

Plan to double FNQ's high-value food exports by 2030

11 June 2020: The export value of Far North Queensland's (FNQ) key food products through Cairns international airport could double to more than \$120 million within the next decade, according to a new Cooperative Research Centre for Developing Northern Australia (CRCNA) and Advance Cairns report published today.

The study highlighted seafood, horticultural tree crops, vegetables and beef cattle as the big growth opportunities among the region's high-value food commodities.

China, Japan, Hong Kong, Singapore and Indonesia stand out as the markets offering the greatest potential for export growth through Cairns, if the right mix of investment in supply chains, infrastructure and marketing was achieved.

The study has been authored by globally renowned professional services firm, KPMG Australia, and guided by an experienced steering committee across a range of stakeholders in the far north region.

Advance Cairns Executive Chairman Nick Trompf said increased sector collaboration and building on existing and planned infrastructure such as the Regional Trade Distribution Centre being built at Cairns airport would deliver significant future economic and employment gains for Far North Queensland.

"This research supports our long-standing view that while the agricultural and seafood sectors are critical industries for FNQ, they can play a much more significant role in growing our regional economy – especially as we move to recover from the impacts of COVID-19.

"Our research reinforced that the bulk of exported FNQ product (except for live fish and lobster) goes south to be consolidated and treated before being flown back over our heads to Asian markets – and farmers often don't know their product is being exported by the middle man they've been supplying for many years.

"This means they're missing out on any price advantages associated with export and missing out on the opportunity to forge direct relationships with buyers. These relationships are needed to understand the needs of Asian consumers, which drives product innovation around things like value-adding, and to build resilience into the supply chain by growing awareness of and demand for our high quality FNQ produce.

"As a sector, if we can collaborate more openly, consolidate and brand our product regionally, then export direct to Asian buyers via air we can build a more robust supply chain that over time, will attract a price premium for our farmers."

According to KPMG's National Food and Agribusiness Lead Robert Poole, collaboration is also needed to achieve the stated objective of doubling high value food exports by 2030.

"Doubling exports through Cairns is an ambitious yet achievable target – even in a post-COVID world. However, with airlines increasingly moving from wide bodied to narrow bodied jets, collaboration will make or break the region's success as we need to be able to deliver reliable freight volumes to move the supply chain from passenger jets to dedicated freighters.

"We invite freight forwarders to embrace the opportunity to rethink the FNQ supply chain post-COVID and take the opportunity to help raise the profile of the FNQ agricultural brand," said Mr Poole.



The report identifies three priority enablers which the FNQ region should progress to drive the export opportunity. These are:

1. Drive greater collaboration across the region's agricultural supply chain to support better utilisation of existing and future export infrastructure at Cairns International Airport.
2. Secure airline agreements for passenger and freight to bolster FNQ's tourism and export capacity.
3. Advocate for continued investment and support for enabling infrastructure like water, roads and communications.

CRCNA Chair Sheriden Morris said the FNQ agricultural supply chain project had paved the way for greater collaboration among producers, logistics providers and businesses across the region.

"By thinking about all the different players along a regional supply chain and identifying their common pain points and their common success it becomes clear that by working together in a coordinated way achieving an outcome which benefits all is much more likely to happen than if they continue to work in silos.

"I'm encouraged to see a key recommendation from this study is the implementation of an industry-led export 2030 supply chain taskforce, which will drive a coordinated FNQ region-specific infrastructure strategy and enable longer-term supply chain development," she said.

Some of the other recommendations outlined in this report include:

- Investment attraction - connecting the FNQ region with priority markets to strengthen export relationships.
- Develop a business model case to demonstrate to key airline partners the capacity for the region to deliver increased exports of high-value commodities.
- Undertake an economic analysis on the benefit of a cross-sector FNQ regional positioning strategy.
- Examine the economic opportunity for growing value-add opportunities, including working with the Advanced Food Manufacturing Hub and FNQ Food Incubator.
- Continue advocacy around favourable protocol access and reduction of non-tariff barriers in the priority markets.
- Improve, through planning and investment, key roads, water and telecommunication assets.
- Develop a regional export-accredited aggregation site (with treatment facilities) within an hour's drive of Cairns airport to complement the Regional Trade Distribution Centre when it comes online.

In addition to the FNQ study, the CRCNA has completed two other regional agricultural supply chain projects for the Townsville/ north Queensland and Mackay, Isaac and Whitsunday regions.

Ms Morris said although these projects focused on their local supply chains each highlighted the need for greater collaboration across sectors and regions to better inform northern Australian supply chains more broadly.

“An important outcome of this work has been the development of a Northern Queensland Agricultural Supply Chain Alliance with representatives from Advance Cairns, Townsville Enterprise, Greater Whitsunday Alliance, Advance Rockhampton, the Queensland Department of Agriculture and Fisheries and Central Queensland University coming together to progress this agenda,” she said.

James Cook University and Charles Darwin University have also partnered to deliver a pan-northern examination of Northern Australia’s agricultural supply chains, with a focus on the cost of freight in the region and this report is due later this year

“The end result of these projects will be an integrated plan to improve and enhance agricultural supply chains across northern Australia, to the benefit of all producers and agribusinesses.”

[Read the full report here](#)

Support information:

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