

What happened in the Summerfruit Fund last year?

Annual Report 2021/22



About Hort Innovation and the Summerfruit 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 summerfruit R&D and marketing levies, together with Australian Government contributions, into key initiatives for growers, through the Summerfruit Fund. We're proud of the work we do to help drive productivity, profitability, and demand for summerfruit growers and the horticulture sector.

Read on for an overview of what Hort Innovation delivered in the Summerfruit Fund during the year.

We also encourage you to download a copy of the overarching Hort Innovation Annual Report 2021/22 at www.horticulture.com.au/annual-report-portal to see how Hort Innovation worked to benefit the horticulture sector during the year.

In this report...

Summerfruit Fund snapshot 1

Some of things delivered for you during the year 2

Here's how your R&D levy was invested over the year 3

Investments 4

Financial operating statement 6

Fund management 7

Meet a grower 8

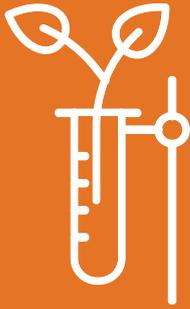
Marketing spotlight 10

Minor use permits 12

Appendix: How strategic levy investments are made 14



Summerfruit Fund snapshot 2021/22



\$637,308

invested in R&D



\$215,219

invested in marketing



\$908,497

in levies collected

by the Government and passed on to Hort Innovation for investment

Industry facts



69%

Nectarines and peaches make up 69 per cent of production volume, followed by plums (26 per cent) and apricots (five per cent)



\$92M

Summerfruit exports are worth \$92 million and account for 19 per cent of production volume



68%

The majority of summerfruit production occurs in Victoria (68 per cent) with all other states producing smaller amounts

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. See www.horticulture.com.au/horticulture-statistics-handbook.

Consumer insights



2.6x

Australian households purchased fresh apricots 2.6 times on average in 2021/22



5.5x

Australian households purchased nectarines 5.5 times on average in 2021/22



4.3M

4.3 million Australian households purchased peaches in 2021/22

These insights were made available through the Harvest to Home platform (www.harvesttohome.net.au) delivered as part of an investment providing regular consumer behaviour data and insight reporting.

Just some of the things delivered for you during the year



Continued market access and development work to support the summerfruit industry's export ambitions – see [p8](#) for more information



Access to consumer insights through multi-industry investments to understand consumer behaviours, attitudes and purchase intentions – see www.horticulture.com.au/summerfruit



Support for the National Bee Pest Surveillance program to help safeguard honey-bee and pollinator-dependent industries in Australia – read more at hortinn.com/mt21008



A multi-pronged export marketing campaign – read more on [p10](#)



The summerfruit Harvest to Home dashboards providing regular household purchase data and insight reporting at www.harvesttohome.net.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*

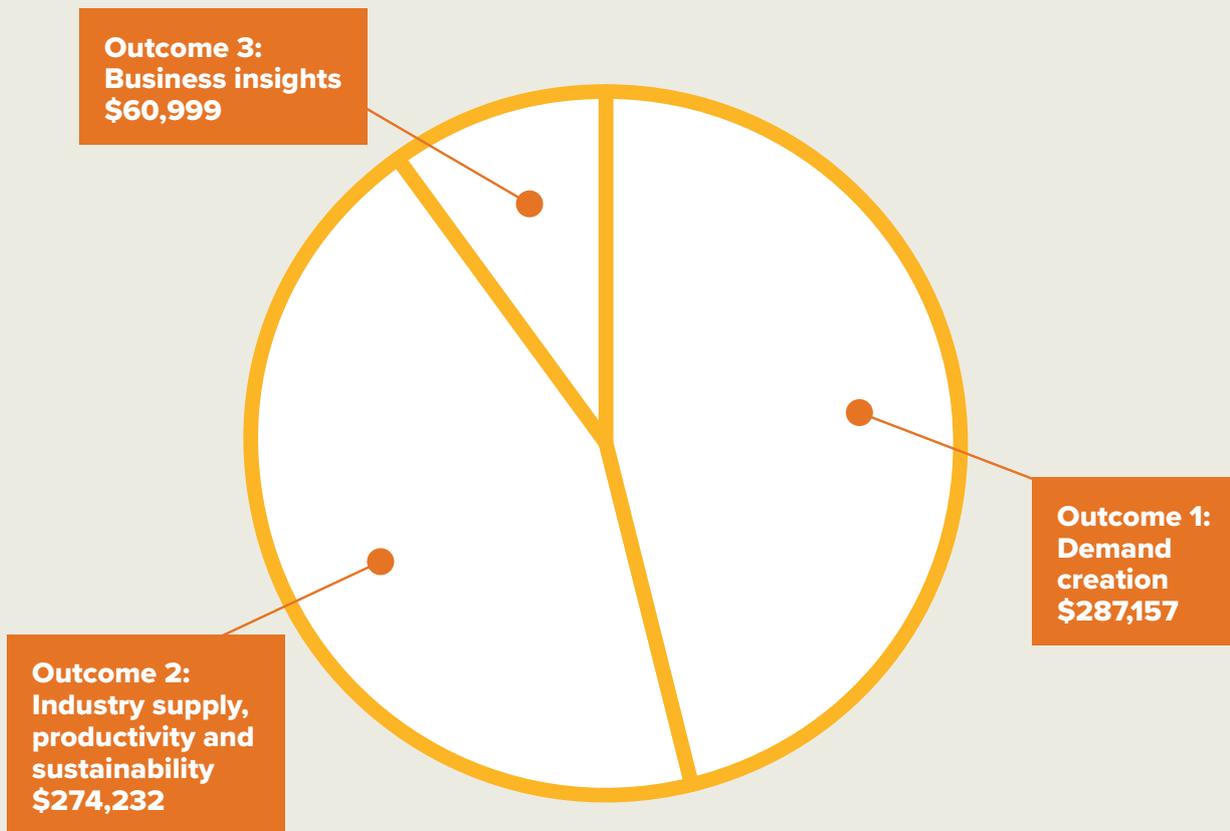


Projects supported by grants secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2021/22 for more details*

You can visit www.horticulture.com.au/summerfruit at any time to access information on new, ongoing and completed projects, and to download resources produced by your levy investments.

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

Here's how your R&D levy was invested over the year



The summerfruit Strategic Investment Plan (SIP) guides investments specific to the Hort Innovation Summerfruit Fund. The SIP features priority outcome areas identified and agreed upon by the industry. Hort Innovation works to invest in R&D and marketing initiatives aligned to these.

The above chart shows how project expenditure in the Summerfruit Fund during 2021/22 was aligned to the SIP. We have allocated each project to a SIP outcome based on its primary objective.

Which projects were in each of the SIP outcome areas?

Outcome 1: Demand creation

Demand creation supports the Australian summerfruit industry to develop existing and future domestic and international markets.

Marketing activities during 2021/22 also contributed towards the demand creation outcome. You can read more about this year's summerfruit marketing campaign on [p10](#).

Project title and code	2021/22 investment	Status	More information
Developing a national systems approach for meeting biosecurity requirements to access key Asian markets (AM17001)	\$15,000	Completed	hortinn.com/am17001
Essential market access data packages (MT14052)	\$57,175	Ongoing	hortinn.com/mt14052
Summerfruit market access and trade development project (SF19000)	\$212,544	Ongoing	hortinn.com/sf19000
Australian horticulture international demand creation (ST21007)	\$2,438	Ongoing	hortinn.com/st21007

Outcome 2: Industry supply, productivity and sustainability

The Australian summerfruit industry has increased profitability, efficiency and sustainability through innovative R&D and sustainable BMPs.

Project title and code	2021/22 investment	Status	More information
SITplus: Port Augusta Qfly SIT factory pilot operation (FF18003)	\$69,464	Ongoing	hortinn.com/ff18003
National Fruit Fly Council Phase 4 (FF20000)	\$8,000	Ongoing	hortinn.com/ff20000
Plant Biosecurity Research Initiative – Phase 2 (HA19007)	\$792	Ongoing	
Improving preparedness of the Australian horticultural sector to the threat potentially posed by Xylella fastidiosa (a severe biosecurity risk) (MT17006)	\$14,554	Ongoing	hortinn.com/mt17006
Parasitoids for the management of fruit flies in Australia (MT19003)	\$10,000	Completed	hortinn.com/mt19003

Continued

Investments

Outcome 2: Industry supply, productivity and sustainability (continued)

Project title and code	2021/22 investment	Status	More information
Across horticulture support for export MRL compliance (MT19006)	\$6,777	Ongoing	hortinn.com/mt19006
Regulatory support and coordination (pesticides) (MT20007)	\$3,074	Ongoing	hortinn.com/mt20007
Tropical stonefruit breeding and evaluation (SF13004)	\$1,221	Completed	hortinn.com/sf13004
Summerfruit industry minor use program (SF16001)	\$350	Ongoing	hortinn.com/sf16001
National biosecurity plan for the summerfruit industry (SF17005)	\$10,000	Ongoing	hortinn.com/sf17005
Experimental summerfruit orchard – phase II (SF17006)	\$150,000	Ongoing	hortinn.com/sf17006

Outcome 3: Business insights

The Australian summerfruit industry is more profitable through informed decision-making using consumer knowledge and tracking, trade data, production statistics and independent reviews.

Project title and code	2021/22 investment	Status	More information
Consumer behavioural and retail data for fresh produce (MT17015)	\$6,571	Completed	hortinn.com/mt17015
Horticulture trade data (MT19005)	\$6,026	Ongoing	hortinn.com/mt19005
Consumer demand spaces for horticulture (MT21003)	\$3,348	Ongoing	hortinn.com/mt21003
Consumer behavioural data program (MT21004)	\$36,720	Ongoing	hortinn.com/mt21004
Seasonal horticulture labour accommodation study (MT21007)	\$1,174	Ongoing	
Economic contribution of Australian horticulture (MT21010)	\$3,598	Ongoing	hortinn.com/mt21010
Pilot program: Consumer usage, attitude and brand tracking (MT21201)	\$800	Completed	hortinn.com/mt21201
Consumer usage and attitude tracking 2022/23 (MT21202)	\$2,764	Ongoing	hortinn.com/mt21202

Financial operating statement

Summerfruit Fund Financial operating statement 2021/22

	R&D (\$)	Marketing (\$)	Total (\$)
	2021/22 July – June	2021/22 July – June	2021/22 July – June
OPENING BALANCE	(63,571)	258,671	195,101
Levies from growers	499,674	408,824	908,497
Australian Government money	373,415	–	373,415
Other income*	463	107,357	107,821
TOTAL INCOME	873,552	516,181	1,389,733
Project funding	637,308	215,219	852,526
Consultation with and advice from growers	1,842	796	2,638
Service delivery	107,679	44,841	152,520
TOTAL EXPENDITURE	746,829	260,855	1,007,685
CLOSING BALANCE	49,886	503,141	553,027
Levy collection costs	13,266	10,856	24,122

* 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 Summerfruit Fund's focus over the next five years?



Hort Innovation developed the summerfruit Strategic Investment Plan (SIP) in 2021 to reflect current priorities for the summerfruit industry, involving extensive consultation with summerfruit growers and industry stakeholders, including Summerfruit Australia. The SIP is the roadmap that helps guide Hort Innovation's oversight and management of individual levy industry investment programs.

The summerfruit SIP lays the foundation for decision-making in levy investments and represents the balanced interests of the summerfruit industry. The most important function of the SIP is to make sure that levy investment decisions align with industry priorities.

The summerfruit SIP identifies four outcome areas that will contribute to the productivity and profitability of the 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 summerfruit Annual Investment Plan (AIP) 2022/23 details how Hort Innovation spends levy funds over 12 months. The summerfruit industry SIP guides investment decisions, and our consultation process prioritises investments based on potential impact and levy fund availability.

Hort Innovation publishes Annual Investment Plans each year over the lifespan of the SIP and advises industry stakeholders via various communication channels.

Hort Innovation will continue to report on fund performance regularly, focusing on outcomes and the impact of investments.



Visit www.horticulture.com.au/summerfruit-fund-management to view both documents and better understand how Hort Innovation invests your levy.

Summerfruit gains access to Vietnam

In a significant achievement for the domestic summerfruit industry, Australian peaches and nectarines have recently secured market access into Vietnam following successful negotiations between the two countries. This announcement comes after more than a decade of collaboration between the summerfruit industry, Summerfruit Australia, Hort Innovation and the Government.

Hort Innovation's Head of International Trade, Brei Montgomery, said that "there has been a huge effort over a sustained period of time to get this outcome for industry. As a protocol market, securing market access into Vietnam required a substantial body of work involving consulting with industry to set an export strategy, applying via the International Market Access Assessment Panel and a technical market access industry group supporting the Government with their negotiations with Vietnam."

The arrival of COVID-19 created some roadblocks in the market access process and the Government had to pivot

in collaboration with the summerfruit industry. Negotiations culminated in a virtual inspection involving Vietnam Plant Protection Department, Department of Agriculture, Fisheries and Forestry (DAFF), Summerfruit Australia, Sharp Fruit, JD Conti, Cutri Fruit, Mattina Fresh, inspection and storage facility Valley Pack and treatment facility Steritech. The virtual visit took place at the height of the season over a four-day period and Summerfruit Australia CEO, Trevor Ranford noted the presentation of the Australian summerfruit industry was one of unity, professionalism, openness and humility.

Meet Adrian Conti, summerfruit grower from Cobram

Adrian Conti and his family own and operate 100 hectares of orchards in Cobram in Victoria and near Griffith in NSW.



Adrian Conti (right), summerfruit grower, Cobram, Victoria.

Adrian's family grow apricots, nectarines, peaches, plums, apples and pears, all sold for domestic and export markets. Adrian has been involved in the process of gaining market access into Vietnam for the past seven years, largely through his role as Deputy Chair of Summerfruit Australia, the industry representative body for summerfruit.

Adrian said that "Gaining access to access to Vietnam is great news for summerfruit growers and exporters. It's been a long run for industry getting to this point. Having a new market to complement our existing trade relationships allows us to diversify and mitigate risks."

Now it's up to the summerfruit industry to begin building the relationships needed with importers in Vietnam to begin sending their produce to the new market. "Vietnam and China are similar markets in terms of the type of fruit, size and quality that consumers are looking for, the difference is the protocols that are required to export to them," said Adrian.



“From a practical point of view, growing and packing the fruit for Vietnam or China will look very similar. We’ll designate which parts of our orchard we’re intending to export to different markets by establishing perimeters and setting up the required methods for data collection. As per the protocols, produce for China will be fumigated and produce for Vietnam will undergo irradiation.”

Successful trial shipment of peaches and nectarines

In April this year, the first shipment of peaches and nectarines was successfully sent to Vietnam as part of a trial program to test the new export pathway. Three summerfruit growers participated in this pilot, including VF Siciliano & Sons from Woorinen in Victoria.

VFS Export Manager, Colleen Dangerfield said that “we sent a very small trial shipment of white nectarines and white peaches to test the pathway and processes of the protocol. Working closely with the Department of Agriculture, Water and the Environment, as well as the Department of Foreign Affairs and Trading in Vietnam, ensured that the trial was very successful. I’m looking forward to sharing our insights with the rest of industry to ensure that the entire industry is well placed to take advantage of this new market next season.”

Hort Innovation and market access

Market access for horticulture products to international markets is gained through negotiation between the Australian Government and the Governments of our trading partners. Hort Innovation plays a number of roles in these negotiations, including:

1. Investing levies for projects that develop the datasets that demonstrate that the phytosanitary method used on the produce will reduce the risk of pests and diseases identified by the market you want to trade with. This research is not guaranteed to provide the outcomes required, can take around five or more years and requires substantial levy investment.

Once completed and successful, the dataset is sent to DAWE for review and to underpin their technical negotiations.

2. Investing in the development of an export strategy for the industry that prioritises which markets the industry wants to export to as a collective.
3. Hosting an independent panel that acts on behalf of the horticultural sector to provide transparent, unbiased and consistent market access advice to the Australian Government, the International Market Access Assessment Panel.
4. Supporting the Government with their negotiations; once the IMAAP panel have confirmed that the market access application meets the criteria, it is then passed onto the Department of Agriculture, Water and Environment to prioritise what markets and products in the pool they will negotiate next.

Hort Innovation also supports industry more broadly through trade development programs that deliver a range of activities designed to help growers take advantage of existing, new and emerging export opportunities. For the summerfruit industry, the current project *Summerfruit market access and trade development project* (SF19000) is delivered by Summerfruit Australia.

“

Gaining access to access to Vietnam is great news for summerfruit growers and exporters. It’s been a long run for industry getting to this point. Having a new market to complement our existing trade relationships allows us to diversify and mitigate risks.”

Adrian Conti, stonefruit grower, Cobram, Victoria

Rediscovering summer with Australian Summerfruit

Hort Innovation is responsible for investing the summerfruit marketing levy into a range of activities to drive awareness and consideration. Here's a quick look at some of the activities and achievements in 2021/22.

In 2021/22, the Taste Australia consumer marketing program for Australian Summerfruit was live from November 2021 until February 2022. The initial campaign focused on the China market and the delivery of two season launch events at the wholesale markets in Guangzhou and Shanghai. It was then expanded to include social media support and influencer engagement.

China

The summerfruit campaign in China focused on trade relationships with importers and retailers. Two season launch events were organised at the wholesale markets both in Guangzhou and Shanghai. The main objective of the in-market marketing program was to drive awareness, consideration, and influence conversion to purchase Australian summerfruit. The two events were followed by a media plan to secure high coverage alongside social media support on the Taste Australia official WeChat account and influencer engagement on Weibo.

Highlights of the campaign included:

- Kick-off ceremonies at Jiang'nan wholesale market in Guangzhou and Huizhan wholesale market in Shanghai, with the participation of Austrade representatives, importers, retailers, trade partners and local officials.
- Media coverage with 22 press releases issued post-events, including industry and local media.

- Collaboration with four influencers on the Weibo platform to amplify the campaign's exposure and reach a wider audience, achieving over 5.7 million views.
- Social media support via Taste Australia WeChat account, with the publication of six articles, achieving over 6,300 views.

Malaysia

The Taste Australia program benefited from additional funds from Austrade through the Agribusiness Expansion Initiative. These funds were used to promote summerfruit in an additional strategic market, Malaysia.

The summerfruit campaign in Malaysia comprised of an integrated approach using e-commerce and retail plans, key opinion leader (KOL) and influencer engagement. Promotional competitions were hosted in-store and in conjunction with 'gift-with-purchase' programs.

The initial plan for the campaign in Malaysia consisted of a retail plan including in-store displays, in-store competitions and samplings, key opinion leader (KOL) activity and social media campaigns.





The COVID-19 pandemic had a relatively significant impact on the summerfruit campaign in Malaysia. Fortunately, in-store activities such as sampling were able to move ahead, featuring sustainable packaging to reduce hygiene risks. This way, the objectives and effectiveness of the campaign were maintained.

Social media was a critical marketing channel in 2021/22, with COVID restrictions impacting supply and demand across the market. From December 2021 to February 2022, 31 posts were shared across Facebook and Instagram to drive awareness of the value proposition of Australian summerfruit.

Highlights of the campaign included:

- Retail program launched across 100 stores, including samplings, gifts with purchases, point-of-sale materials and advertisements.
- Influencer activity: 13 key opinion leaders were engaged to promote the campaign via owned channels and encouraged their audiences to enter the competition. A total of 88 content pieces were created and shared.
- Two media events, including a trade event at the High Commissioner to Australia's residence and a media event to drive coverage.
- Social media content with 31 posts across Facebook and Instagram.

Conclusion

The summerfruit marketing campaign proved successful, despite some challenges and changes due to COVID-19 related delays and restrictions. Challenges included disrupted logistics, shipment delays and difficulties getting stock to some stores. Therefore, having a strong online component was important for the campaign. Embracing social media increased sales and had a positive result overall. COVID-19 restrictions also limited in-store product sampling promotions in particular stores. This dilemma was mitigated by introducing sustainable packaging to ensure hygiene standards were upheld during a period of uncertainty due to COVID-19. It was essential to make sure samplings went ahead, as based on previous years, this activity was integral to campaign success and will be continued for the next campaign.



In 2021/22 the Hort Innovation Marketing function underwent a significant shift in their approach to investing marketing levies. You can read more about this in the 2021/22 Hort Innovation Company Annual Report at www.horticulture.com.au/annual-report-portal.

Minor use permits

The Hort Innovation Summerfruit Fund supports the submission of applications for new and renewed minor use permits for the 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 to manage pests, weeds and diseases.

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



Minor use permits

Current permits

Below is a list of minor use permits for the summerfruit industry, current as of 15 August 2022.

Permit ID	Description	Date issued	Expiry date	Permit holder
PER12590 Version 4	Spinetoram (Delegate) / Pome fruit and stone fruit / Fruit fly (Suppression only)	06-Oct-11	31-May-24	Hort Innovation
PER13527 Version 2	Clothianidin (Samurai) / Apricots / Oriental fruit moth	28-Jun-13	30-Jun-23	Summerfruit Australia Limited (SAL)
PER14562 Version 2	Thiacloprid (Calypso) / Pome fruit and stone fruit / Mediterranean fruit fly (WA only)	13-Dec-13	30-Sep-23	Hort Innovation
PER91059 Version 2	Alpha-Cypermethrin / Stone fruit (except cherries) / Fruit fly (all species)	30-Jun-21	30-Jun-27	Hort Innovation
PER13859	Dimethoate / Orchard cleanup – fruit fly host crops following harvest / Fruit fly	09-Feb-15	31-Jul-24	Growcom
PER14683 Version 3	Trichlorfon / Stone fruit and guava / Fruit fly	24-Feb-15	31-May-27	Hort Innovation
PER84804 Version 2	Spirotetramat (Movento) / Stone fruits / Western flower thrips	21-Jul-17	28-Feb-24	Hort Innovation
PER85273	Fosetyl (Aliette) / Apricot, peach, nectarine, and plum / Phytophthora trunk and collar rot	23-Apr-18	30-Apr-23	SAL C/Hort Innovation
PER89241	Spinetoram / Various including stone fruit / Fall armyworm	06-Mar-20	31-Mar-23	Hort Innovation
PER89259 Version 2	Chlorantraniliprole / Stone fruit / Fall armyworm	06-Mar-20	31-Mar-23	Hort Innovation
PER89278	Indoxacarb (Avatar Insecticide) / Apricot, nectarine, peaches and plums / Fall armyworm (<i>Spodoptera frugiperda</i>)	13-Mar-20	31-Mar-23	Hort Innovation
PER89293	Methomyl / Stone fruit / Fall armyworm (<i>Spodoptera frugiperda</i>)	10-Apr-20	30-Apr-23	Hort Innovation
PER89870	Spinosad (Entrust Organic) / Various including stone fruit / 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 Summerfruit Fund

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The summerfruit R&D and marketing levies were invested this way during the year, guided by the summerfruit Strategic Investment Plan 2022-2026 and advice from the industry's investment advisory panel.



* Encapsulating extension and international trade

To learn more about funding specific to the Hort Innovation Summerfruit Fund, visit www.horticulture.com.au/summerfruit. 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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