AUSTRALIAN
HERB & SPICE
INDUSTRY
ASSOCIATION

Australian Government

Rural Industries Research and Development Corporation

Research and Development Strategy for the Australian Herb and Spice Industry

2006-2011

February 2006

RIRDC Publication No 06/023

ISBN 1 74151 286 7
ISSN 1440-6845

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In submitting this report, the researcher has agreed to RIRDC publishing this material in its edited form.

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Published on the web in February 2006

Foreword

The Herb and Spice industry in Australia is moving into a more mature industry phase driven by significant investment by a few industry leaders. Growth of fresh, and some innovative processing sections of the industry within Australia continues at the rate of 20% per annum. Export markets continue to expand at around the same rate.

This R&D strategy has three main purposes:

- To present the rationale for the herb & spice R&D program that RIRDC will support and manage on behalf of the Commonwealth government and the industry

- To provide clear signals to the industry, to Commonwealth and State governments and to the research community regarding R&D needs and priorities for the period 2006-2011

- To encourage discussion that will enable the needs of the industry to be further defined and responded to as the industry progresses.

It is envisaged that it will be revised from time to time as research needs and priorities change.

The plan priorities stem from workshops held in each state in Australia in 2004 which identified industry issues which were causing economic constraints. Information gathered from these workshops was then further discussed with the main industry players (including growers, researchers, consultants and processors).

Peter O'Brien
Managing Director
Rural Industries Research and Development Corporation

Contents

Introduction

The Herb & Spice industry can be classed as a maturing industry with a current yearly domestic incremental growth of 20% and an increasing presence in overseas markets. Continued domestic expansion cannot be expected to last and the industry must aim towards increasing export capacity. Continued investment is required to maintain a high quality and consistent product capable of competing successfully in a highly competitive global market.

Background

The Australian herb & spice industry began to accelerate in the early 1990's but growth escalated in the late 1990's/early 2000's due to innovative processing and capture of overseas markets.

Major production areas tend to be located in the vicinity of cities; however pockets of production occur in more remote areas eg Central Queensland, The Atherton Tablelands, Eastern/Western Victoria & Mt Gambier.

The industry continues to be divided into different sections: Section 1 -Protected & field cropping, mainly supplying supermarket type operations. Section 2 - Field cropping, mainly supplying processing operations. Section 3 - mainly mixed & lifestyle cropping supplying local trade e.g. restaurants and farmer's markets.

At this stage the industry has not replaced imports in the commodity type markets (e.g. dried herb & spices) and the anticipated culinary garlic industry has not evolved due to imports of cheap Chinese stock and lack of available virus free planting material in Australia.

Industry investment in the last 10 years has been significant at both grower and processor level and the industry is now being regarded as 'real business' gaining awards in both state and national agribusiness competitions.

Key Issues for R&D for 2006/11

Culinary Herbs and Spices

Best Management Practices

1. Registration of essential crop protectants (underway via RIRDC project AUC-4A)
2. Integrated Pest & Resistance Management Strategies (for both inorganic & organic systems) including identification and development of biocontrol agents to assist in Integrated Pest and Resistance Management Strategies. (commenced under RIRDC project AUC4A – but will require follow up projects)
3. Ute guide to diseases & insect pests (i.e. handbook with pictorial references to diseases & insect pests of major culinary herbs accompanied by online version with management data, on AHSIA website.)
4. Access to disease free seed/rootstock and improved cultivar strains
5. Access to correct active constituents seed/rootstock with correct nomenclature
6. Development of an understanding of the major issues which affect the aromatic compounds of culinary herbs.
7. Education of whole of supply chain in management of herb/spices from paddock to plate especially trucking systems and market agents, in particular exporters. To include whole of chain development of quality assurance systems.
8. Identification & development of suitable bio-degradable packaging material
9. Identification of methods to combat anthracnose in chilies.

Import/Export Requirements

10. Development of disaster management plan for domestic & export goods
11. Development of export protocols for fresh herbs/spices e.g. to NZ - fruit fly issue
12. Development of strategies to deal with cheap imports including education of consumers to understand uses/composition of fresh/dried herbs and their quality.
13. Benchmarking & identifying opportunities to become price competitive for exporting to the rest of the world.
14. Global benchmarking study – can we demonstrate that we are the best in the world and can we use this to identifying further market opportunities as per no 13.
15. Marketing – industry in Australia is still regarded by rest of world as cottage industry – the time is right (adequate knowledge & management systems developed to fulfill market demand), but need to pursue further coordinated market opportunities

Medicinal

Best Management Practices

1. Registration of essential crop protectants.
2. Integrated pest management strategies including development of biocontrol agents.
3. Ute guide to diseases & insect pests (i.e. handbook with pictorial references to diseases & insect pests of major medicinal herbs accompanied by online version with management data.)
4. Access to disease free seed/rootstock
5. Access to seed/rootstock with correct active constituents
6. Education of whole of supply chain in quality requirements including trucking systems and market agents, in particular exporters. To include development of quality assurance systems.
7. Most effective way of cleaning/drying for individual medicinals to maintain their active constituents
8. Most effective growing/harvesting methods to maintain/enhance actives

Import/Export Requirements

9. Developing strategies to deal with cheap imports
10. Benchmarking & identifying opportunities to become price competitive for exporting to the rest of the world.

Functions of AHSIA

- To represent the industry nationally in an advocacy role
- Help fund and provide in-kind support for industry research and development projects
- Facilitate benchmarking and networking amongst its members and encourage a broader sharing of information and experience throughout the industry by the provision of activities such as Conference & Workshops & regular newsletters
- Establish & maintain an information database accessible to members in recognition of the need for reliable and up to date information on agronomic & post harvest issues and domestic & export markets.
- Negotiate with other industry groups and private sector organizations for member benefits

Objectives of AHSIA

- Representation at a national level to Government, technical agencies and other industry groups e.g. APVMA, TGA
- Support local groups and be a focus for national interaction

- Collect, produce and disseminate information to members and publicize the industry and its benefits
- Encourage and support relevant research and development activities
- Co-ordinate industry funding
- Undertake any activities that may foster the development of industries in Australia

Expected Outcomes from the Five Year Plan

- Registration of chemicals required for Best Practice production.
- Integrated Pest Management systems and identification tools for whole of industry (organic & inorganic).
- Industry chemical resistance strategies in place
- Suitable biocontrol agents sourced, identified & integrated into management systems
- Improved cultivars.
- Quality Assurance systems in place including management and practices affecting quality/flavor/active constituents for whole of supply chain
- Disaster management plan.
- Stronger industry unity.
- Better understanding of global competitiveness
- Benchmarking facility in place
- Increased export markets
- Detailed R&D plan accepted by all sections of industry as a dynamic working plan with regular input from stakeholders.
- AHSIA active in communicating with all sections of the industry, including funding bodies.