



Australian Government
Department of Agriculture,
Fisheries and Forestry

Marketing of Queensland Citrus

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Citrus Canker Assistance Package

- \$100,000 funding provided by the Federal Government
 - Department of Agriculture Fisheries and Forestry
 - Industry Partnerships Programme





Project Objectives

- Enhance the industry's capacity to improve their markets, and other industry performance issues
- Identify opportunities to move the industry forward and develop practical strategies to capitalise on them
- Develop strategies to assist the industry to manage their markets, and overall performance in the instance of another disease outbreak (or similar threat to the industry)



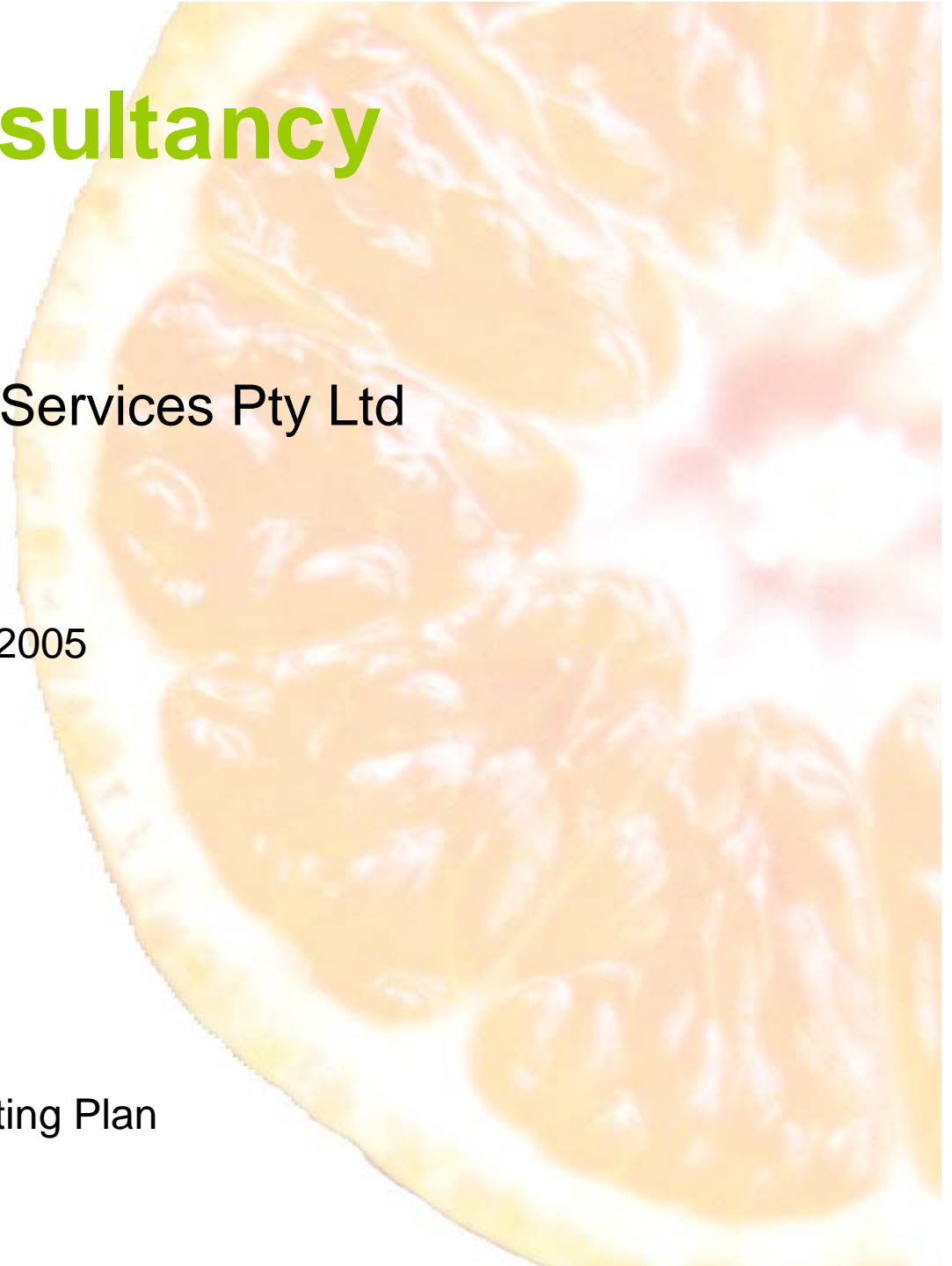
Project Objectives

- By meeting these objectives, it is expected that citrus growers will:
 - Have a better understanding of consumer needs through lack of industry co-ordination and their impact on market returns and overall industry profitability
 - Recognise the benefits to be gained from a model which will deliver improved marketing co-ordination and minimise potential problems in the market, and
 - Be receptive to change their approach to marketing; and be willing to share information which will benefit the industry overall



Consultancy

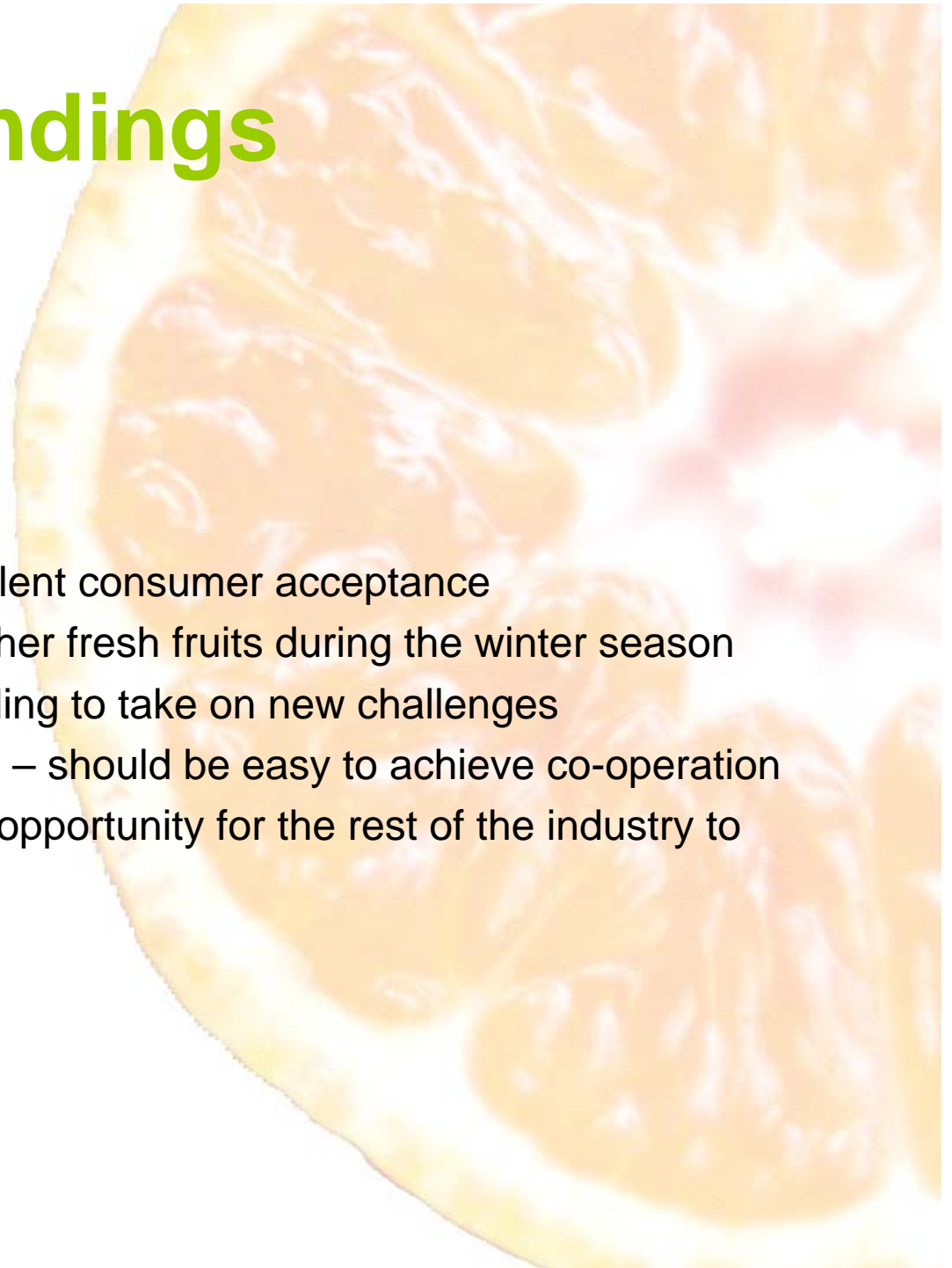
- Resource Consulting Services Pty Ltd
 - David Hanlon
- Timing
 - September – December 2005
- Process
 - Data collection
 - Interviews
 - Growers
 - Marketers
 - Others
 - Workshop
 - Development of a Marketing Plan
 - Implementation process





Findings

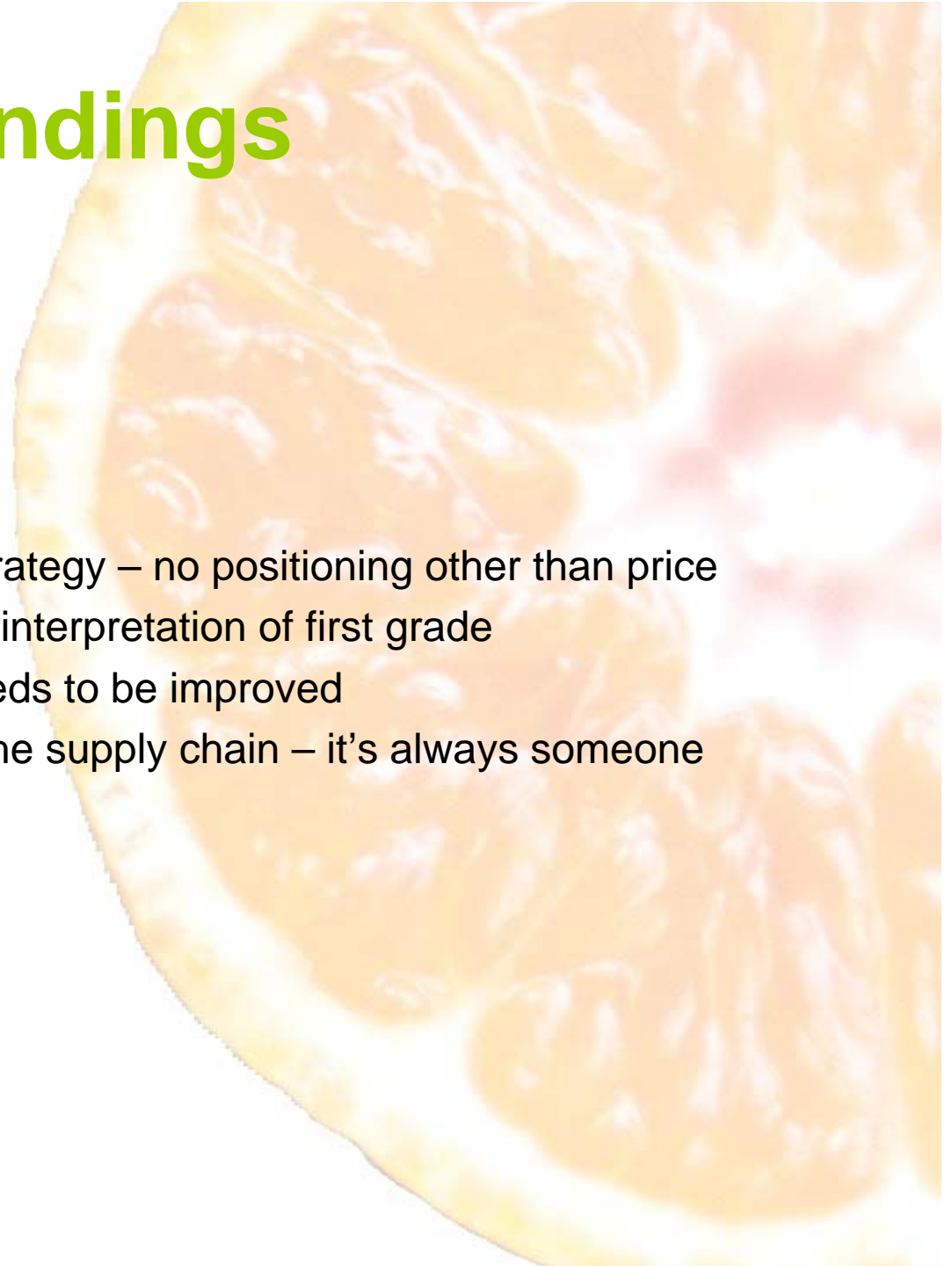
- The Good
 - Good product, with excellent consumer acceptance
 - Little competition from other fresh fruits during the winter season
 - Industry is adaptive – willing to take on new challenges
 - Small number of packers – should be easy to achieve co-operation
 - Emerald out of market – opportunity for the rest of the industry to *Get it Right*





Findings

- The Bad
 - No industry marketing strategy – no positioning other than price
 - Standards - Inconsistent interpretation of first grade
 - Quality within grades needs to be improved
 - Culture of blame within the supply chain – it's always someone else's fault
 - No funds for promotion





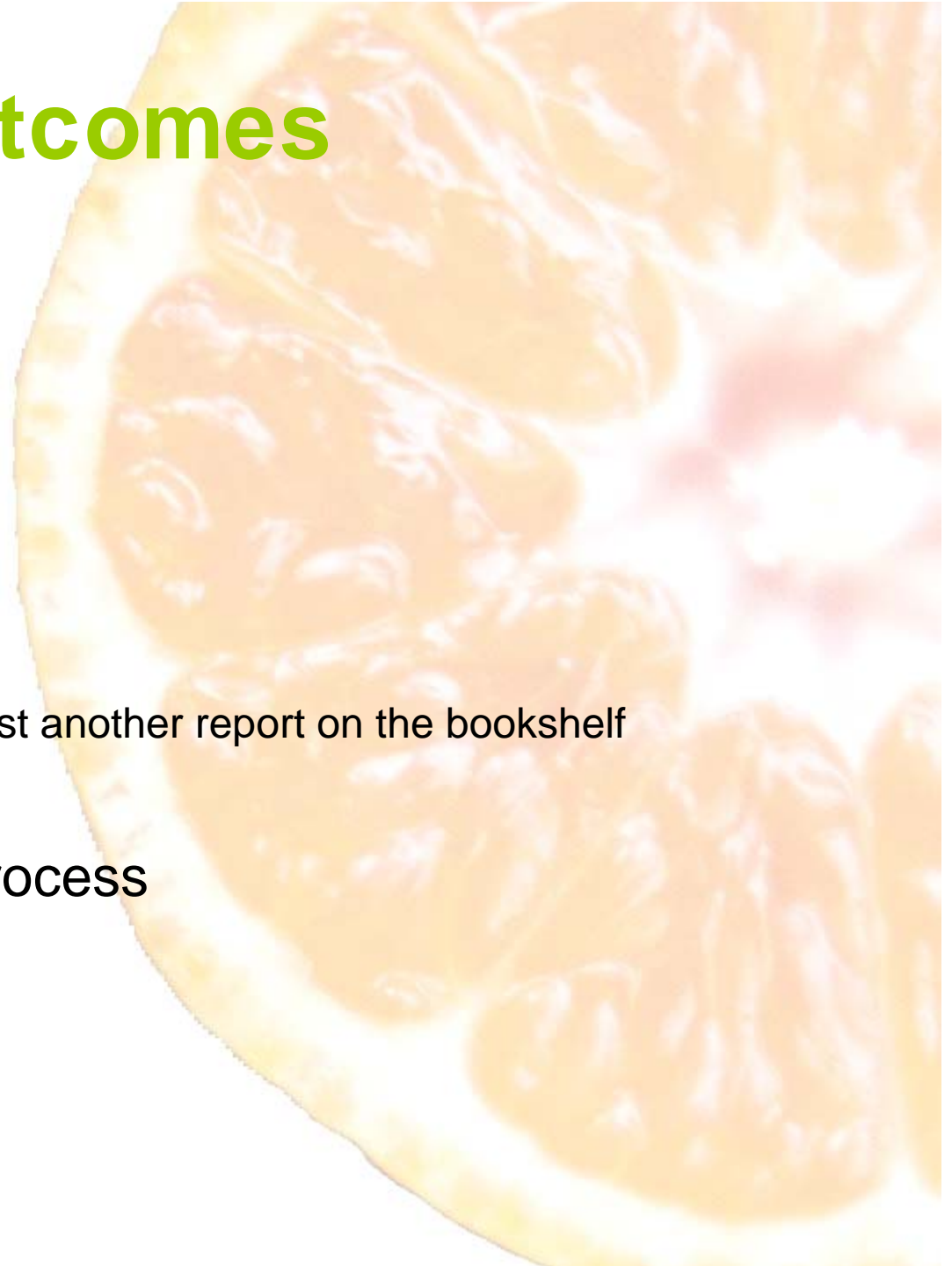
Findings

- The Ugly
 - The industry persists with a culture of dishonesty
 - Lack of transparency in the supply chain
 - Mid-season varieties are not wanted
 - Within all segments, there is a lack of willingness to take responsibility for ensuring supply chain profitability
 - Supply forecasting is poor
 - Price points are not known along the chain



Outcomes

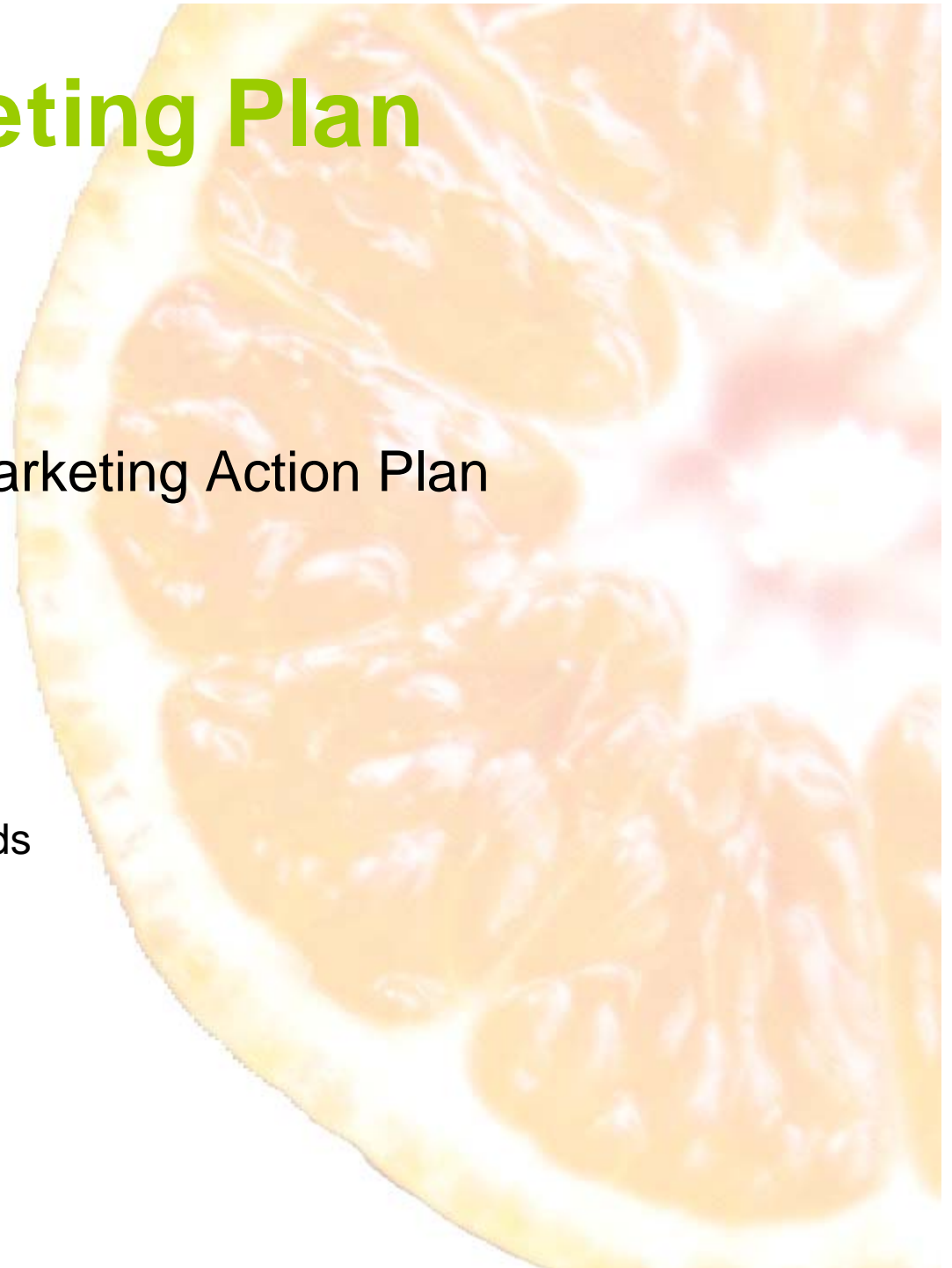
- A Report
- An Action Plan
 - To ensure that it is not just another report on the bookshelf
- An Implementation Process





Marketing Plan

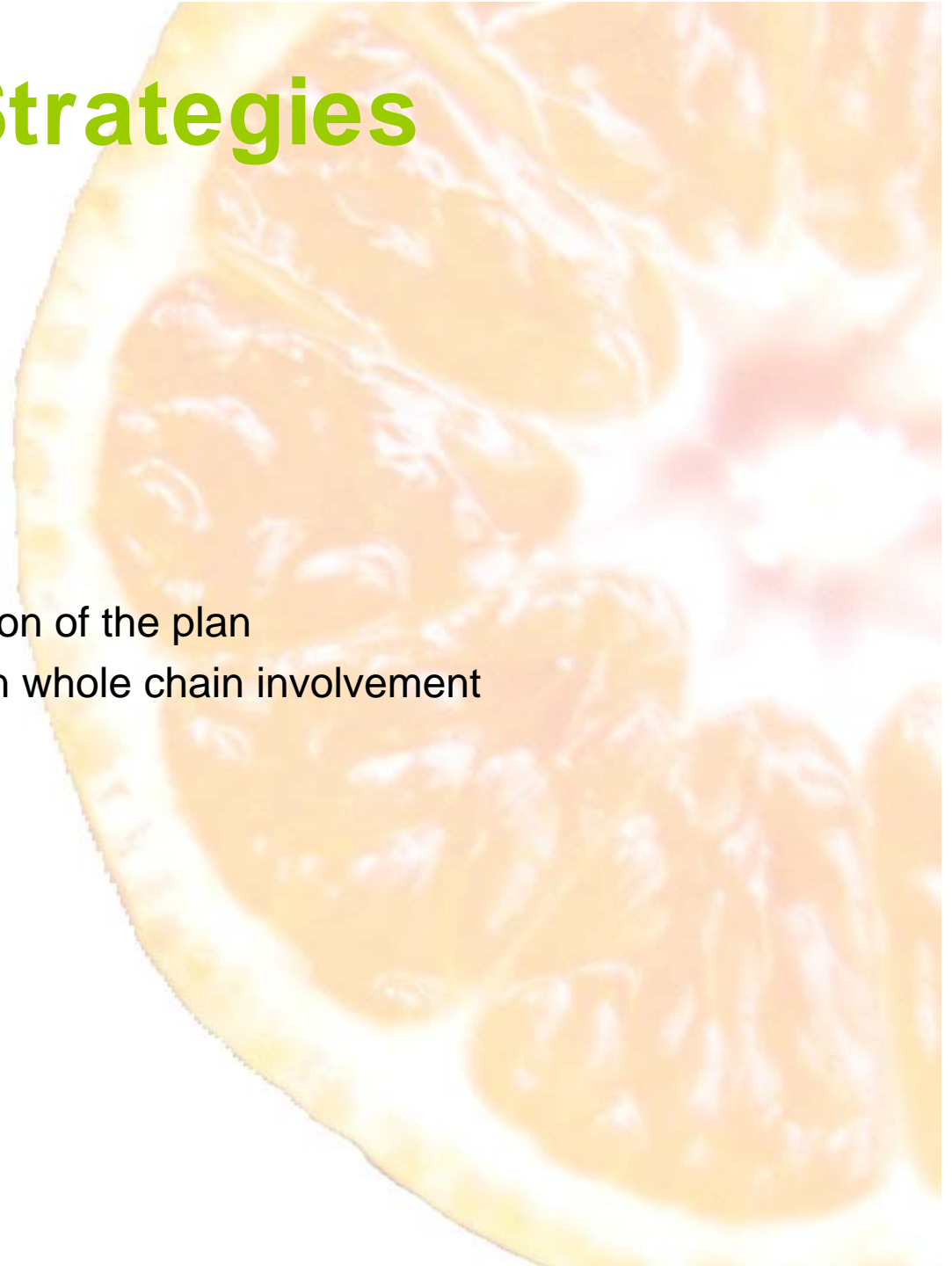
- Queensland Citrus Marketing Action Plan
- Strategies
 - Captains of Industry
 - Sweetness – Maturity
 - Visual Quality – Standards
 - Supply Management
 - Promotions
 - Mid-Season Varieties
 - Project Officer
 - Funding





Strategies

- Captains of Industry
 - To oversee implementation of the plan
 - A process which draws in whole chain involvement





Strategies

- Quality
- The goal is ...The identification of maturity and visual quality standards, and their voluntary uptake by producers in a consistent manner; approved product identified with a quality sticker, recognised as preferred quality in the supply chain, and supported with promotions
- Visual Quality
 - Too much variability, and inconsistent application of standards
 - Need clearly defined standards for Class 1 and Class 2 (and the cut-off point)
 - Develop an agreed set of standards, which will be recognised and implemented throughout the industry



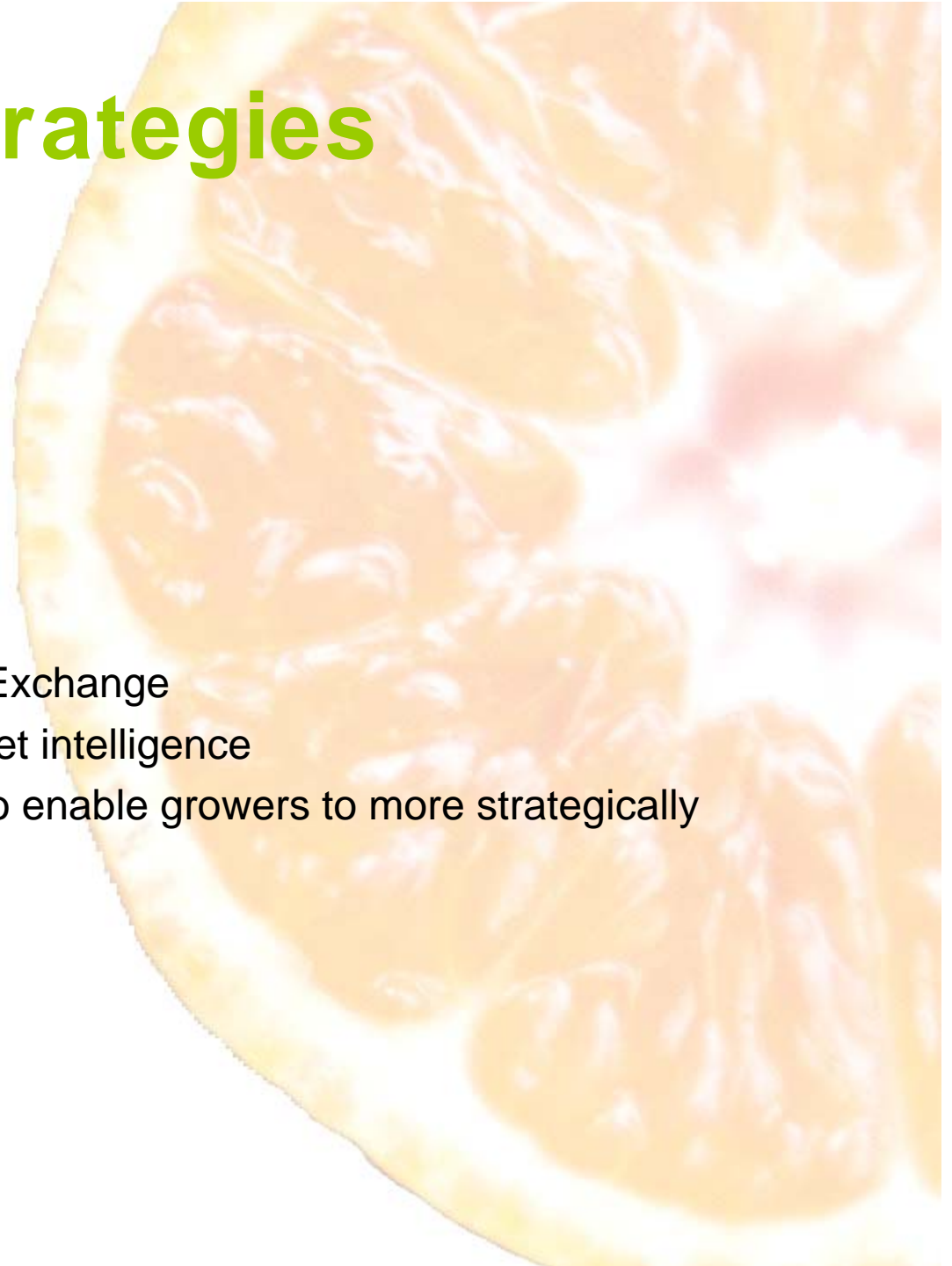
Strategies

- Sweetness – Maturity
 - Immature fruit is a big problem at the start of every season
 - Have carried out a pilot project (2005) to determine acceptable sugar and sugar acid levels for consumer acceptance
 - Will encourage adoption of a voluntary maturity a standard
- Visual Quality and Sweetness/Maturity will be brought together as an industry wide Quality Management Program



Strategies

- Supply Management
 - Crop forecasting
 - ACG Citrus Information Exchange
 - Market reports and market intelligence
 - Feedback to growers – to enable growers to more strategically market their fruit





Strategies

- Promotions
 - Looking to have the national mandarin levy re-established
 - for national promotions program in the long term
 - In discussions with wholesale sector on co-operative opportunities for 2006





Strategies

- Mid Season Varieties
 - Proliferation of varieties during the mid-season period have become a real problem
 - Not known by consumers – lack of consumer acceptance
 - Not delivering profitable returns
 - Looking at a Marketing Plan for Taylor Lee
 - A single desk arrangement has been suggested
 - Should at least achieve better co-ordination with this variety



Strategies

- Project Officer
 - Project Officer (IDO) based in production area to assist growers implement the plan, and to ensure consistency across industry
 - Funding application submitted to HAL
- Funding
 - Program will have to be self funding
 - Growers will have to register to participate
 - Will pay a per carton charge for accredited product



Summary

- RCS Consultancy has given to the Queensland industry
 - The Queensland Citrus Marketing Action Plan
 - A structured process to achieve grower and marketer participation in the implementation of the plan
 - Will be a major focus for QCG over the next three years



Acknowledgements

- Australian Government Department of Agriculture Fisheries and Forestry (DAFF)
 - For funding which enabled this project to be undertaken
- Consultant - RCS Pty Ltd – David Hanlon