

What happened in the Potato – Processing Fund last year?

Annual Report 2020/21



About Hort Innovation and the Potato – Processing Fund

Hort Innovation is the grower-owned, not-for-profit research and development corporation for Australia's horticulture sector. We work closely with industry to invest the processing potato R&D levies, together with Australian Government contributions, into key initiatives for growers, through the Potato – Processing Fund. We're extremely proud of the work we do to help drive productivity, profitability and demand for potato growers, and for the horticulture sector at large.

Throughout another challenging year for the horticulture sector, activity in the Potato – Processing Fund remained strong. Read on for an overview of what was delivered.

We also encourage you to download a copy of the overarching Hort Innovation Annual Report 2020/21 at www.horticulture.com.au/annual-report-portal to better understand how Hort Innovation worked for the benefit of the horticulture sector during the year.

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\$682,603

invested in R&D



22

active R&D investments



\$426,869

in levies collected

by the Government and passed on to
Hort Innovation for investment



\$750M

The production value of the Australian potato industry has remained within \$700 to \$750 million over the past five years



65%

Approximately 65 per cent of Australia's potatoes are sent for processing



38%

While potatoes are grown across Australia, South Australia is the largest producing state at 38 per cent of total production volume, followed by Tasmania (24 per cent) and Victoria (21 per cent)

These facts and more can be found in the Australian Horticulture Statistics Handbook, which is delivered by Hort Innovation each year. The handbook is packed with horticulture statistical information and analysis for some 75 categories, for use by individual industries and the wider sector. The 2019/20 edition was released in early 2021 and features an interactive dashboard format for desktop users. See www.horticulture.com.au/horticulture-statistics-handbook.

Just some of the things delivered for you during the year



Preparation support for pest incursions such as fall armyworm and serpentine leafminer, including emergency minor use permits and longer-term investments to bolster the horticulture sector's response



A new communication and extension investment to support potato growers in adopting improved practices on-farm and keeping up-to-date with the latest industry news. Sign up at potatolink.com.au.



Investments in the Hort Frontiers strategic partnership initiative to address longer-term and often complex issues and opportunities critical to the future of Australian horticulture – see www.horticulture.com.au/hort-frontiers*

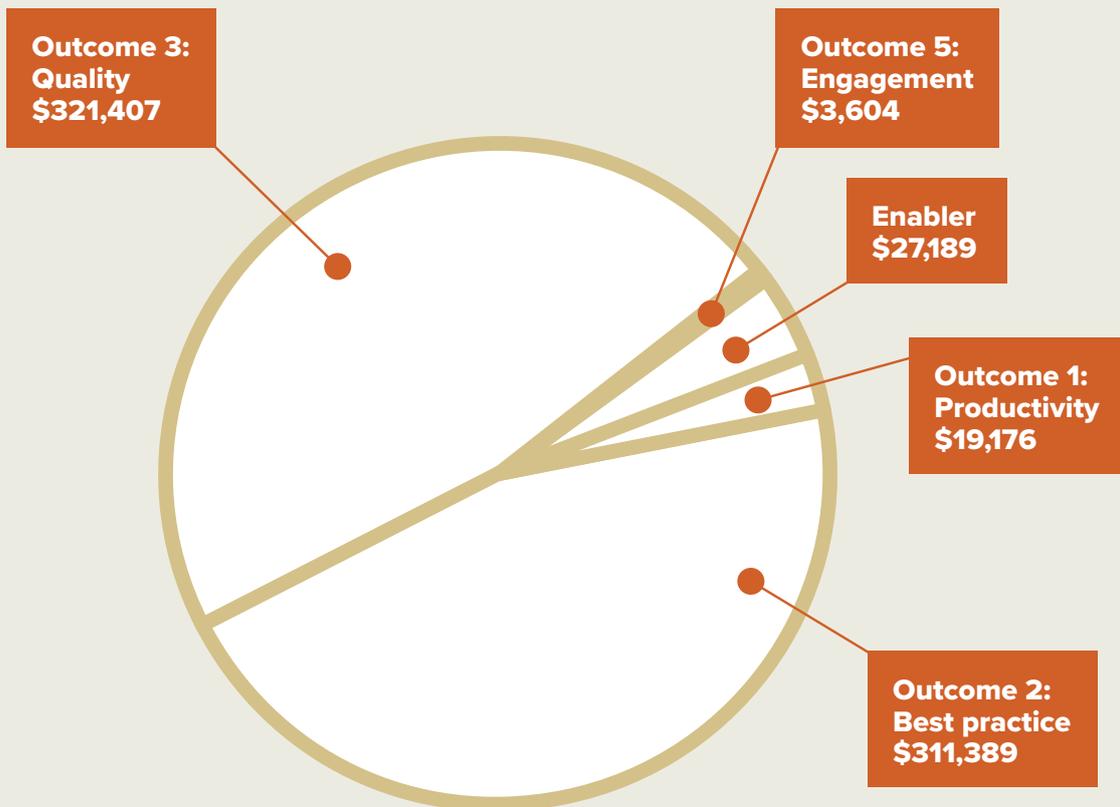


Projects supported by grants secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2020/21 for more*

You can visit www.horticulture.com.au/potato-processing at any time to access information on new, ongoing and completed projects, and to download resources produced by levy investments such as fact sheets and guides.

*These initiatives were delivered outside of the Hort Innovation Potato – Processing Fund and, in most instances, did not involve the industry levy

Here's what your fund invested in over the year



Investments that are specific to the Hort Innovation Potato – Processing Fund are guided by the processing potato Strategic Investment Plan (SIP). The SIP features priority outcome areas that have been identified and agreed upon by the industry, and Hort Innovation works to invest in R&D initiatives that are aligned to these.

In the above chart, you can see how project expenditure in the Potato – Processing Fund during 2020/21 was aligned to the SIP. Each project has been allocated to a SIP outcome based on its primary objective.

There was no activity under Outcome 4: Technology during this financial year

Expenditure on projects classified as 'enabler' support the broader delivery of the industry's strategic investment plan

Which projects were in each of the SIP outcome areas?

Outcome 1: Productivity

Industry has access to the world's best agronomic information and networks, resulting in increased productivity

Project title and code	2020/21 investment	Status	More information
Horticulture trade data (MT19005)	\$3,937	Ongoing	hortinn.com/mt19005
The Australian potato grower's manual (PT19003)	\$15,239	Ongoing	hortinn.com/pt19003

Outcome 2: Best practice

Growers are serviced by professional agronomists with best practice potato expertise, resulting in improved industry skills and knowledge

Project title and code	2020/21 investment	Status	More information
Impact of ground water quality on management of centre-pivot-grown potato crops (PT16001)	\$32,976	Completed	hortinn.com/pt16001
Program approach for pest and disease potato industry investments (PT17002)	\$31,473	Ongoing	hortinn.com/pt17002
Australian potato industry communication and extension project (PT20000)	\$226,125	Ongoing	hortinn.com/pt20000
Soil wealth and integrated crop protection – phase 2 (VG16078)	\$20,815	Ongoing	hortinn.com/vg16078

Outcome 3: Quality

Losses from pest and disease are reduced, resulting in improved quality and increased marketable yield

Project title and code	2020/21 investment	Status	More information
An IPM extension program for the potato and onion industries (MT16009)	\$20,008	Ongoing	hortinn.com/mt16009

Continued

Investments

Outcome 3: Quality

Losses from pest and disease are reduced, resulting in improved quality and increased marketable yield

Project title and code	2020/21 investment	Status	More information
National tomato potato psyllid program coordinator (MT16018)	\$61,611	Completed	hortinn.com/mt16018
Improving plant industry access to new genetics through faster and more accurate diagnostics using next generation sequencing (MT18005)	\$10,200	Ongoing	hortinn.com/mt18005
National tomato potato psyllid and zebra chip surveillance (MT18008)	\$43,906	Ongoing	hortinn.com/mt18008
Management strategy for serpentine leafminer (MT20005)	\$25,000	Ongoing	hortinn.com/mt20005
Extension of the PreDicta Pt potato diagnostic service (PT15008)	\$89,877	Completed	hortinn.com/pt15008
Review of the national biosecurity plan for the potato industry and development of a biosecurity manual for potato producers (PT16004)	\$737	Ongoing	hortinn.com/pt16004
Mechanisms and manipulation of resistance to powdery scab in potato roots (PT17003)	\$53,387	Ongoing	hortinn.com/pt17003
Investigating soil pH and nutrition as possible factors influencing pink rot in potatoes – a pilot study (PT19000)	\$13,281	Ongoing	hortinn.com/pt19000
Sampling for Candidatus Liberibacter solanacearum (CLso) (PT19001)	\$3,400	Completed	hortinn.com/pt19001

Outcome 5: Engagement

Collaboration across the supply chain to achieve cultural change has resulted in improved economic sustainability

Project title and code	2020/21 investment	Status	More information
Nuffield scholarship for a horticulturalist from the potato industry (PT18001)	\$3,604	Completed	hortinn.com/pt18001

Enabler

Expenditure on projects classified as 'enabler' support the broader delivery of the industry's strategic investment plan

Project title and code	2020/21 investment	Status	More information
Masterclass in Horticultural Business (LP15001)	\$6,800	Ongoing	hortinn.com/lp15001
Potato industry minor use program (PT16005)	\$350	Ongoing	hortinn.com/pt16005
Generation of data for pesticide application in horticulture crops 2018 (ST17000)	\$8,795	Ongoing	hortinn.com/st17000-potato

Financial operating statement

Potato – Processing Fund Financial operating statement 2020/21

	R&D (\$)	Total (\$)
	2020/21 July – June	2020/21 July – June
OPENING BALANCE	906,315	906,315
Levies from growers (net of collection costs)	426,869	426,869
Australian Government money	401,626	401,626
Other income*	2,895	2,895
TOTAL INCOME	831,390	831,390
Project funding	682,603	682,603
Consultation with and advice from growers	162	162
Service delivery	120,488	120,488
TOTAL EXPENDITURE	803,253	803,253
Levy contribution to across-industry activity	–	–
CLOSING BALANCE	934,452	934,452
Levy collection costs	9,932	9,932

* Interest, royalties

Levy collection costs – These are the costs associated with the collection of levies from industry charged by Levy Revenue Services (LRS)

Service delivery – Also known as Corporate Cost Recovery (CCR), this is the total cost of managing the investment portfolio charged by Hort Innovation

Making sure that levy investment decisions align with industry priorities

What will be the Potato – Fresh and Potato – Processing Funds’ focus over the next five years?



The potato Strategic Investment Plan (SIP) was created in 2021 to reflect current priorities for the potato industry. This involved extensive consultation with potato growers and industry stakeholders, including the Potato Processors Association of Australia (PPAA). The SIP is the roadmap that helps guide Hort Innovation’s oversight and management of individual levy industry investment programs.

The potato SIP lays the foundation for decision making in levy investments and represents the balanced interest of the particular industry from which the levy is collected. The most important function of the SIP is to make sure that levy investment decisions align with industry priorities.

The potato SIP identifies four outcome areas that will contribute to the productivity and profitability of the potato sector. They are:

- Industry supply, productivity and sustainability
- Demand creation
- Extension and capability
- Business insights.

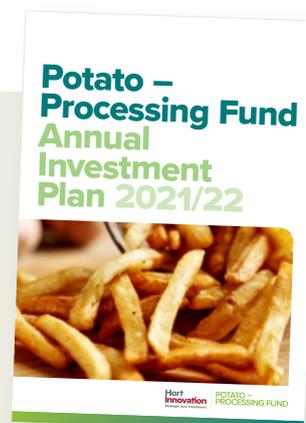
What projects will the fund be investing in next year?

The potato Annual Investment Plan (AIP) 2021/22 will detail how levy funds will be spent over the 12-month period. Investment decisions will be guided by the industry SIP and prioritised based on potential industry impact, as well as availability of levy funds.

The AIP is developed by Hort Innovation, and is informed by the SIP and industry consultation, including collaboration with PPAA. The AIP is then discussed with the industry SIAP for feedback and prioritisation. All investments will need to link to the industry’s SIP by addressing a minimum of one KPI against a strategy under one of the four outcomes.

Annual Investment Plans will be published each year over the lifespan of the SIP and industry stakeholders will be advised via established communication channels.

Hort Innovation will continue to report on fund performance regularly, with more focus on reporting on outcomes and the impact of investments.



When available, you can visit the Potato – Fresh and Potato – Processing grower pages at www.horticulture.com.au/growers to view both documents and get a full picture of how your levy will be invested over the next five years.

Providing the potato industry with latest news to drive productivity

Established in 2021, this project keeps the industry up to date with the latest news, research and development outputs and other key information through a variety of channels.

The challenge

Strong communication and technical support is vital for potato growers and other industry participants to be able to make informed decisions when facing future challenges and opportunities.

Meet Chris

Chris Pace, a potato grower in the Lachlan Valley, NSW, is excited to see this relatively new project begin. While the demands of running a farm don't leave him a lot of time to stay up to date with the latest R&D developments, he believes this program definitely makes it easier.

"So far, it's been pretty good," says Chris. "I really haven't had time to follow all the news, but the magazine has been good."

"We get a lot of salesmen pushing products, so I like seeing info like this that isn't associated with sales.

Sometimes it's helpful, even for timely reminders. For example, we're planting potatoes right now, so it's helpful to be getting information on handling and planting potato seed."

Chris says he's likely to make changes based on recommendations he receives via this program because he has confidence in the information. "I like the team of delivery partners. It gives me confidence in the information they've provided. I also like the webinars, but to be honest, I've only had time to watch the recordings. Our regional delivery partner also sends me some good links."



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"We get a lot of salesmen pushing products, so I like seeing info like this that isn't associated with sales. Sometimes it's helpful, even for timely reminders. For example, we're planting potatoes right now, so it's helpful to be getting information on handling and planting potato seed."

Chris Pace, potato grower, Lachlan Valley, NSW



The approach

By keeping the industry up to date on R&D, news, events and other critical information, the program facilitates the uptake of R&D by the industry and supports decision-making in potato growing businesses.

The project delivers a nationally coordinated, but locally implemented program which employs regional delivery partners who provide specialist skills and knowledge to the industry.

The role of the regional delivery partners is a broad one, with all activities geared towards improving the circulation and uptake of information within the industry.

As well as extension activities, the project produces key communication channels for the potato industry, including a hard copy quarterly R&D magazine, online webinars and podcasts, social media, and a dedicated website to host industry resources.

The impact

Under this project, extension workplans to conduct trials on seed dormancy and canopy recovery have been developed for five demonstration sites.

In addition, a new website, *PotatoLink*, has been developed and hosts a range of information and resources including, 37 research reports and articles on pest and diseases and irrigation management. The website also includes an archive of 16 *Potato Australia* magazines that were produced from 1990-2005, 26 volumes of *Eyes on Potatoes* produced from 1997 to 2005, and 37 editions of the *Potatoes Australia* magazine published from 2013 to 2019.

A new magazine, also called *PotatoLink*, has been developed, serving as a new extension and communication outlet for the Australian potato industry.

By keeping Australian potato growers informed, they are well placed to grow the industry, increasing productivity, and ultimately, profitability.

For more information, visit hortinn.com/pt20000

Project details

Australian potato industry communication and extension project (PT20000)

Key research provider: Applied Horticultural Research

Start date: December 2020

Expected end date: November 2025

Estimated value for life of project: \$2,512,500

Minor use permits

Both the Hort Innovation – Potato Fresh and Potato – Processing Funds support the submission of applications for new and renewed minor use permits for the potato industry, as well as data generation activities to support chemical permits and registrations, and strategic agrichemical reviews.

Together these efforts provide industry access to safe, relevant and effective chemicals for the management of pests, weeds and diseases.

For full details on these activities and links to relevant information, visit hortinn.com/potato-minor-use.

Permits in 2020/21

During the 2020/21 financial year, a successful renewal for PER12612 was prepared by Hort Innovation and submitted to the APVMA, facilitated through the *Potato industry minor use program* (PT16005).

A successful permit renewal, PER80344 was also approved in 2020/21, with the application submitted in the previous financial year.

Meanwhile, fall armyworm – an incredibly destructive exotic pest – was detected on Australian shores for the first time in 2020. To support readiness and protect the horticulture sector, emergency permit PER89870 was issued by Hort Innovation in 2020/21 to acquire crop protection chemicals for the potato – fresh industry.

Details for these and all other permits can be found in the following table.



Minor use permits

Current permits

Below is a list of minor use permits for the potato industry, current as of 25 August 2021.

Permit ID	Description	Date issued	Expiry date	Permit holder
PER80344 Version 2	Chlorpyrifos / Potato / African black beetle and red legged earth mite (WA only)	2-Jan-15	31-Jul-22	Hort Innovation
PER12612 Version 4	Alpha-cypermethrin / Potatoes / Garden weevil (TAS and WA only)	29-Jun-11	30-Apr-26	Hort Innovation
PER14722 Version 2	Abamectin / Potato, cucumber, squash and zucchini / Tomato red spider mite	17-Feb-15	31-Jul-25	Hort Innovation
PER14765 Version 4	Hexythiazox / Cucurbits, fruiting vegetables, snow peas, sugar snap peas and potatoes / Tomato red mite (<i>Tetranychus evansi</i>)	21-Feb-15	30-Sep-23	Hort Innovation
PER89259	Chlorantraniliprole (Coragen, Altacor and Altacor Hort Insecticide) / Potato / Fall armyworm	6-Mar-20	31-Mar-23	Hort Innovation
PER89241	Spinetoram / Various including root and tuber / Fall armyworm	6-Mar-20	31-Mar-23	Hort Innovation
PER89293	Methomyl / Potato / Fall armyworm (<i>Spodoptera frugiperda</i>)	10-Apr-20	30-Apr-23	Hort Innovation
PER84245 Version 2	Spirotetramat (Movento) / Potato, sweetpotato, tomato, capsicum, chilli pepper and eggplant (Field and protected cropping systems) / Tomato potato psyllid	7-Apr-17	30-Apr-25	NSW Department of Primary Industries (NSW DPI)
PER84249 Version 2	Abamectin, Lambda-cyhalothrin, Methomyl / Potato / Tomato potato psyllid	16-Jun-17	31-Jul-25	NSW DPI
PER89870	Spinosad (Entrust Organic) / Various including root and tuber vegetables / Fall armyworm	21-Jul-20	31-Jul-23	Hort Innovation

All efforts have been made to provide the most current, complete and accurate information on these permits, however you should always confirm all details on the APVMA website at portal.apvma.gov.au/permits. Details of the conditions of use associated with these permits can also be found on the APVMA site.

Keep up to date!

Find monthly minor use permit updates in our *Growing Innovation* e-newsletter. Sign up for free at www.horticulture.com.au/sign-up.

How strategic levy investments are made in the Potato – Processing Fund

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The processing potato R&D levy was invested this way during the year, guided by the processing potato Strategic Investment Plan 2017-2021 and advice from the industry’s investment advisory panel.



* Encapsulating extension and international trade

To learn more about funding specific to the Hort Innovation Potato – Processing Fund, visit www.horticulture.com.au/potato-processing. During the year, other sources of funding were also used to support activities for the benefit of Australian horticulture, including grant funding secured by Hort Innovation, co-investment dollars brokered through our Hort Frontiers initiative and centralised strategic levy reserve.

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