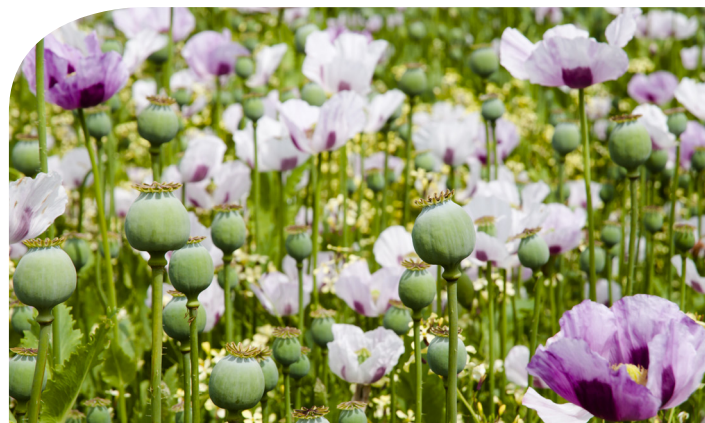


The perfect location for food and agriculture production

With ideal growing conditions, affordable land, relative freedom from disease and pests, abundant water resources and strong research and development capability, it is no wonder that Tasmania is a destination of choice for food manufacturing and agri-businesses.

Tasmania's food and agricultural sector is highly diversified and includes:

- » dairy
- » potatoes, carrots, onions, brassica and other vegetable varieties
- » livestock production including beef, lamb, pork, poultry, and wool
- » fruits (including berries, cherries, apples and pears), nuts and vegetables
- » viticulture
- » field crops including wheat, barley, seeds, poppies, hemp, pyrethrum and hops
- » niche produce such as honey, truffles, herbs, cut flowers, bulbs and essential oils.



Tasmania has a globally competitive food processing sector. This includes dairy products, meat, seafood (Atlantic salmon and ocean trout predominantly, but also abalone, crayfish, mussels, oysters and scallops), potatoes and other vegetables, confectionery, beer and wine. There are many small producers of award-winning boutique beverages, including whisky, gin, vodka and non-alcoholic varieties, as well as preserves, olives and olive oils, small goods and baked goods.

Much of Tasmania's food production is marketed as fresh, premium products. It is estimated that the total packed and processed food and agriculture sector contributes approximately 15.8 per cent towards Tasmania's Gross State Product. About 82 per cent of Tasmania's food and beverages are sold overseas or to other Australian states¹.

The state is well connected to markets via sea and air freight and given the timing of the Tasmanian production also provides counter-seasonal supply opportunities to the northern hemisphere.

1. NRE (formerly DPIPWE) Agri-Food Scorecard 2020-21





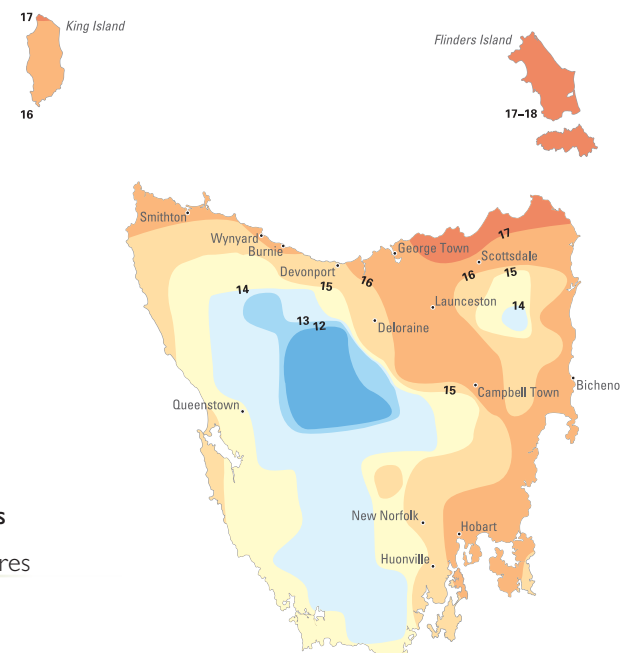


Why choose Tasmania?

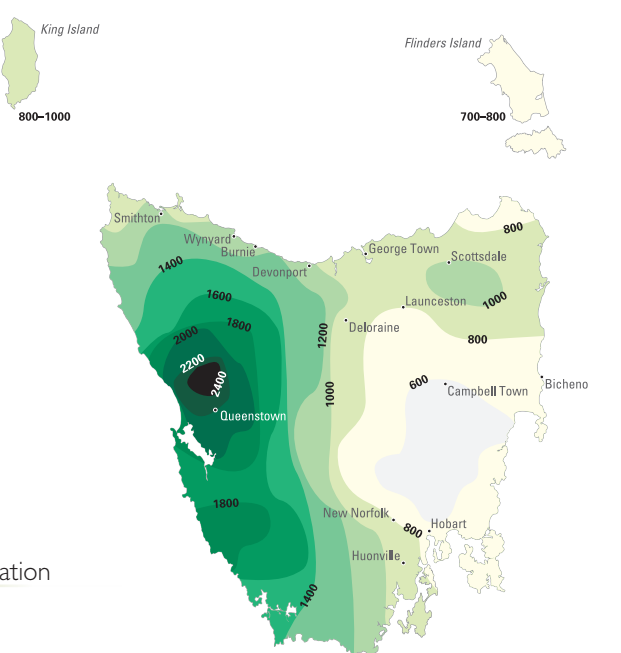
Climate advantage

Tasmania has a temperate maritime climate, cooled by prevailing westerlies off the Southern Ocean, providing regular rainfall and conditions that are generally free from extremes in temperature. There is also a lower risk of extreme weather events such as heat waves and hailstorms that affect many other key agricultural regions.

Tasmania's climate is not predicted to change as rapidly as other Australian regions and therefore climate change is not likely to impact significantly on the state's suitability for agricultural investment².



January temperatures
Mean daily temperatures
in degrees Celsius



Rainfall
Millimetres of precipitation
per year

Source: vW Maps c 2009 Martin von Wyss, vW Maps Pty Ltd.

2. Grose Mr, Barnes-Keoghan I, Corney SP, White CJ, Holz GK, Bennett JB, Gaynor SM and Bindoff NL (2010) Climate futures for Tasmania: general climate impacts technical report, Antarctic Climate and ecosystems Cooperative research Centre, Hobart, Tasmania



Biosecurity

As an island, Tasmania has a clear biosecurity advantage. Tasmania's rigorous biosecurity standards are at the very core of the Tasmanian brand, as its natural environmental values and quality produce rely upon the state's relative freedom from pests, diseases and weeds.

Tasmania's relative pest-free status offers additional opportunities to access a variety of international markets that are closed to other regions.

Brand recognition

Consumers, especially those buying higher-value products, are increasingly concerned with quality, provenance, environmental sustainability and ethical production practices.

Tasmania has a reputation for high-quality products that meet these consumer preferences. This was recognised by Tasmania being awarded 2021 Place Brand of the Year at the City Nation Awards in London.

More information is available at [Tasmanian.com.au](https://tasmanian.com.au)

Stable, flexible and innovative workforce

Tasmania not only offers a highly skilled workforce but also a stable workforce with Australia's highest labour retention rates. Local training providers work with industry to ensure that industry training needs are met.

Their accredited training programs ensure that transferable skills are developed within the state. In addition, several Tasmanian Government programs assist in offsetting staff training and development costs.

Further cost advantages are driven by Australia's lowest labour cost as well as low business licensing cost, low establishment and operating costs.



Strong trade

The food and agriculture sector produces a surplus worth in excess of \$4.3 billion in interstate and overseas sales. Tasmania's food export value has increased by 8.3 per cent in 2020-2021 to \$874 million, Tasmania's second highest year for food exports, reaching now over 50 countries across the globe. Agri-food accounted for 24.8 per cent of Tasmanian international merchandise exports and it is continuing to grow³.

Many businesses such as cellar doors, farm shops, farmers' markets, craft breweries, and retail outlets at food processing establishments exist directly as a result of Tasmanian agri-food production, providing jobs and enabling producers to sell directly to buyers.

Sustainable water supply

The key to a sustainable food and agriculture industry is the availability of reliable water supply at key phases in the growing season.

Tasmania's most significant natural resource advantage is water. Tasmania represents one per cent of Australia's land mass, yet has 27 per cent of Australia's freshwater dam storage capacity. Tasmania has abundant water supply unlike many other parts of Australia and the world.

The Tasmanian and Australian Governments are continuing to develop large scale irrigation projects to deliver water with a reliability of at least 95 per cent to Tasmanian farms which will have capacity to double the amount of irrigable land available for production purposes.

More information is available at: tasmanianirrigation.com.au



Sub sector strengths

Aquaculture

The marine farming of salmonids (Atlantic salmon and ocean trout) commenced in Tasmania in the mid-1980s and has since expanded to become a major industry.

The Tasmanian salmonid industry's competitive advantage derives from production efficiencies and proximity to its key domestic markets.

The industry also benefits from pristine water with temperatures that are perfect for growing top quality salmon, free from major salmon diseases.

Leading businesses in the industry have vertically integrated production and processing systems, increasing their efficiency and ability to supply both fresh and processed products.

Dairy

Tasmania's fertile soils and reliable rainfall support low-cost, pasture-based milk production and the processing of a range of dairy products for domestic and international markets.

Tasmania's dairy farmers are highly efficient with some of the country's largest dairy herds on average. The state's milk production costs are consistently lower than most other Australian dairy regions, resulting in higher returns on capital invested and helping to drive the industry's growth for the past two decades⁴.

There are a range of dairy processing companies now operating in Tasmania producing a variety of products for commodity and premium markets. Fonterra, Saputo, Dutch Mill and Mondelez are major international processors operating in Tasmania. Others include Bega, Ashgrove, TasFoods along with a range of boutique artisan producers.

Fruit

Fruit, including apples and pears, stone fruit and berries, is grown and packaged primarily for high-value fresh fruit markets domestically and internationally.

Tasmania is an ideal location for high quality cherry production. Significant plantings have seen the production of cherries of exceptional quality, grown mostly for the export market. Cherries are the highest value international fruit export product for Tasmania.

Tasmania is also considered to be one of the best locations in the world for berry production. The berry sector is growing strongly and has received significant investment with local berry player Costa Group partnering with Driscoll's to market berries under the Driscoll's brand across Australia.

Tasmania's climate provides the essential winter chill followed by a long, mild growing season to support fruit development and enhanced flavour. Tasmanian stone fruit and berries have a clear, late season production advantage both within Australia and overseas. This provides a defined market advantage since there are few competing production regions in the southern hemisphere. The timing of Tasmanian production also provides counter-seasonal supply opportunities to the northern hemisphere.

Red meat

Tasmania's sustainable pasture-based production system, moratorium on genetically modified organisms and ban on hormone growth promotants, all underpin a high quality, differentiated product that has the potential to gain greater recognition and a premium price in high-value markets.

Tasmanian processors have a strong focus on quality controls, branding and quality assurance systems, which provides investors in Tasmania's red meat sector with the opportunity to achieve premium prices and gain some protection from commodity market volatility.

4. Dairy Australia: dairyaustralia.com.au



Vegetables

The combination of cool temperatures, good soils and rainfall, and skilled and efficient producers allows Tasmania to produce high-quality vegetables.

Production is centred in the north and northwest of Tasmania, with some activity also in the Midlands and the Coal River Valley. Major vegetables produced in Tasmania are potatoes, onions, carrots, brassica and peas. There is also a continuing demand for ready to eat leafy salad products both domestically as well as in Asian markets.

While other areas in Australia can struggle with vegetable quality and shelf life in summer months, Tasmania continues to produce high-quality products driven by excellent growing conditions and longer ripening periods. Opportunities exist to increase supply of fresh vegetables into domestic markets during warmer months.

Tasmania is well placed to take advantage of shifting consumer preference for minimally processed safe vegetables packaged for convenience including ready-to-serve solutions. The state is a major national producer of frozen vegetables with three processing plants, two of which produce frozen potato chips for McCain and Simplot and one plant that produces a variety of other frozen vegetables for Simplot.

Interstate markets are the primary destination for Tasmanian vegetables, accounting for 71.4 per cent of processed production, while the state's top two international vegetable exports are onions (\$14 million) and carrots (\$5 million)⁵.



Wine

Tasmania is Australia's finest cool-climate wine producing region, already recognised for award-winning Pinot Noir, sparkling wine, Chardonnay and Riesling and hence targeting the premium end of the market.

With a focus on market-led growth, Tasmania's wine sector has been steadily growing over the past 10 years. It currently represents 1 per cent of Australia's wine production by volume but more than 4 per cent of its total value. The Tasmanian wine industry is small and dynamic with great potential for market-led growth. The state has a well-earned reputation, both nationally and globally, for high quality products. This is reflected in the average value of Tasmanian wine grapes which in 2021 was \$3,146 per tonne compared to \$701 per tonne for the total of Australian grown grapes⁶.

There are seven wine growing regions in Tasmania, but the state has the benefit of a single Geographical Indication (GI). This gives Tasmania a distinctive yet unified marketing approach. Many of Tasmania's wine producers have had proven success in key domestic and international markets including China, Hong Kong, the United Kingdom, the United States of America and Canada.

The sector continues to grow with vineyard plantings expanding by 25 per cent over recent years, thus creating further wine processing and wine tourism developments.

Tasmania's climate is perfect for the production of intensely aromatic and flavoured premium cool-climate wines and importantly, our climate is not predicted to change as rapidly as other Australian regions with the forecasted temperature changes not likely to impact significantly on the state's suitability for grape growing.

5. NRE (formerly DPIWE) Agri-Food Scorecard 2020-21

6. Wine Tasmania, Why is Tasmania so awesome?, 2021



Emerging opportunities

Plant-based protein

The Tasmanian Government recognises that the plant-based protein market has changed from an emerging opportunity to a significant business. Manufacturers and investors face increasing pressures as concerns around a product's environment and sustainability increase. The premium Tasmanian brand along with availability of 100 per cent renewable energy provide significant competitive advantage to businesses looking to enhance the sustainability claims for their plant-based protein products. Tasmania has the land, climate, expertise and skills to provide the significant quantities of crops required and a world leading and globally competitive food processing sector.

Seaweed production

Seaweed production in Tasmania is experiencing a surge of interest, with the industry valued at \$4 million at the beach, primarily from the production of non-food products. Bull kelp currently makes up 99 per cent of the total seaweed product with over 1,200 tonnes either used locally for biofertilizer production or exported internationally for alginate extraction.

Discovery of the potential use of members of the *Asparagopsis* genus to reduce livestock greenhouse gas emissions has sparked much interest in seaweed production, with producers working to establish commercially viable production systems.

Historically, Tasmanian seaweed has been harvested either wild from in-sea or opportunistically collected as storm-cast. Establishment of on-land ponds to produce *Asparagopsis* will be key for this industry to take off. Projections in Agrifutures Australia's Australian Seaweed Industry Blueprint indicate that continued investment and research could see the industry generate over \$100 million by 2025, making Tasmanian seaweed production an industry to watch⁷.

Other information

Accessibility

In most instances, Tasmanian agricultural producers are located with less than 100 kilometres between farm or factory to port, providing fast access to distribution channels.

Frequent freight shipping services from Tasmania's major ports exist. The Tasmanian Freight Equalisation Scheme provides financial assistance to shippers of eligible freight destined for Australian markets. The Spirit of Tasmania also offers regular freight shipping services between Tasmania and mainland Australia.

Airports in Hobart, Launceston, Devonport and Burnie provide quick and easy access to mainland Australia. Air freighted produce can arrive at overseas markets within 48 hours of dispatch.

Research and development

Tasmania has invested heavily in research and development programs (R&D) designed to address agricultural productivity, safe food production and social and natural resource management issues.

Examples of Tasmanian R&D capacity include:

- » the Tasmanian Institute of Agriculture (TIA), which focuses on research, development and extension in the vegetable, fruit and allied industries
- » the Dairy Centre partnership between the State Government and TIA which provides research services and support to the dairy industry
- » a cluster of research entities that support the development and profitability of the aquaculture industry. These include the CSIRO's Marine and Atmospheric Research (CMAR) Division, the Institute for Marine and Antarctic Studies (IMAS), the Department of Natural Resources and Environment's Animal Health Laboratories and the National Centre for Marine Conservation and Resource Sustainability.



Explore the opportunities

The Office of the Coordinator-General is Tasmania's principal entity to attract and support investment in the state. It provides free confidential services and professional advice to investors, including:

- » providing information on Tasmania's industry capabilities and strengths, specific business opportunities, investment regulations and government assistance
- » assisting to identify and select the best Tasmanian site for a business
- » facilitating visits to Tasmania and arranging appropriate meetings and introductions
- » providing introductions to local industry, government departments and potential joint-venture partners
- » introductions to the government's trade team to assist access to export markets.

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