

Capsicum Imports 2015

Why does Australia import capsicum?

- Queensland is the main growing region for capsicum in Australia, however summer temperatures are too high for year-round capsicum production
- Imports provide a complimentary supply when domestic production is low in summer

SNAP SHOT

Import data for capsicums (fruits of the genus *Capsicum* or *Pimenta*) showed:

- 1,894 tonnes of fresh capsicum were imported in 2015¹
- Import volumes decreased 14% between 2014 and 2015¹
- Domestic production of fresh capsicum in financial year 2014-15 was 43,733 tonnes or approximately 96% of the total supply²
- Imports peak in summer months and drop to zero in winter

THE FACTS - DATA ON CAPSICUM IMPORTS INTO AUSTRALIA

Price and quantity¹

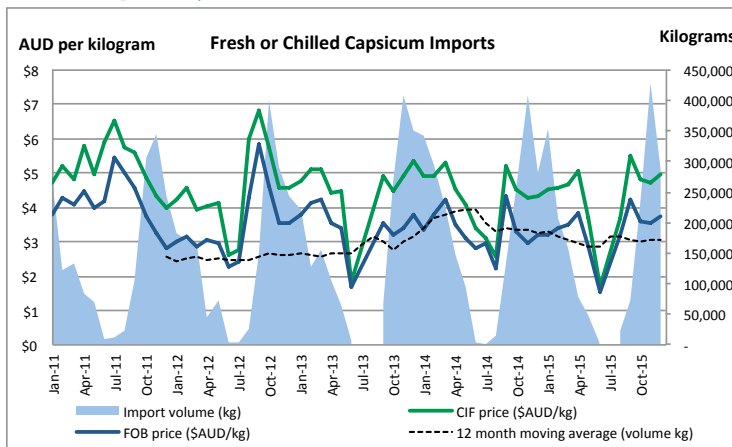


Figure 1: Price and volume history for fresh capsicum imports

Figure 1 - Price and quantity fresh capsicums

- The average import volume is generally under 200 tonnes/month
- Price is strongly associated with seasonal import trends
- Price reached a low of \$1.60/kg in June 2015, the lowest recorded price in a five year period

Figure 2 - Price and quantity frozen capsicums

- Long-term price trend is closely associated with New Zealand prices
- The price of New Zealand capsicums is the highest and consistently remain above \$3/kg (FOB)
- China has a price advantage (less than \$2/kg) over other importing countries, which has been relatively stable since it entered the Australian market in 2014

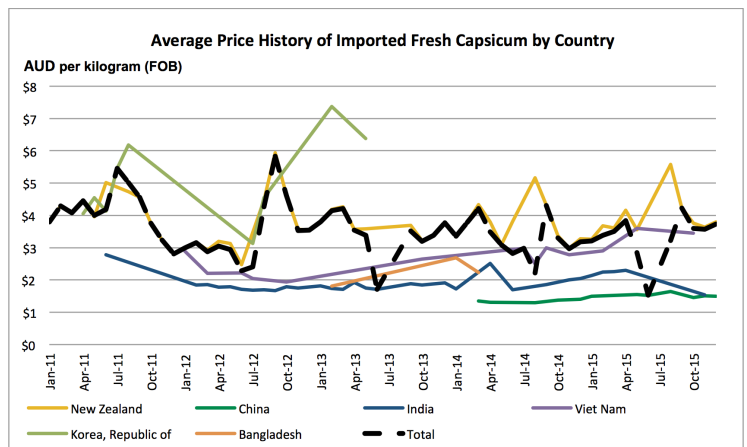


Figure 2: Price history for fresh capsicum imports by country

KEY TERMS (Figures 1 and 2)

FOB: Freight on Board (e.g. price in exporting country)

CIF: Cost, Insurance and Freight (e.g. price landed in Australia)

Capsicum Imports 2015

Where do capsicum imports come from?

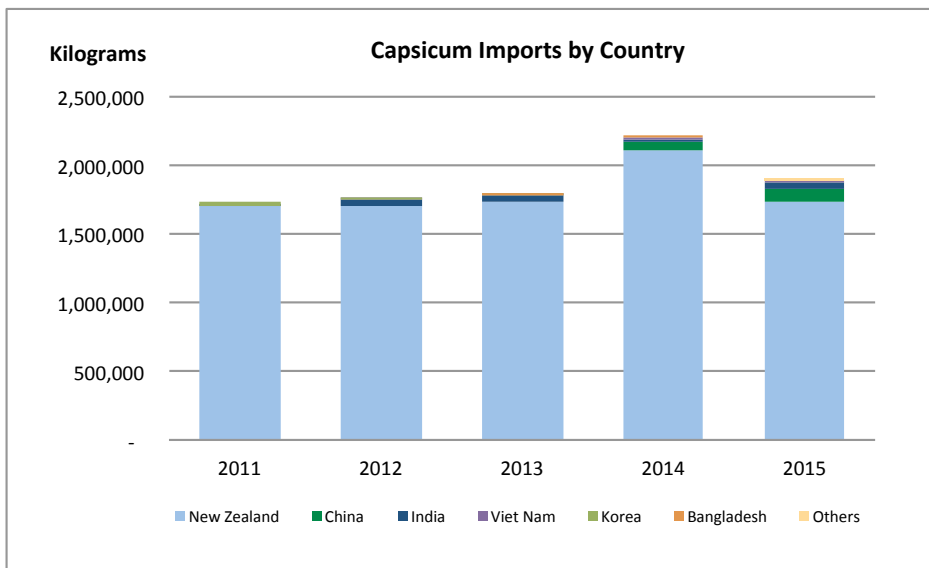


Figure 3 - Exporting countries for fresh capsicums

- In 2015 capsicums imported from New Zealand accounted for 91.3% of the total volume, or 96.2% of the market value
- Imports from China nearly doubled since it entered the Australian market in 2014

Figure 3: Exporting countries for fresh capsicums

Did you know...

- Some types of Capsicum are used as spices and medicines. They are generally rich in Vitamin C, and red capsicums are rich in beta-carotene which the body converts to Vitamin A³
- Capsicums are rated as one of the favorite vegetables among millennials in Australia⁴



Source:

- 1 - Tradata International
- 2 - ABS 2014-15 Agricultural commodities data
- 3 - http://www.organicfood.com.au/content_common/pg-green-capsicum-facts.seo
- 4 - Colmar Brunton (2016) Hort Innovation. Project Harvest. Millennials Online Community Full Report, Prepared for Horticulture Innovation Australia Ltd in March 2016