

# What happened in the Summerfruit Fund last year?

**Annual Report 2020/21**



# 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 extremely proud of the work we do to help drive productivity, profitability and demand for summerfruit growers, and for the horticulture sector at large.

Throughout another challenging year for the horticulture sector, activity in the Summerfruit 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](http://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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**\$666,275**

invested in R&D



**\$657,194**

invested in marketing



**18**

active R&D investments



**\$851,749**

in levies collected

by the Government and passed on to Hort Innovation for investment



**\$89M**

Summerfruit exports are worth \$89 million and account for 15 per cent of production volume



**75%**

Nectarines and peaches make up 75 per cent of production volume, followed by plums at 20 per cent and apricots at 5 per cent



**70%**

The majority of summerfruit production occurs in Victoria (70 per cent) with all other states producing smaller amounts with the exception of the Northern Territory

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](http://www.horticulture.com.au/horticulture-statistics-handbook).

# Just some of the things delivered for you during the year



**The summerfruit Harvest to Home dashboards** providing regular household purchase data and insight reporting, at [www.harvesttohome.net.au](http://www.harvesttohome.net.au)



Multi-industry **biosecurity investments** to tackle pests such as fruit flies (including Queensland fruit fly), spotted wing drosophila and Xylella



A range of **market access and development work** – see [www.horticulture.com/summerfruit](http://www.horticulture.com/summerfruit)



**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 multi-pronged marketing campaign here and overseas** and **The Good Mood Food** across-horticulture campaign\* ([www.horticulture.com.au/the-good-mood-food](http://www.horticulture.com.au/the-good-mood-food))



**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](http://www.horticulture.com.au/hort-frontiers)\*

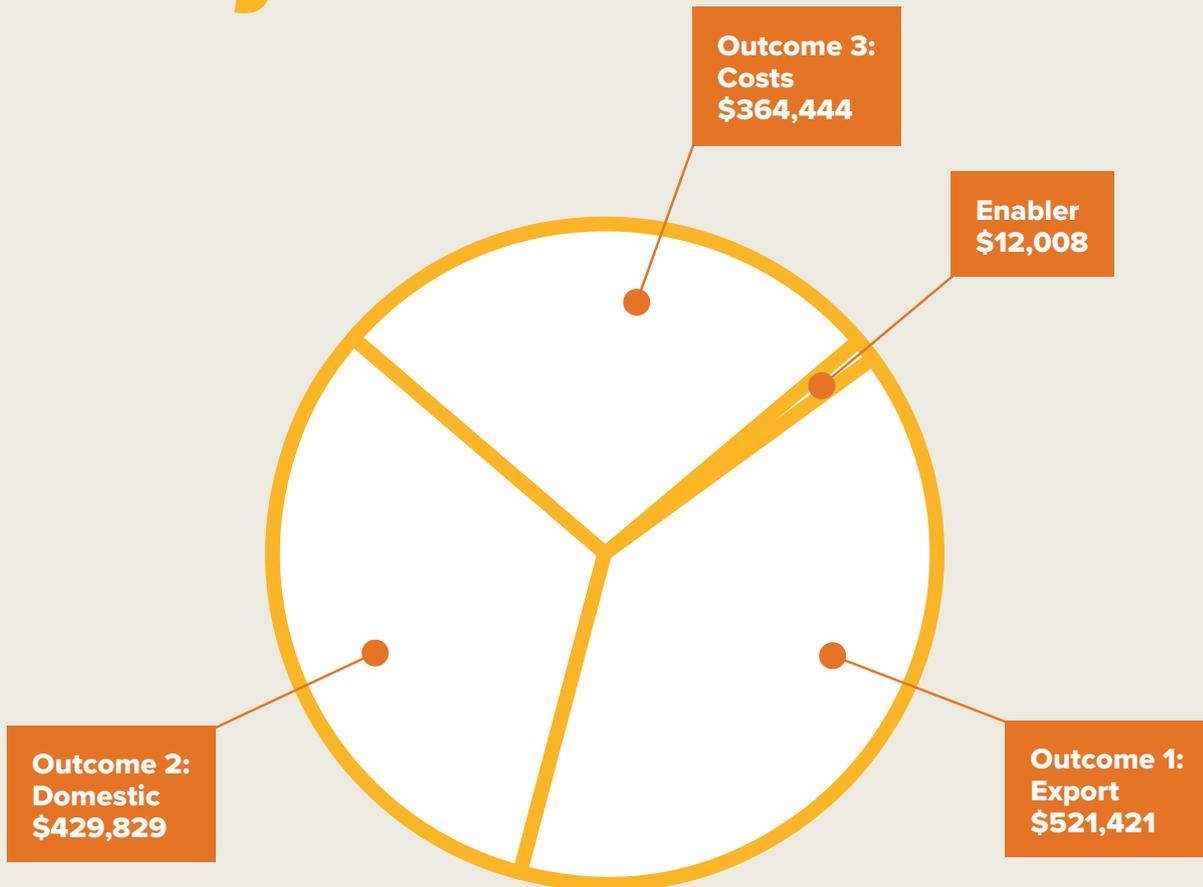


**Projects supported by grants** secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit Initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2020/21 for more\*

You can visit [www.horticulture.com.au/summerfruit](http://www.horticulture.com.au/summerfruit) 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 Summerfruit 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 Summerfruit Fund are guided by the summerfruit 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 and marketing initiatives that are aligned to these.

In the above chart, you can see how project expenditure in the Summerfruit 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 during 2020/21 under Outcome 4: Culture.

Expenditure on projects classified as 'enabler' support the broader delivery of the industry's strategic investment plan, such as impact assessments.

# Which projects were in each of the SIP outcome areas?

## Outcome 1: Export

Industry has developed a diversified export market portfolio to absorb growing production volumes

Marketing activities during 2020/21 contributed to demand-related outcomes in the SIP. You can read more about the summerfruit marketing campaign on p10.

Project title and code	2020/21 investment	Status	More information
Horticulture trade data (MT19005)	\$5,821	Ongoing	<a href="http://hortinn.com/mt19005">hortinn.com/mt19005</a>
Across horticulture support for export MRL compliance (MT19006)	\$14,349	Ongoing	<a href="http://hortinn.com/mt19006">hortinn.com/mt19006</a>
Summerfruit China export facilitation (SF17000)	\$97,750	Completed	<a href="http://hortinn.com/sf17000">hortinn.com/sf17000</a>
Summerfruit market access and trade development project (SF19000)	\$160,000	Ongoing	<a href="http://hortinn.com/sf19000">hortinn.com/sf19000</a>



## Investments

### Outcome 2: Domestic

The value of fruit sold on the domestic market is increased to restore grower margins

Project title and code	2020/21 investment	Status	More information
Consumer behavioural and retail data for fresh produce (MT17015)	\$16,135	Ongoing	<a href="http://hortinn.com/mt17015">hortinn.com/mt17015</a>

### Outcome 3: Costs

Costs have reduced at every level of the supply chain to grow industry profitability

Project title and code	2020/21 investment	Status	More information
Developing a national systems approach for meeting biosecurity requirements to access key Asian markets (AM17001)	\$25,000	Ongoing	<a href="http://hortinn.com/am17001">hortinn.com/am17001</a>
SITplus: Port Augusta QFLY SIT factory pilot operation (FF18003)	\$71,429	Ongoing	<a href="http://hortinn.com/f18003">hortinn.com/f18003</a>
Essential market access data packages (MT14052)	\$55,250	Ongoing	<a href="http://hortinn.com/mt14052">hortinn.com/mt14052</a>
Improving preparedness of the Australian horticultural sector to the threat potentially posed by Xylella fastidiosa (a severe biosecurity risk) (MT17006)	\$13,908	Ongoing	<a href="http://hortinn.com/mt17006">hortinn.com/mt17006</a>
Generation of data for pesticide permit applications in horticulture crops 2019/20 (MT18018)	\$24,658	Ongoing	<a href="http://hortinn.com/mt18018">hortinn.com/mt18018</a>
Parasitoids for the management of fruit flies in Australia (MT19003)	\$6,500	Ongoing	<a href="http://hortinn.com/mt19003">hortinn.com/mt19003</a>
Strategic Agrichemical Review Process (SARP) – Updates (MT19008)	\$2,000	Completed	<a href="http://hortinn.com/mt19008">hortinn.com/mt19008</a>
Summerfruit minor use program (SF16001)	\$700	Ongoing	<a href="http://hortinn.com/sf16001">hortinn.com/sf16001</a>
National biosecurity plan for the summerfruit industry (SF17005)	\$5,000	Ongoing	<a href="http://hortinn.com/sf17005">hortinn.com/sf17005</a>
Experimental summerfruit orchard – phase II (SF17006)	\$150,000	Ongoing	<a href="http://hortinn.com/sf17006">hortinn.com/sf17006</a>
Xylella insect vectors (ST19018)	\$10,000	Ongoing	<a href="http://hortinn.com/st19018">hortinn.com/st19018</a>

# Financial operating statement

## Summerfruit Fund Financial operating statement 2020/21

	R&D (\$)	Marketing (\$)	Total (\$)
	2020/21 July – June	2020/21 July – June	2020/21 July – June
<b>OPENING BALANCE</b>	<b>(152,438)</b>	<b>587,377</b>	<b>434,939</b>
Levies from growers (net of collection costs)	468,167	383,582	851,749
Australian Government money	388,320	–	388,320
Other income*	9,020	82,606	91,626
<b>TOTAL INCOME</b>	<b>865,507</b>	<b>466,188</b>	<b>1,331,695</b>
Project funding	666,275	657,194	1,323,469
Consultation with and advice from growers	3,175	1,058	4,233
Service delivery	107,190	136,642	243,832
<b>TOTAL EXPENDITURE</b>	<b>776,640</b>	<b>794,894</b>	<b>1,571,534</b>
Levy contribution to across-industry activity	–	–	–
<b>CLOSING BALANCE</b>	<b>(63,571)</b>	<b>258,671</b>	<b>195,100</b>
Levy collection costs	16,049	12,594	28,643

\* 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?



The summerfruit Strategic Investment Plan (SIP) was created in 2021 to reflect current priorities for the summerfruit industry. This involved 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 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 summerfruit SIP identifies four outcome areas that will contribute to the productivity and profitability of the summerfruit 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) 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 Summerfruit Australia. 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 [www.horticulture.com.au/summerfruit-fund-management](http://www.horticulture.com.au/summerfruit-fund-management) to view both documents and get a full picture of how your levy will be invested over the next five years.

# How an experimental smart farm is uncovering the science behind variability, productivity, quality and taste

This investment is carrying on the multi-trial work conducted at the world-class Stonefield Field Laboratory, also known as the Summerfruit Experimental Orchard, in Tatura in Victoria.

## The challenge

Reduce the variability of summerfruit quality and improve the consistency of peach, nectarine, apricot and plum orchards.

## Meet Adrian

Adrian Conti is a summerfruit grower in Cobram, Victoria. He was one of many growers consulted before the launch of the experimental orchard, in order to determine what trials would be most beneficial to growers and how best to measure their impact.

Several years later, Adrian is pleased with the steady flow of research findings resulting from the orchard, and despite his demanding workload, ensures he stays on top of the project's latest findings.

"I often watch the videos they produce," he says.

"I actually had one playing in the background the other day while I was writing an email. I was just listening to keep up to speed with what their findings were. I find it interesting.

"We're too busy as growers and so we often just do what we're comfortable with and what we know works. But you need to know what else is out there and what research is out there that's comparable to what we do.

"I wouldn't say the findings have completely changed the way we do things, but there are always things coming out that you pick up and learn from as a result."



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

“

*“We're too busy as growers and so we often just do what we're comfortable with and what we know works. But you need to know what else is out there and what research is out there that's comparable to what we do.”*

**Adrian Conti, stonefruit grower, Cobram, Victoria**



### The approach

The world-class laboratory continues to produce a huge amount of data from various projects, moving us closer to more modern, large-scale, high-density orchards, featuring high levels of canopy and fruit uniformity. Advancements made at the experimental orchard are also leading to summerfruit orchards that better support mechanisation and offer labour and resource use efficiencies.

The latest phase of this orchard project is also examining the role of fruit position and light interception on fruit quality, assessing non-destructive fruit maturity and fruit quality technologies, developing production protocols to provide fruit that meets consumer expectations, and providing extensive summerfruit resources for grower training and education.

### The impact

The project has delivered a structured national roadshow program in key growing regions, bringing growers up to date with the very latest learnings from the many trials conducted at the Tatura experimental orchard.

In the 2020/21 season, there were a suite of 11 such trials to determine the effects of crop load, rootstock, irrigation management and different canopy structures on fruit quality in selected peach, nectarine, apricot, and plum varieties.

Production protocols have also been developed and shared within the industry to ensure fruit that meets the expectations of domestic and export customers.

For more information, visit [hortinn.com/sf17006](https://hortinn.com/sf17006)

### Project details

#### Experimental summerfruit orchard – phase II (SF17006)

Key research provider: The Victorian Department of Economic Development, Jobs, Transport and Resources

Start date: March 2018

Expected end date: July 2023

Estimated value for life of project: \$750,000

# Rediscovering summer with Australian Summerfruit

The campaign's aim for 2020/21 was to raise awareness around summerfruit and drive demand.

## The opportunity

The key markets of China and Malaysia showed real promise for growth and were the focus export marketing activities. Closer to home, consumers were reminded of the delicious properties of summerfruit, encouraging them 'Rediscover Summer with Australian Summerfruit'.

## The approach

Through strategic media partnerships, strong content, targeted digital advertising, and a robust in-store retail presence, both at home and abroad, the recognition and profile of Australian summerfruit was significantly increased.

From November 2020 to March 2021 the marketing team partnered with Nine to get a wide audience to 'Rediscover Summer with Australian Summerfruit'. This investment of \$160,000 resulted in media exposure of \$503,000 – an excellent return on investment.

This included summerfruit recipes in live TV broadcasts, which were viewed by more than 240,000. It also included a sponsorship with Nine's 9Honey – a leading online lifestyle platform. With the help of their *Everyday Kitchen* editor, Jane De Graff, three recipes were created and shared on the website and their social media channels, exceeding engagement standards considerably – a good indication it resonated with consumers.

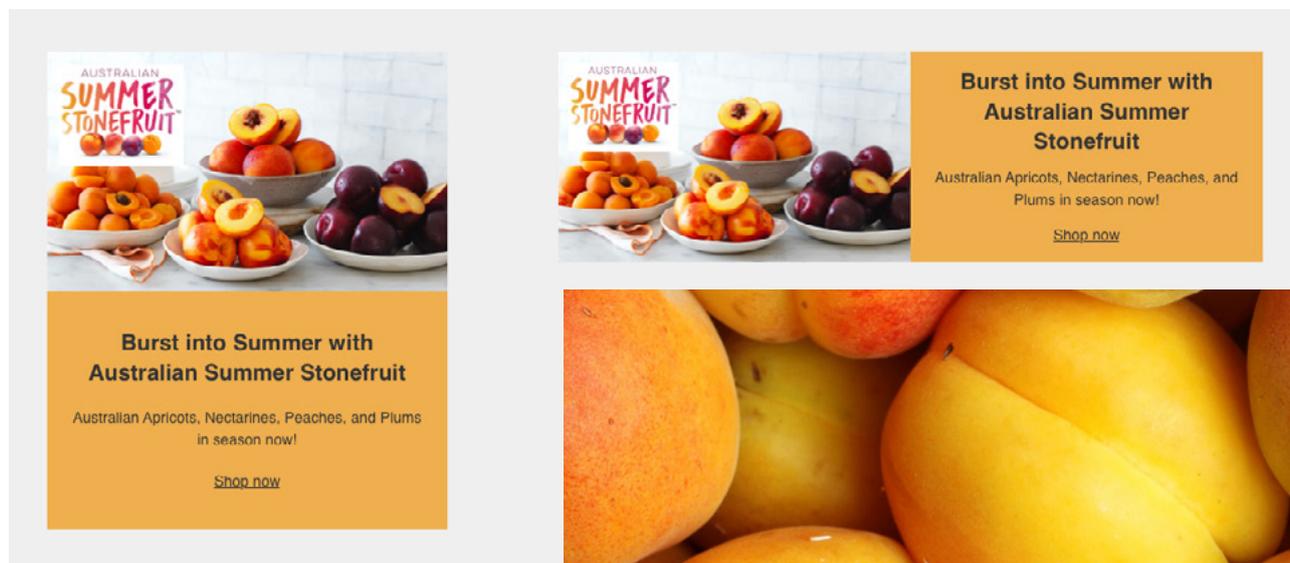
The campaign also featured on Nine's *Good Food* and *9Honey Kitchen* websites, with views exceeding Nine's own forecasts by 16% across all content pieces. Display ads on the sites also performed well, with higher than average click through rates.

Digital activity with Coles also proved successful. During January and February 2021, branded ads ran across the Coles website, which were viewed almost 300,000 times and resulted in 931 summerfruit items being added to digital trolleys.

In addition, Woolworths digital activity generated 3.4 million impressions and exposed 1.6m shoppers to the brand. Targeting was heavily focused on shoppers with a high propensity to buy (people who'd purchased from the category in the last 12 months). As a result, \$556k of sales came from shoppers who purchased the product during the campaign period, demonstrating a real impact. Online search ads also ran on the Woolworths platform, contributing to \$270,000 sales and 468K orders.



## Marketing case study



Front of store ads ran on screens at Woolworths retail outlets through January and February and were seen by almost 1.6 million people.

In China, 458 sampling sessions took place across 29 stores from December 2020 to March 2021, backed up by a “gift with purchase” promo during the Chinese New Year period. Online shoppers were also targeted via leading e-commerce platform, Freshippo, with Taste Australia branded Summerfruit product pages across Shanghai, Guangzhou, and Shenzhen.

Consumers were also targeted on Chinese social media platforms, reaching 3.05 million Chinese users. This activity included partnerships with Chinese social media influencers and delicious recipe content.

In Malaysia, 71 sampling sessions took place at key retail stores, with additional in-store promotions across 133 outlets.

More than 3 million people also saw the brand and campaign via Taste Australia’s Malaysian Facebook page, and public relations initiatives resulted in 34 media mentions across various platforms.

### The outcome

Thanks to great content, strategic partnerships, savvy social media marketing, and plenty of positive PR, awareness and appetite for Australian Summerfruit has been greatly increased. Overall, the successful campaign reached millions in Australia, China, and Malaysia, with the campaign contributing to a sell through of 14.7 tonnes of product in Malaysia alone. Meanwhile, the domestic partnership with Nine overdelivered on all KPIs and provided a return of investment of almost 315 per cent.

Read more about the campaign at [hortinn.com/summerfruit-marketing-snapshot](https://hortinn.com/summerfruit-marketing-snapshot)

### Project details

These marketing activities are strategic levy investments in the Hort Innovation Summerfruit Fund

# 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 for the management of pests, weeds and diseases.

For full details on these activities and links to relevant information, visit [hortinn.com/summerfruit-minor-use](https://hortinn.com/summerfruit-minor-use).

## Permits in 2020/21

During the 2020/21 financial year, successful renewals for PER84804 and PER14875 (issued as PER91059) were prepared by Hort Innovation and submitted to the APVMA, facilitated through the *Summerfruit industry minor use program* (SF16001).

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 summerfruit 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 summerfruit industry, current as of 27 August 2021.

Permit ID	Description	Date issued	Expiry date	Permit holder
PER12590 Version 4	Spinetoram (Delegate) / Pomefruit and stonefruit / 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 (Replaces PER14875)	Alpha-Cypermethrin / Stone fruit (except cherries) / Fruit fly (all species)	30-Jun-21	30-Jun-22	Hort Innovation
PER13859	Dimethoate / Orchard cleanup – fruit fly host crops following harvest / Fruit fly	09-Feb-15	31-Jul-24	Growcom
PER14683 Version 2	Trichlorfon / Stone fruit and guava / Fruit fly	24-Feb-15	31-May-22	SAL C/Hort Innovation
PER84804 Version 2	Spirotetramat (Movento) / Stone fruits / Western flower thrips	21-Jul-17	28-Feb-24	Hort Innovation
PER85273	Fosetyl (Alette) / Apricot, peach, nectarine, and plum / Phytophthora trunk/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	Chlorantraniliprole (Coragen, Altacor and Altacor Hort Insecticide) / Stone fruit / Fall armyworm	06-Mar-20	31-Mar-23	Hort Innovation
PER89278	Indoxacarb (Avatar Insecticide) / Apricot, nectarine, peaches, 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](http://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](http://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 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 Summerfruit Fund, visit [www.horticulture.com.au/summerfruit](http://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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