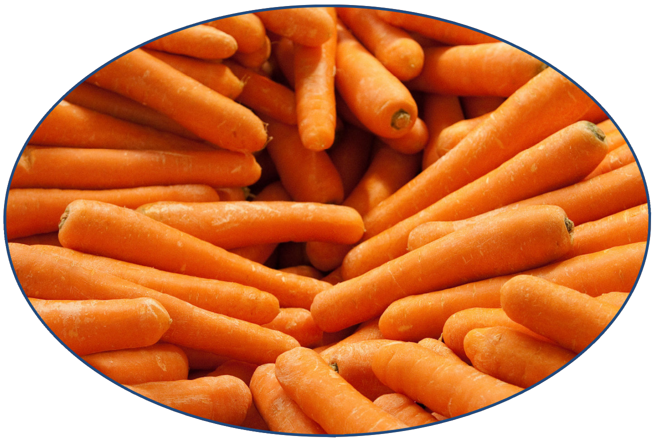


Key facts:

* Carrot production in Australia was **270,622 tonnes** for the year ending June 2013.
* **Tasmania** was the third largest producing state, with **47,870 tonnes** or **18%** of national production. **Western Australia** was the largest producer of carrots in Australia with **89,674 tonnes** or **33%** of national production, and Victoria was the second largest with **57,790** tonnes or **19%** of national production.
* Fresh Australian carrot exports were **67,500 tonnes** for the year ending June 2013. **Western Australia** is the largest carrot exporting state in Australia, accounting for 95% of total export volume. Tasmania accounted for 1.3% in 2012/13.
* Australia imported **no** fresh carrots in 2012/13.
* The current domestic retail market value of fresh carrots purchased by consumers is **$237 million**.
* Total fresh and processed carrot consumption per capita for 2012/13 was **8.36 kg**.

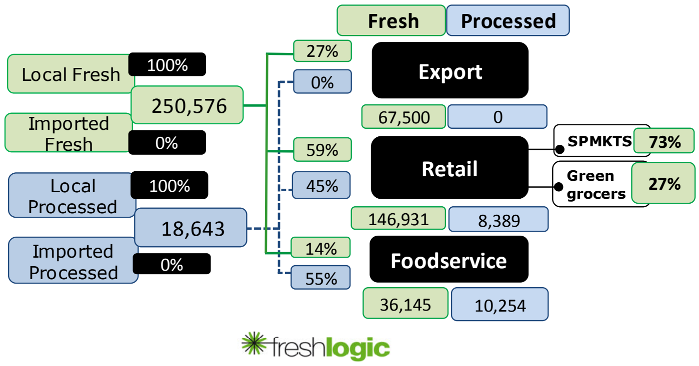
Distribution channels and markets

Supply chain

Local Australian carrot production was **270,622** tonnes for the year ending June 2013, as profiled in Figure 1. In all, 250,576 tonnes or 93% of the total domestically available volume was used in a fresh form. **67,500** tonnes, or **27%** of the total fresh supply was exported, with the majority flowing into Asian and Middle Eastern markets.

The processed domestic market is supplied with **18,643** tonnes of processed carrots. The foodservice channel is the largest buyer of processed carrots, distributing **55%** of volume, while the retail channel distributes the remaining 45%.

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



Retail channel

The retail channel sold an estimated **135,973** tonnes of fresh carrots, which allows for waste and shrinkage. This generated a total annual retail value of **$237** million at an average price of **$1.74** per kg, which is a relatively low price per kg compared to other fresh vegetables.

Retail sales include both loose self-select carrots and prepacked carrots. The market has continued to move away from loose carrots to prepacks in recent years, with the majority (85%) of sales volumes now being generated from prepacked product. Full-size carrots represent the majority of category sales volume, while baby or Dutch carrots hold approximately 10% share.

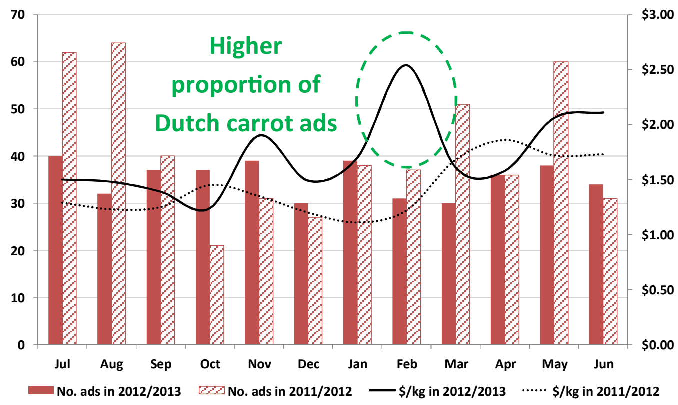
Retail promotional activity

For the year ending June 2013, there were a total of **423** promotional advertisements for fresh carrot and some level of retail promotional activity in **all** of the 52 weeks, which generated an average number of 35.3 promotional adverts per month. In the prior-year comparative, carrot generated **498** adverts and some level of retail promotional activity in **all** of the 52 weeks, generating an average number of **41.5** promotional adverts per month.

Carrot promotions reflect the steady retail sales of the vegetable, with carrots being a staple of promotional catalogues across

Australia. The detail of this promotional activity over the last two years is profiled in Figure 2.

Figure 2 **Fresh retail promotional activity—by month**



Consumers

Per capita consumption

The per capita consumption for the year ending June 2013 for fresh carrots purchased through retail for home consumption is 5.97 kg, and for fresh carrots purchased and consumed away from home is 1.59 kg.

Per capita consumption of processed carrot products purchased through retail for home and foodservice consumption is 0.8 kg. Therefore the total consumption per capita is 8.36 kg.

Consumption profile

Carrots offer one of the most versatile uses profiles among all of the vegetable categories. They are involved in most, if not all, cooked and raw consumption occasions, as highlighted in Figure 3 above.

The growth of Dutch and baby carrots, as well as the introduction of 'heirloom' coloured varieties, have also added plate appeal to the category.

Figure 3 **Use profile**

Carrots consumption profile		
	Boiled, M-W, Steamed	✓
	Deep fried	
	Mashed	✓
	Roasted	✓
	Baked/Grilled	✓
	Salad - cooked	✓
	Soup/Sauce	✓
	Stir fry	✓
	Juiced	✓
	Salad - fresh	✓
	Sandwich/burger/wrap	✓
	Snack	✓
Minor use ✓	Major use ✓	

Production

Nationally there are **270,622** tonnes of carrots produced. Western Australia produces 33%, followed by Victoria (19%), and Tasmania (18%). Combined, these three states produce 70% of the total production, as seen in Figure 4.

Tasmanian Production

The majority of Tasmanian carrot production is supplied by contract growers, and distributed through 3-5 larger marketers. A new marketer entered the market in 2013, and is expected to increase production volume in coming years.

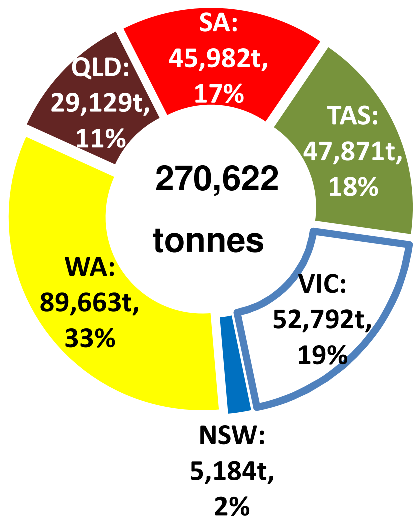
Production is primarily focused on the fresh domestic market, with the majority destined for the mainland. The main varieties grown are Mojo and Nantes types.

Processing accounts for 25-30% of Tasmania's annual carrot production. The Simplot facility in Devonport is the last existing vegetable processor in the state and processes approximately 15,000 tonnes of carrots each year, supplying the majority of domestically-produced processed carrots in Australia.

Production Regions

Carrot production is focused on the Devonport-Forth area, which offers favourable Ferrosol soils and stable climatic conditions. The North West region accounts for 90-95% of Tasmania's production volume, and is able to supply the domestic market with carrots from January to August.

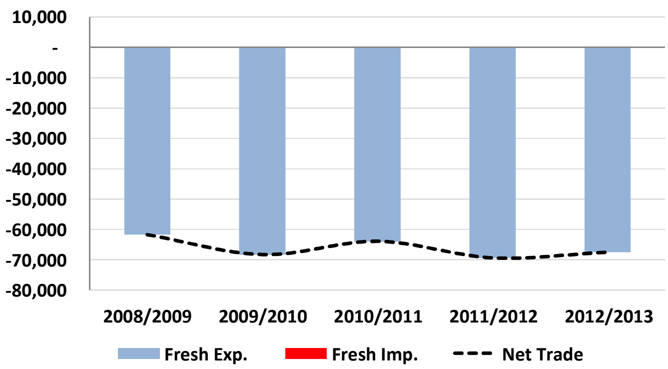
Figure 4 **National production by state**



International trade

Australia exported 67,600 tonnes of fresh carrots in 2012/13, with a five-year average of 66,201 tonnes. Australia currently imports no carrots.

Figure 5 **Carrot international trade volumes (tonnes)**



Australian product has a strong presence in Asian and Middle Eastern markets, with the 3 largest export markets being the United Arab Emirates (27%), Singapore (18%) and Malaysia (13%).

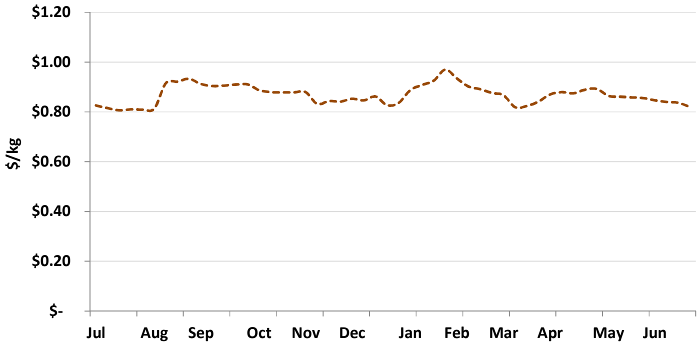
The majority of fresh export volumes flow out of Western Australia, which has logistical advantages over other states in these key export markets. Tasmania accounts for a small proportion of total fresh export volumes, with the majority of these taking place in a January-June window.

Wholesale pricing

Wholesale prices are generated using a weighted state price to produce a national weighted average. Figure 6 outlines the average wholesale price for the year ending June 2013.

For the year ending June 2013 carrots had a wholesale price range of \$0.81-\$0.97 per kg, with an average of \$0.87 per kg. In the prior-year comparative, they generated a price range of \$0.76-\$0.90 per kg with an average of \$0.85 per kg. Carrots exhibit very steady wholesale pricing, due to their relatively consistent supply and demand.

Figure 6 **National carrot wholesale price 2012/13**



Outlook for sector

Drivers include:

- Carrots enjoy a broad use profile with consistent levels of consumption over the course of the year.
- There is scope for retail range extension with new products catering to demand for convenience and low at-home waste.
- New varieties such as purple carrots are attracting new levels of interest to the category.

Potential threats include:

- Carrots are a mature vegetable category, and volume growth is likely to be limited to population increases in coming years.
- There is a tendency to revert to commodity market conditions. This is underlined by the high level of retailer promotional activity experienced by carrots.
- The uncertain future of vegetable processing in Tasmania presents a significant risk to the portion of the state's carrot production that goes to this channel.

Data sources

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

Further information

1. Ausveg

www.ausveg.com.au Ph. +613 9822 0388

2. Tasmanian Institute of Agriculture (TIA)

http://www.tia.tas.edu.au/ Ph. +613 6226 6368

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4. Australian Bureau of Agriculture and Resource Economics and Science (ABARES)

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5. Australian Bureau of Statistics (ABS)

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6. Australian Department of Foreign Affairs and Trade (DFAT)

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