Apples

Summary

Apples are a significant industry within the Alps Valley region, having over $15 million in GVP.

Over two thirds (66%) of the industry in the North East is located within Alpine Shire whilst 33% is contained within Indigo Shire. Apple growing takes place in the Buckland, Wandiligong, and Stanley areas as well as the Ovens Valley.

The main varieties of apples grown in the North East during 2003 were Pink Lady (26% of total tree numbers), Granny Smith (16%), Galas (14%) and Delicious (10%). Most farms are characterised as a family owned and operated business with up to date, medium density, first-class orchards.

Recent trends have seen smaller family-farming entities exiting the industry and the amalgamation of orchards into larger specialised enterprises. The industry has a positive outlook although affected by national crop trends and exposure to world markets. Labour availability and peri urban development are the main issues facing the industry.

North East Region	1996 – 97 AG Census	2000 – 01 AG Census	2005 - 06 AG Census
Gross value of production	$10,074,304	$8,157,137	$15,026,000
Production volume (kg)	9,637,716	7,196,330	8,160,551
Total number of trees	231,108	243,551	258,040
Contribution to Victorian GVP of commodity	8.1%	8%	6%
Contribution to Australian GVP of commodity	2.7%	2.9%	
Estimated number of farms	19	16	12

Source: ABS Agricultural Census 1997 and 2001, Agricultural Survey 2002, ABS Census 2008c

Apple industry overview

Detail	Comments
Product description	Apples for the fresh fruit market, with some juice production.
Main season	March to May.
Industry associations	Northern Victorian Fruitgrowers Association, Australian Fresh Fruit Co., Australian Pear and Apple Ltd, Victorian Apple and Pear Growers Council, Australian Pome Fruit Improvement Program.
Domestic market information	Price received by growers is approximately $25 per 12 kilogram box, though price received varies heavily on the variety of apple.
Export market information	Those surveyed stated that none of their apples were exported.

Most orchards in the region are owner operated, and many growers have other enterprises on their properties. These will include other horticultural crops such as cherries and other stone fruits and complementary livestock enterprises based on availability of suitable land.

Production is highly concentrated within the growing areas with estimates that the largest establishments account for over half the production, and that 75% of production comes from 25% of orchards.

Apple growers in the region have adopted more sustainable orchard management practices through the implementation of a system called Integrated Fruit Production (IFP). The main focus of IFP is to balance crop production with safeguarding of natural vegetation and biodiversity in the regions orchards. Issues such as orchard nutrition, weed control and irrigation are managed in such a way so as to ensure there is a minimal impact on the environment.

The growers in the region operate under continual competition from domestic and international markets and in recent years they have been affected by lower grower returns due to a higher national crop level and a greater exposure to world market developments.

Location of the apple industry within North East Victoria

2008 ABS	Ha per Shire		Production volume (kg)		No. of farms per region	
			Fresh	Processing		
Alpine Shire	192		4,250,000	425,000	2	
Indigo Shire	125		2,173,038	786,000	5	

Source: ABS Census – 2008a

Projected apple industry growth

Source	Indicator	Comments
(ABS) AG Census and survey data	Growth in production volume 1997 to 2001	Production of apples for the North East region has remained fairly constant between 1997 and 2002. There was a 25% decline between 1997 and 2001, however a recovery increase of 20% was noted in the 2002 ABS AG survey.
Surveys	Current profitability	Stated as relatively low.
	5 year business plans	Stated no change in plans.
	5 year business outlook	Stated as very good.
	Business planning / budgeting	Those surveyed conducted formal business plans / budgets for the long term - 5 years plus.
	Age of producers	Unknown.
	Capital expenditure 2002-03 financial year	Represented up to 35% of gross income.

Apple industry labour requirements

Detail	
Labour requirements are for most of the year for thinning, pruning and packing, with large numbers of casual labour required for the picking season (approximately 2 months). Nightingale Brothers Wandiligong Apple & chestnut orchard employ 28 fulltime persons and 260 persons during harvest and seasonal labour periods.	
Areas of indirect employment	Suppliers, transport providers, buyers - namely cooperatives.
Labour market issues	Finding and maintaining sufficient numbers of casual labour at picking time proves an ongoing issue for apple growers.

Apple industry marketing activities

Detail	Comments
Marketing undertaken	Most regional growers have established private marketing arrangements. They also use agents nationally as well as supply local wholesalers and retailers. Some individual growers conduct their own marketing activities such as print media, brochures, gate sales and signage. Marketing activity through local farmer markets is also used in conjunction with growers own farm marketing or collective regional grower marketing. The Hume Murray Food Bowl farmers market is also an important form of direct marketing.
Value adding activities	Producers engage in value adding activities such as packaging and juicing of apples.
Labels and brands	Snowline Fruits (not unique to apples),Alpine Apples, HiCountry Fruits

Taxes, rates and charges paid

Taxes, rate and charges
Levy funds collected from growers on sales of apples (1.53 cents/kg) and pears (1.64 cents/kg) are managed by the apple and pear Industry Advisory Committee (IAC). The funds are used for marketing, market promotion and research and development programs.

Apple industry strategic advantages and opportunities

- Integrated Fruit Production (IFP) is aimed at providing Victorian apple producers with a competitive edge in the export market. The program provides growers with a “clean, green” international marketing advantage and is used as a key benchmark for quality in many countries growers will currently or potentially export to. Major export opportunities for the industry are for Pink Lady and Sundowner apples.
- The opportunity to work with the tourism industry is a desire of some producers in the region, perhaps through the development of agritourism operations.
- The climate, aside from recent drought conditions, allows for production of a superior product.

Apple industry strategic disadvantages and impediments to growth

- Recent weather conditions that resulted in a poorer quality of produce.
- Urban encroachment and lifestyles impacting on the right to farm.