Strawberry Market Profile

Key facts:

- Strawberry production in Australia was **69,363 tonnes** for the year ending June 2013.
- **Tasmania produces less than 1%** of national production, with the majority of volume flowing from the **Huon Valley, Midlands and North West Coast**. **Queensland** and Victoria account for a combined 70% of national volume.
- **Tasmania's growing season** extends from October through to April.
- Australia's strawberry exports were **1,015 tonnes** for the year ending June 2013. This was made up of **793 tonnes** of fresh product and **222 tonnes** of processed product.
- Australian strawberry imports were **6,992 tonnes** for the year ending June 2013. This was made up of **58 tonnes** of fresh product and **6,933 tonnes** of processed product.
- The current domestic retail market value of fresh strawberries purchased by consumers is **$459 million** per annum.
- In 2012/13, **Tasmania** had the highest average penetration of all the states, with **31%** of households purchasing strawberries weekly.
- Australian consumers are purchasing an average of **366 grams** of strawberries per shopping trip, with an average spend of **$4.37** per trip.
- Total fresh and processed strawberry consumption per capita during 2012/13 was **3.01kg**.

Distribution channels and markets

Locally and imported strawberries are distributed into export, processing and local retail and foodservice distribution channels.

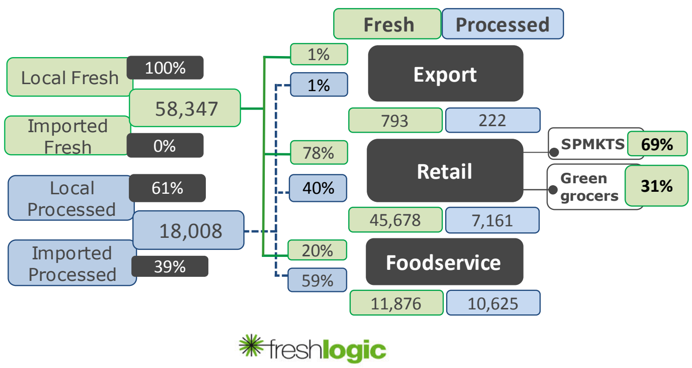
Supply chain flow to market

Local Australian strawberry production was 69,363 tonnes for the year ending June 2013, as outlined in Figure 1. This was supplemented by a further 6,992 tonnes of imported product. The majority (99%) of imported strawberries are in processed or frozen forms and are largely sourced from China, while the remaining 1% are in a fresh form and are largely sourced from the United States and New Zealand.

In all, 58,288 tonnes (almost all of the total domestic supply) is distributed in a fresh form. This combines with 59 tonnes of fresh import to total 58,347 tonnes of total fresh supply to the domestic market. A further 793 tonnes (or 1% of total fresh volumes) are exported.

18,008 tonnes of strawberries (or 24% of the total domestic supply, fresh and processed) is distributed in processed forms. This includes 6,933 tonnes sourced from imported product. Processed product is used in manufactured goods such as desserts and jams, as well as being sold as frozen product.

Figure 1 **Strawberry supply chain (tonnes)**

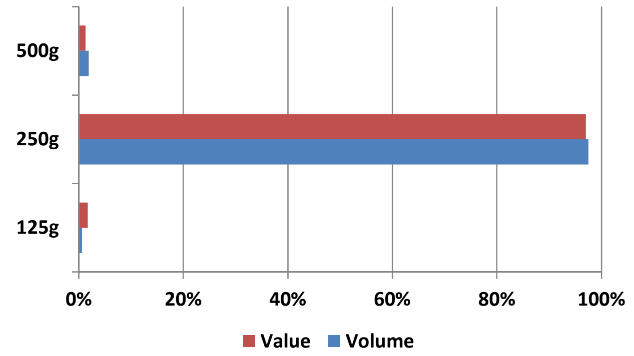


Retail channel

The retail channel was supplied with 45,678 tonnes of fresh strawberries and sold 38,826 tonnes after wastage and shrinkage. This generated an annual retail value of $459 million, at an average price of $11.86 per kg, which is a relatively high price per kg compared to other fresh fruits.

Due to the delicate nature of the product, the majority of fresh strawberries are sold in a punnet, with sales being dominated by the 250g size pack, as illustrated in Figure 2. The use of pre-packed product allows growers and packers to display branding through to the point of sale. The practice of displaying varietal information is less common.

Figure 2 **Strawberry sales contribution by pack type**

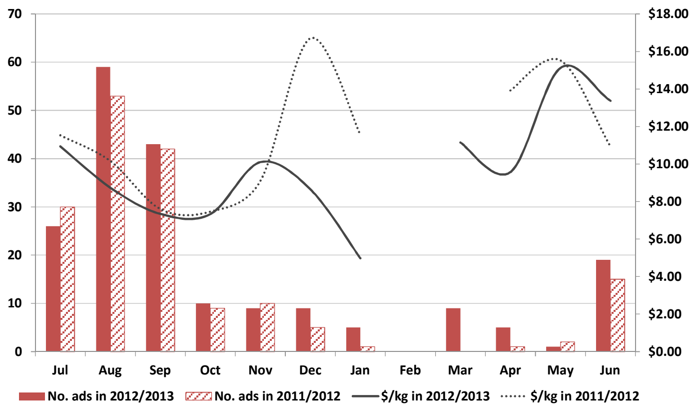


Retail promotional activity

Strawberry retail promotions are consistent with its seasonal profile, with 76% of the activity occurring between June—September. The pattern of this activity over the last two years is profiled in Figure 3.

For the year ending June 2013, strawberries were involved in **195** adverts. In the prior-year comparative, strawberries generated **168** adverts, a rise of 16% in 2012/2013 on the year before.

Figure 3 **Number of ads per month and associated $/kg**



Foodservice channel

Fresh strawberry sales into the foodservice industry were 11,876 tonnes or 20% of the total fresh supply during 2012/13. A further 10,625 tonnes of processed strawberries were supplied to foodservice. The involvement of strawberries in fresh juice and smoothie bars has helped direct fresh and processed product into the foodservice channel. The use of strawberries in fruit platters and salads has also contributed to sales of fresh strawberries within the catering industry.

Consumers

Household penetration

In the year ending June 2013, strawberries were the 4th most frequently purchased fresh fruit, based on weekly purchase patterns.

Over the 2012/2013 year, 12% to 29% of average Australian households purchased strawberries each week. The large range of weekly penetration is evidence of the seasonal profile of fresh strawberries, with higher household penetration occurring from July to September, when Queensland is in full supply and prices are lower.

Figure 4 **Use profile**

Strawberry consumption profile	
Breakfast	✓ (Major use)
Lunchbox	
Mobile snack	✓ (Minor use)
Grazing & platters	✓ (Major use)
Spread	
Salad	✓ (Minor use)
Beverage	✓ (Minor use)
Cooked component	✓ (Minor use)
After dinner dessert	✓ (Major use)
Minor use ✓	Major use ✓

Tasmania had the highest average penetration for 2012/13, with 31% of households purchasing strawberries weekly. In comparison Queensland, the largest strawberry producing state in the domestic market, had an average weekly penetration of 21% by all households.

Strawberries experienced a boost in penetration during 2011 in response to lower supplies of bananas following Cyclone Yasi.

An analysis of retail shopping trips for the year ending June 2013 reveals the average quantity of strawberries purchased was 366 grams per shopping trip, which at the average price of $11.86 per kg generated an average spend of $4.37 per trip.

Households without children and with higher levels of disposable income had a higher average purchase quantity in 2012/13, possibly indicating more planned use in cooking and entertaining.

Per capita consumption

For the year ending June 2013, the per capita consumption of fresh strawberries purchased through retail for home consumption was **1.70kg**. Per capita consumption of fresh strawberries purchased and consumed in foodservice away from home is **0.52kg**, while for processed strawberry products purchased through retail for home consumption or consumed in foodservice per capita consumption it is **0.79kg**. Therefore the total strawberry consumption per capita is **3.01kg**.

Consumption profile

Strawberries are mainly consumed as part of a dessert style meal, as seen in Figure 4. This may be as a fresh product or as a component of a cooked dessert.

Fresh strawberry consumption also has strong links to breakfast meal occasions, where it is added to cereal or yogurt to improve the taste and health aspect of the meal. They are also used in sweet breakfasts such as on waffles or pancakes.

Strawberries are also a popular snacking item, either on their own or as a component within a platter or fruit salad.

Production

As profiled in Figure 5, the majority of domestic production occurs in Queensland, Victoria and Western Australia. Combined, these three states account for 89% of the total domestic production. Production is concentrated within coastal regions, namely the Beerwah-Wamuran area in Queensland, the Yarra Valley in Victoria, Wannaroo and Albany in Western Australia, the Adelaide Hills in South Australia, and the Camden region of New South Wales.

While the majority of strawberries are still grown in open fields, use of protected cropping systems, mainly plastic tunnels has been on the rise for a number of years.

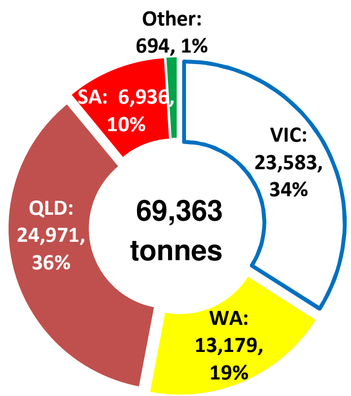
Tasmanian Production

Tasmania currently produces less than 1% of the national production, with a season that extends from October through to April. While production of strawberries is widespread across Tasmania, the major growing regions are in the north-west of Tasmania and in and around the Huon Valley, Midlands and North West Coast.

The majority of Tasmanian production is consumed within the state, with small amounts going into export markets, mainly Indonesia and Malaysia.

Strawberry production is expected to rise in Tasmania as a result of several new plantings as well as expansion of existing farms.

Figure 5 **National production by state**



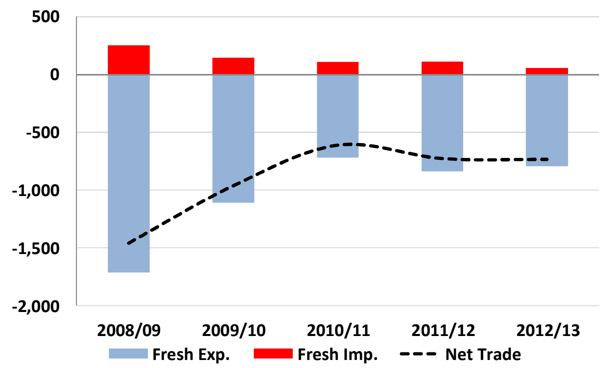
International trade

Australia exports approximately 2% of its total domestic production volumes. The majority of strawberry exports come from Western Australia, and are destined for markets in the Middle East and Asia.

Figure 6 profiles the trade in fresh strawberries. Australia maintains a positive trade balance in fresh strawberries with export volumes exceeding import volumes. Over the past three years the volume of exports have been steady following a period of decline.

Imports of strawberries into Australia reached 6,992 tonnes in 2012/13, with 99% being processed or frozen product. Fresh imports made up 1% of total fresh supply at 59 tonnes. The majority of this volume came from China, and is largely used in manufactured goods.

Figure 6 **Fresh strawberry international trade (tonnes)**



Seasonal supply

While fresh strawberries are available all year round, the bulk of production occurs from June to October when Queensland and Western Australia are at peak production.

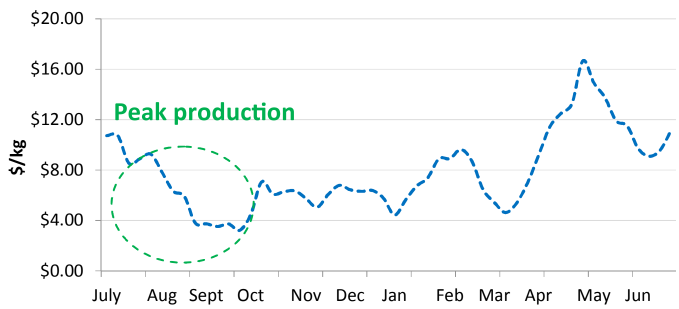
Southern growers will reach the peak of their production during the warmer months of the year from October to May. Southern growing regions have been achieving extended seasonal windows through the use of protected cropping operations.

Wholesale

As can be seen in Figure 7, prices received at wholesale vary significantly throughout the year.

For the year ending June 2013, strawberries had a price range of \$3.22 to \$16.67 per kg, and an average of \$7.86 per kg during the period. Lower prices coincide with peak domestic production periods and higher levels of promotional activity.

Figure 7 **Average strawberry wholesale price 2012/13**



Outlook for sector

- Peak prices occur from March to May when the seasonal gap exists between northern and southern supply lines.
- Consumers purchase strawberries in punnets. This packaged product form provides a platform to communicate product usage and brand messages to consumers.
- While strawberries still experience a peak in consumption during summer, year round availability, consistent quality and more regular pricing are moving strawberries into more frequent consumption patterns, shifting the category into being purchased as a Staple Fruit.
- The consistent availability of strawberries has caused the product to regularly feature in retail promotional activity.

- While the dominant pack size is the 250g punnet, it is clear that some consumers are purchasing more than one punnet during a single shopping trip.
- The industry is still dominated by field production but any move to include more protective cropping systems will only benefit the industry with more consistent quality and supply volumes.

Data sources

- Mealpulse™ consumer panel Freshlogic
- Adwatch™ retailer promotional data Freshlogic
- DFAT import and export data
- Wholesale market pricing data
- ABARES
- ABS
- Freshlogic ThruChain™ model

Further information

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