

## **Final Report**

# **Sweetpotato export strategy**

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**Delivery partner:**

Fresh Intelligence Consulting

**Project code:**

PW20004

**Project:**

Sweetpotato export strategy (PW20004)

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## Public summary

The Sweetpotato Export Strategy was a project funded by Hort Innovation to assist the Australian sweetpotato industry to develop exports to achieve their real potential in a global environment that has seen a large expansion in demand for sweetpotatoes. The plan addressed outcome 3 of the Sweetpotato Strategic Investment Plan to identify and prioritise three commercially viable market diversification opportunities.

The critical elements of the project involved gathering the global intelligence and trade information mostly from an existing project and other sources including latest analysis trade statistics, and an assessment of the Australian Sweetpotato industry production capabilities by region including varieties, biosecurity analysis and the industry aspirations.

The Australian Sweetpotato industry data shows that the industry produced 106,715 tonnes of sweetpotatoes in 2020, of which 90 per cent were gold and 10 per cent reds and purple varieties. Exports reached almost 2,400 tonnes in 2019/20 or slightly over 2 per cent of production mostly to the United Arab Emirates and Europe, though fell to 1,284 tonnes in 2020/21 as trade to Europe subsided. Europe is the world's largest importer of sweet potatoes, importing over 200,000 tonnes mostly from the United States and Egypt, which are highly competitive.

The global sweetpotato market is polarised with gold sweetpotato varieties dominant in the US, Europe and the Middle East, while Japanese style reds and purple sweetpotatoes are more widely grown and consumed in Asia. Europe and Middle East markets have greatest demand opportunities for the Australian gold sweetpotatoes however the returns to growers, particularly to Europe are not attractive.

Asia is much closer for Australian exporters however these markets favour the red and purple varieties, that for Australia have a higher production cost and are not competitive against the large production stemming from Vietnam supplied to other Southeast Asian markets. China is the world's largest producer of sweetpotatoes and has no recorded imports. Similarly, Japan and Korea are large producers for their own markets and do not import from outside sources.

The strategy recommends that the sweetpotato industry's peak body ASPG establish a multi-sector Sweetpotato Export Development Working Group to drive the export agenda for the industry and to upscale the level of systematic trade and market intelligence information available to the industry. With a strategic commitment to developing export programs rather than opportunistic approaches, the industry could see exports reach 6,000 – 8,000 tonnes by 2026.

## Keywords

Export, strategy, sweetpotato, trade, analysis, statistics.

## Introduction

Prior to 2016 the sweet potato export strategies formed part of the vegetable industry strategies and often lacked critical attention to issues that were different to the broader vegetable industry strategies. This project would ensure that the sweet potato industry has a developed export plan of their own to grow exports, maintain robust industry capacity to pursue new and improved market and trade access build export capacity and capability and provide necessary connections and support to all stakeholders across the trade supply chain will enhance the value of the sweet potato sector.

Importantly this project identifies short and long-term strategic objectives for the industry, based on opportunities to deliver long term and sustainable export growth for the industry is needed to articulate a roadmap for strategic export growth.

This strategy document identifies and ranks export activity and investment priorities for the industry developed through comprehensive engagement with industry members, industry representative bodies, state and federal governments and other industry stakeholders, to address the export aspirations identified by industry that will ensure stakeholder ownership and commitment.

Previous work undertaken in the sweet potato market intelligence project and vegetable industry strategies specific to sweet potatoes are acknowledged as a critical element of the project to produce evidence-based outcomes.

## Methodology

The methodology to deliver this project was based on many years of experience and brought together the best of strategic, evidenced market research and intelligence with the solid consultation with industry stakeholders to ascertain the industry capabilities and aspirations.

1. Evidence based market research and intelligence gathering drew heavily on outcomes of the Sweetpotato Market Intelligence Project (PW19000) and additional qualifying analysis via:
  - a. Latest data sets from Global Trade Atlas and International Trade Centre TRADEMAP to assess volume and price trends beyond the periods measured by PW19000.
  - b. Reviewed existing relevant material from Hort Innovation, AUSVEG, Queensland and Commonwealth governments, Austrade and other industry sources
  - c. Developed, reviewed and improve a Market Access Matrix
  - d. Desk research for global sweet potato market trends for fresh and processed products particularly in Europe and Asia derived from Fruit Logistica, Freshfel Europe, and Market Intelligence Limited among other sources.
  - e. Digital / phone interviews with key players in the international markets via Fresh Intelligence network of market researchers including Market Intelligence Limited and Impact Agency (London).
2. Extensive Consultation with industry stakeholders in Queensland including Australian Sweet Potatoes Growers Inc, Queensland DAFF, Sweet Potatoes Australia Ltd and Hort Innovation.
  - a. Established a project reference as part of the Monitoring and Evaluation (M&E) for regular two-way communications with project leaders (Peter Long, Russell McCrystal, Andrew Mead, Jess Long)
  - b. Initial face to face meetings and interviews via video link with 12 key stakeholders early in the project to establish followed by phone and digital meetings with the reference group with assistance from Andrew Mead from QDAF.
  - c. Identified industry capabilities for export including varieties, disease control, market access barriers, cost structures from farm to market, existing and potential supply chains and opportunities.
3. Developed the plan that tied together the best of the evidence-based research with the industry aspirations into a strategy that is clear, measurable, achievable and importantly has a strong sense of industry ownership including:

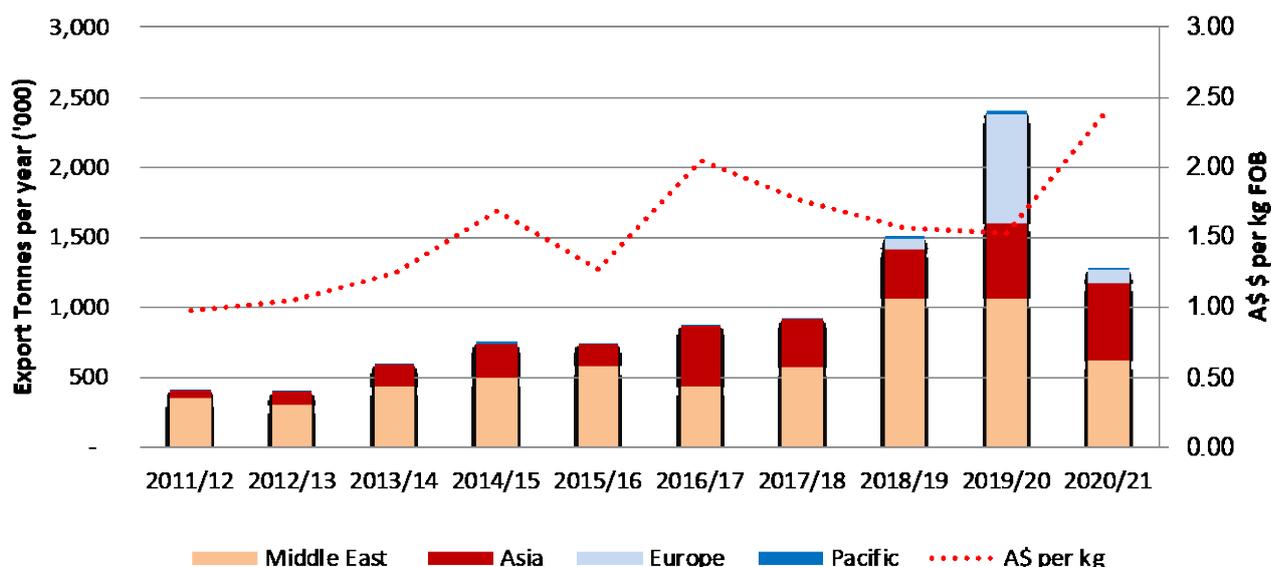
- a. Current state of the industry – strengths, weakness, threats and opportunities
  - b. Key Issues to address
  - c. Export Targets and Strategies
4. Finalised the draft plan following and presented to the industry at a special forum held in Bundaberg 3<sup>rd</sup> March 2022 and completed the plan following direct feedback from the forum.

Wayne Prowse undertook all analysis and consultation aspects of the project with assistance from Jess Logan and Andrew Mead from QDAF facilitating individual on-line meetings due to the travel restrictions.

## Results and discussion

The Australian sweetpotato industry produced 106,000 tonnes in 2020 and exported 2,400 tonnes that year, falling to 1,284 tonnes in 2021. This is around 1 per cent of the production. An expectation that Europe would be growth area was not to be and COVID19 disrupted other trade to Middle East and Asia. However, these disruptions provided vital insights to where the sweetpotato export strategy would be headed. It would not be to Europe as earlier indications suggested.

Figure 1. Australian sweetpotato export 2012 - 2021



Source: IHS Global Trade Atlas; Fresh Intelligence analysis

The downturn in trade as the project started did not auger well for the stated outcome that was to see increased exports of sweetpotatoes to a target level well above the current 2,000 tonnes recorded in 2019/20, increased participation in exporting by growers and stronger support of exporters by growers to meet export objectives that will be defined in the strategy.

The intent of the export strategy was and is to guide the investment of industry levy funds, providing an evidence base and strategic recommendations to the sweetpotato industry stakeholders. Realistic targets based on achievable market share objectives in identified markets have been proposed and to that extent these targets outlined in Table 1 are realistic if the activities are to be adopted.

In context the Australian sweetpotato industry is minute in the global landscape. Overall, some 90 million tonnes are produced including 50 million tonnes in China. Global trade exceeds 800,000 tonnes per year and has been increasing 16 per cent over 5 years. Europe is the largest importer of sweetpotatoes importing some 317,000 tonnes mostly from the United States and Egypt. Vietnam is the largest exporter in Asia since despite immense scale of China’s production very

little is exported, and indications are that a large proportion is used for non-food uses.

The global sweetpotato market is polarised with gold sweetpotato varieties dominant in the US, Europe and the Middle East, while Japanese style reds and purple sweetpotatoes are more widely grown and consumed in Asia. Europe and Middle East markets may have greatest demand opportunities for the Australian gold sweetpotatoes however the returns to growers, particularly to Europe are not attractive.

Asia is much closer for Australian exporters however these markets favour the red and purple varieties, that for Australia have a higher production cost and are not competitive against the large production stemming from Vietnam supplied to other Southeast Asian markets. China is the world’s largest producer of sweetpotatoes and has no recorded imports. Similarly, Japan and Korea are large producers for their own markets and do not import from outside sources.

One of the key areas that needs greater focus is improving the commitment to supply sweetpotatoes consistently regardless of the domestic market. Sweetpotatoes are not alone in exporting at lower prices in high supply and high prices in low supply and these invariably have a large impact on consistent export capabilities in building market share in export markets with strong potential.

As mentioned, exports declined to 1,284 tonnes in 2020/21 though for reasons clearly understood. The analysis and review of market opportunities based on realistic market share objectives listed and a strategic approach by the sweetpotato industry led by ASPG shows that by 2026 Australia could be exporting 9,250 tonnes or almost 10 per cent of the industry production, valued at A\$14.5 million.

This increase from the current position is achievable since the exports currently are mostly opportunistic. The market share targets are conservative for the profiled markets. Some markets, including Europe will remain opportunistic and others such as Japan, Korea and China will remain out of reach. Ultimately growers and exporters will make their business decisions.

Larger growers with scale and connections to export markets will export directly. City-based market exporters play an important role to consolidate produce from smaller growers for Asia and Pacific markets and should be involved in the export development group. They can also share market insights.

Finally, we suggest it would be prudent to connect with the main carrot exporters in Western Australia who have been successfully exporting carrots to the Middle East for many years may also be valuable and provide linkage opportunities.

## Outputs

**Table 3. Output summary**

Output	Description	Detail
Monitoring and Evaluation Plan	1 page Document linked to MS102	Outlining the Monitoring and Evaluation Plan and key risks
Monthly Trade Reports	1 page document issued monthly	Export Trade reports issued to maintain monthly interest and insights
Australian Sweetpotato Export Strategy Document	Sweetpotato Export Strategy Document	47-page document reviewed by ASPG and leading growers and exporters at the Export Forum in Bundaberg 3 <sup>rd</sup> March 2022

## Photos/images/other audio-visual material

No photos or images to show

## Outcomes

The project addressed Item 3 of the Strategic Investment Plan to identify and prioritise three commercially viable market diversification opportunities.

At the time the project was initiated sweetpotato exports reached 2,400 tonnes (Figure 1) and seemed to be expanding rapidly with strong trade to Europe and Middle East markets. Price levels were falling though influenced by the low prices received from Europe.

By the time the project was contracted, and the consultation phase began that trade to Europe was quickly eroding and COVID19 was also having an impact on the demand for Australian sweetpotatoes from cruise lines in Dubai and Singapore. Market based exporters were achieving some opportunistic sales at higher prices, which were not conducive to strategic growth.

The exports to June 2020/21 fell almost 50 per cent to 1,284 tonnes and the appetite for exporting was low. As the project progressed, and particularly at the Bundaberg Export Forum 3<sup>rd</sup> March the interest in exports was palpable and confident that export development with a strategic approach was achievable

**Table 4. Outcome summary**

Outcome	Alignment to fund outcome, strategy and KPI	Description	Evidence
The targeted outcome was to increase exports of sweetpotatoes to a target level well above the current 2,000 tonnes recorded in 2019/20, increased participation in exporting by growers and stronger support of exporters by growers to meet export objectives.	The project addressed Item 3 of the Strategic Investment Plan to identify and prioritise three commercially viable market diversification opportunities.	The UAE, Singapore and Thailand were identified as the markets of strongest opportunity to develop trade	Too early to measure, however trade to the UAE was 158 per cent higher in the 6 months to December compared to the previous year. Singapore was 10 per cent higher and there was trade to Thailand (25 t) after zero trade in the previous year.

## Monitoring and evaluation

**Table 5. Key Evaluation Questions**

Key Evaluation Question	Project performance	Continuous improvement opportunities
Evidence based market intelligence gathering	High level of evidence-based data analysed and presented in the strategy	Succinct and targeted information monthly through the project kept key players engaged.
Industry Engagement Consultation	COVID travel restrictions meant that early consultations were by video link. Having QDAF involved in Bundaberg was an advantage	Face to face early always an advantage though the hybrid formats worked well.
Strategy Plan development	Main output prepared on time	Encouraged by the feedback
Industry Engagement Final Report Presentation	Due to Covid travel restrictions the meeting was held in hybrid format 3 <sup>rd</sup> March 2022 in Bundaberg. Attended by 8 growers in person and 6 on-line. The discussion and feedback was excellent.	The hybrid format worked well and engaged more people than a face to face only meeting.

## Recommendations

ASPG should take leadership and oversight of the recommended actions commencing with the establishment of a multi sector Sweetpotato Export Development Group to drive the export agenda.

ASPG should provide leadership to oversee the facilitation of the provision of export analysis in a timely manner to stakeholders, either provided internally or outsourced so that export trade can be monitored.

ASPG should provide leadership, with Hort Innovation to initiate projects as outlined to meet objectives to increase market knowledge and facilitate trade to Middle East (UAE and other Gulf states) and Singapore, Malaysia and Thailand.

Maintain a watching brief for North Asia (China, Japan, Taiwan and South Korea), which at this stage is not showing any compelling signs that setting market access priorities for these markets would be in the best interests of the industry.

## Refereed scientific publications

No scientific publications used

## References

No references quoted

## Intellectual property

No project IP or commercialisation to report

## Acknowledgements

Andrew Mead – Queensland Department of Agriculture and Fisheries

Jessy Logan – Queensland Department of Agriculture and Fisheries

Peter Long – EO Australian Sweetpotato Growers Association

Russell McChrystal – Sweetpotato grower and member of the SIAP.

# Appendices

## Appendix 1

### December 2021 monthly report - final of 7 monthly reports (June – December)



#### Sweetpotato

#### Monthly Export Update December 2021

For 6 months to December of the 2021/22 season sweetpotato exports were 662 tonnes worth \$1.3bn. The result was 70 per cent higher than the same period last year (Table 1). Unit values were 24 per cent lower. For 12 months ending December 2021, exports of sweet potatoes were 1,391 tonnes worth \$3.0bn, falling 3.9 per cent in the month and indicating a small loss in momentum.

Table 1: Sweet Potato Key Measures

EXPORTS	YTD	ChgLY	M:07
Volume (tonnes)	662	20%	1,391
Value (M AUD)	1.33	2%	3.0
\$ per kg	\$2.01	-24.3%	\$2.13

Source: IHS Global Trade Atlas, Fresh Intelligence analysis

#### By Market

The United Arab Emirates was the largest destination with 124 tonnes supplied to date and 158 per cent higher than the same period last year, though there was no recorded trade in December. Middle East markets overall accounted for 56 per cent of exports and 107 per cent growth, though falling.

In Asia, Singapore was up 10 per cent at 174 tonnes while Malaysia decreased 16 per cent to 48 tonnes. Overall Asian markets to account for 43 per cent of exports, up 9 per cent.

There has been no recorded trade to Europe since Feb 2021.

#### By State

Queensland accounted for 80 per cent of the exports and NSW was 18 per cent.

#### By Month

On a month to month basis the December exports were 38 tonnes or 58 per cent lower, compared to 79 tonnes last year and recorded prices increased to \$2.86 per kg (Figure 1).

Figure 1 Sweet Potato Exports per month vs last 2 years



Source: AIS 2022 via IHS Global Trade Atlas, Fresh Intelligence analysis

Table 2: Sweet Potato Exports by Market

Market	Volume	Volume %	Value	Value share
United Arab Emirates	124	19%	250	19%
Singapore	174	26%	350	27%
Malaysia	48	7%	97	7%
Other	47	7%	95	7%
Hong Kong	46	7%	92	7%
Thailand	0	0%	0	0%
India	3	0%	6	0%
Indonesia	0	0%	0	0%
Korea	0	0%	0	0%
United States	22	3%	44	3%
Other	0	0%	0	0%
TOTAL	662	100%	1,330	100%

Table 3: Sweet Potato By State

State	Volume	Volume %	Value	Value share
Queensland	530	80%	1,060	80%
New South Wales	77	12%	154	12%
Victoria	37	6%	74	6%
Western Australia	6	1%	12	1%
South Australia	1	0%	2	0%
TOTAL	662	100%	1,330	100%

Table 4: Sweet Potato By Transport Mode

Mode	Volume	Volume %	Value	Value share
Sea	515	78%	1,030	78%
Air	147	22%	294	22%
Road	0	0%	0	0%
TOTAL	662	100%	1,330	100%

Source: AIS 2022 via IHS Global Trade Atlas, Fresh Intelligence analysis



#### Sweetpotato

#### Monthly Export Update December 2021

#### Price comparisons

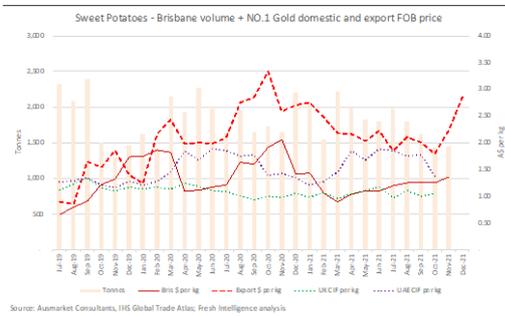
Tracking domestic prices against recorded export prices, and the import prices recorded in export market provides some indications of export opportunities.

Using Brisbane market data, the domestic market prices were lowest in March 2021 and have increased on a steady and slow upward trend of just below \$1.50 per kg in contrast to the steep rises from July to December nudging \$2.00 per kg in 2019 and 2020. Volumes are slightly lower than last year as recorded in Brisbane. (brown)

From an export perspective it does show promise that building a longer term commitment to export customers at price points in the \$1.50 - \$2.00 / kg area is much more conducive to retaining customers rather than following the domestic prices seen in previous years (RED) before adding exports margins.

Latest export prices to December has reached \$2.86 per kg though approaching the heights of \$3.00 in 2020 and yielding less than 100 tonnes of exports per month (33 tonnes in Dec 21).

By comparison the recorded import prices in the UK track between \$1.00 - \$1.20 CIF from all sources, while import prices recorded in the UAE rise above \$1.80 (during the Egyptian supply off season). It is therefore no surprise that trade to the UK (green) has not been sustainable, while trade to the UAE (purple) has increased.



Source: Ausmarket Consultants, IHS Global Trade Atlas, Fresh Intelligence analysis

Source: AIS 2022 via IHS Global Trade Atlas, Fresh Intelligence analysis

Appendix 2  
 Consultation Letter



23 September 2021

**Project: Sweetpotato Export Strategy – Consultation**

The Australian Sweetpotato industry exported 1288 tonnes of sweetpotatoes in 2020/21 valued at A\$3.1 million. Exports accounted for less than 1.5 per cent of Australia's sweet potato production.

Fresh Intelligence Consulting is working with the Australian Sweetpotato Growers Inc in a project funded by Hort Innovation (PW19000) to develop an export strategy. The strategy will assist the industry to make strategic investment decisions on projects, both research and marketing, that will assist Sweetpotato exports to reach their real potential.

We would like to hear from all growers and stakeholders who have valuable experience and insights to contribute. During October, assisted by Andrew Mead and Jessica Logan at CIF, we will be consulting for the project and invite you to contribute in any of the following ways:

1. By email direct to [wayne.prowse@hagpond.com](mailto:wayne.prowse@hagpond.com)
2. By Phone 0408 164 966 (Wayne Prowse)
3. By small group video consultations (12/10 – 14/10) Arranged by Andrew Mead
4. By one-on-one video consultations (12/10 – 14/10) or other times to suit.

Some of the consultation will cover, though not limited to:

1. Your business experience exporting sweet potatoes – direct or via agents
2. Perceptions and incentives for future export opportunities
3. Your thoughts on how exporting should be carried out – individual, collective, other
4. Challenges and issues that need addressing urgently or in future R&D

We have collated data from Australia and international markets to assist in understanding the statistical position, with a snapshot attached to facilitate discussion.

I look forward to working with you over the next few months and if you have any questions, please contact me. I would love to hear from you and will treat all discussions commercial in confidence.

Best regards

*Wayne Prowse*

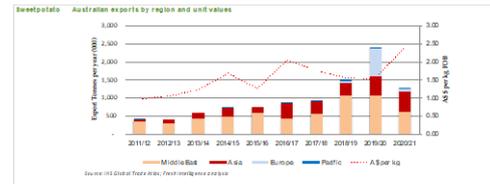
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International trade analysis for decision making | Fresh produce marketing strategies and development  
 Import and export statistics analysis | Market access consultation

**Sweetpotato Export Numbers**

The main destination regions for Australian Sweetpotato exports in 2020/21 were:

1. Middle East 624 tonnes -41%
2. Asia 536 tonnes +4%
3. Europe 88 tonnes -89%



**Global Trade**

There were **80,000 tonnes** of sweet potatoes exported from all markets in 2020, with the United States being the main exporter (300 kt) and the United Kingdom being the largest importer. Most European exports were re-exports around the region supplied from United States and Egypt. Exports in the Asian region were mainly from Vietnam and China to other Asian markets.

**Sweet Potato Global Trade Flows – 2020**



Appendix 3  
 Cover page of the Export Strategy Document attached separately



# Sweetpotato Export Strategy



Prepared by  
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For  
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 Sweetpotato Fund  
 31 March 2022