21000 comprises of an Export Strategy and a Market Prioritisation Report. The purpose of the Strategy is to position the Australian mango industry with the intelligence, direction and support it needs to unlock new and diverse export opportunities over the next five years 2022-2026. As such, the recommended 'next steps' for industry upon the completion of MG21000 are as follows:



- **Maintain market access and quality**: enabling industry to protect market share, develop export capabilities and provide rationale for future market access advocacy.

- **Expand market access**: driving future export growth by expanding addressable consumer demand, protecting Australian reputation and brand by preserve product quality and increasing competitiveness by reducing lead times to market.

- **Enhance marketing and communications in market:** alleviating consumer concerns over irradiation treatment, strengthening reputation by promoting quality of products and driving increased sales and customer engagement.

- **Build relationships with retailers in market:** positioning Australian mangoes for long-term success if/when expanded export opportunities materialise, increasing trust and security in current/future export contracts, reducing risk exposure in-market and improving supply chain visibility.

- **Optimise supply chains:** shortening lead time to presence product quality, reducing input costs, and increasing competitiveness, and driving consistency and sale in production to meet demands of importers.

Refereed scientific publications

There are no refereed scientific publications published during the reporting period that can be attributed or partly attributed to the project.

References

The references used in MG21000 are detailed in the footnotes of the Mango Export Strategy and Market Prioritisation Report.

Intellectual property, commercialisation and confidentiality

No project IP, project outputs, commercialisation or confidentiality issues to report.

Acknowledgements

We would like to acknowledge the following industry stakeholders, who participated in interviews and workshop sessions during the project:

Name	Organisation
Nicolas Miall	Perfection Fresh
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Gavin Scurr	Pinata Farms

Appendices

There are no appendices to this document.