

Sweetpotato Fund

2017/18
ANNUAL REPORT



Content

Welcome 1

Making levy investments 2

R&D project list 2017/18 3

R&D report 4

Marketing report 6

Financial statement 9

Horticulture Innovation Australia Limited (Hort Innovation) makes no representations and expressly disclaims all warranties (to the extent permitted by law) about the accuracy, completeness, or currency of information in the *Sweetpotato Fund Annual Report 2017/18*. Reliance on any information provided by Hort Innovation is entirely at your own risk. Hort Innovation is not responsible for, and will not be liable for, any loss, damage, claim, expense, cost (including legal costs) or other liability arising in any way, including from any Hort Innovation or other person's negligence or otherwise from your use or non-use of the *Sweetpotato Fund Annual Report 2017/18*, or from reliance on information contained in the material or that Hort Innovation provides to you by any other means.

Copyright © Horticulture Innovation Australia Limited 2018.

The projects in this report have been funded by Horticulture Innovation Australia Limited using sources including the sweetpotato levy, Australian Government contributions and, in some instances, co-contributions from a variety of sources.



SUMMARY BY
JANE WIGHTMAN,
RELATIONSHIP
MANAGER,
HORT INNOVATION

We're for growers

At Hort Innovation it's our job to work with industry to invest the sweetpotato levy and Australian Government contributions into initiatives to help growers be as productive and profitable as possible. With 2017/18 the first year of official R&D investments in the Sweetpotato Fund, on top of existing marketing investments, it was a fantastic year of growing better, together.

With close to **\$410,000** invested by Hort Innovation into inaugural R&D projects during **2017/18**, I'm happy to be able to share with you all the key insights in this Hort Innovation Sweetpotato Fund Annual Report.

You'll find a top-level list of all R&D investments from the year on **p3**, and can explore the research projects in more detail from **p4**. Just some of the highlights include the Harvest to Home program delivering key consumer insights, and investments to support pest and disease management.

Meanwhile **in marketing, the Sweetpotato Fund program saw some \$763,000 invested during the year to raise the profile and consumption of Australian sweetpotatoes.** Find an overview of this activity from **p6**.

On a personal note, thank you for welcoming me as your new Relationship Manager. I know that during 2017/18 my predecessor, Christian Patterson, enjoyed getting to connect with you about everything going on in the Sweetpotato Fund, and getting to hear your thoughts and share ideas. During 2018/19 I'm looking forward to doing the same, with even more opportunities to connect in person and a reminder that you that you can reach me any time at **jane.wightman@horticulture.com.au** or on 0427 142 046 if there's something you'd like to ask or discuss around levy investments.

I also encourage you to explore the easy ways you can stay close to all of the good things your levy is achieving throughout the year, including...

- » **Becoming a member.** Paying a levy doesn't automatically make you a Hort Innovation member, but signing up is free at **www.horticulture.com.au/membership**. As well as providing the opportunity for voting rights at the organisation's Annual General Meeting, Hort Innovation membership includes exclusive email alerts with industry-specific news and opportunities, direct invitations to explore investment updates and more.
- » **Checking out Hortlink.** This digital publication provides an update on all new, ongoing and recently completed investments in the Hort Innovation Sweetpotato Fund. The latest edition is always available from the Sweetpotato Fund page at **www.horticulture.com.au/sweetpotato**, while members have *Hortlink* sent straight to their inboxes.

Here's to another great year of investments and connection in 2018/19,

Jane Wightman
Sweetpotato Relationship Manager, Hort Innovation
(e) jane.wightman@horticulture.com.au (m) 0427 142 046

Making levy investments

Discover how the sweetpotato levy and Australian Government contributions are invested through the Hort Innovation Sweetpotato Fund in this quick recap.



Where do investment ideas come from?

Great investments start with great ideas, and Hort Innovation encourages all growers and other industry participants to share their thoughts and suggestions for the research and marketing initiatives they want to see.

Ideas can be submitted any time via Hort Innovation's simple Concept Proposal Form. Visit www.horticulture.com.au/innovation-concept-pipeline.

Ideas can be for your specific industry – to be funded by the industry levy and, in the case of R&D, Australian Government contributions – or they can be for Hort Innovation's strategic partnership initiative, Hort Frontiers. Hort Frontiers projects address broader, longer-term and more complex issues facing Australian horticulture as a whole, and are funded through partnerships with co-investors. Visit www.hortfrontiers.com.au for more.

How are levy decisions made?

Let's talk 'SIPs' and 'SIAPs'!

Hort Innovation is currently working closely with the sweetpotato industry to finalise a Strategic Investment Plan (SIP) for the Sweetpotato Fund. When completed, the SIP will outline key industry priorities for investment.

The completed SIP will be used like a 'roadmap' by the sweetpotato industry's Strategic Investment Advisory Panel (SIAP).

The SIAP is a panel made up of growers and other industry representatives, which has a key role to play in the investment process. The SIAP discusses investment ideas at consultation meetings to provide advice to Hort Innovation on potential levy investments.

Details of the SIAP panellists and summaries of the SIAP's meetings can be found at www.horticulture.com.au/sweetpotato.

What happens next?

The SIAP's advice is used by Hort Innovation to work suitable ideas into project proposals. The proposals are then made public for potential delivery partners to submit responses. Current opportunities are always listed at www.horticulture.com.au/delivery-partners.

At the end of the process the responses are assessed, often with the assistance of industry, and the best delivery partner for the work is chosen. A contract is then issued and the work begins.

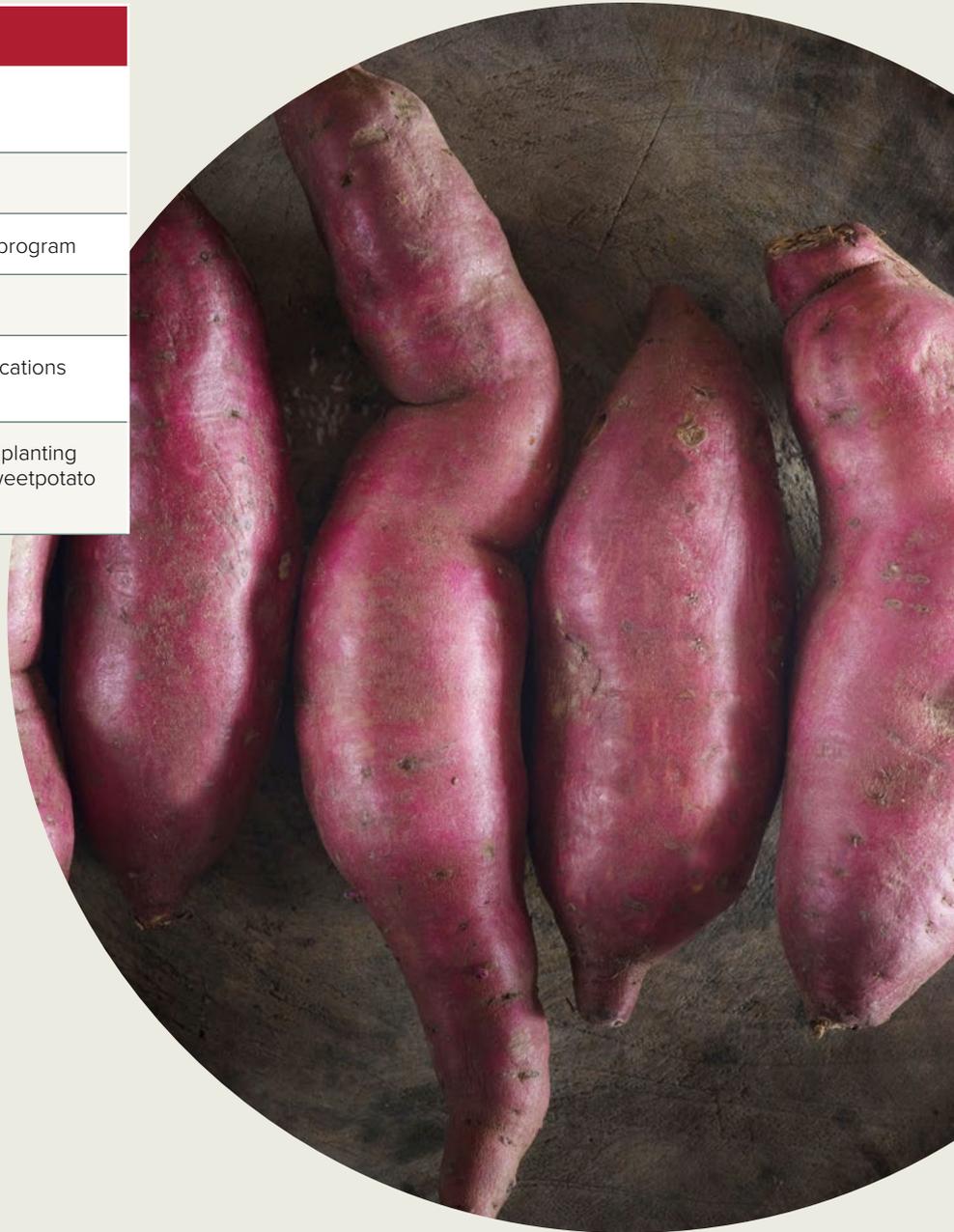
How can I keep track of investments?

Newly contracted projects are announced in Hort Innovation's *Hortlink* publication, with the latest edition emailed directly to members three times a year and always available from the Sweetpotato Fund page at www.horticulture.com.au/sweetpotato. *Hortlink* also provides updates on ongoing and recently completed investments.

R&D project list 2017/18

NEW INVESTMENTS IN 2017/18

PW17000	Review of the biosecurity plan for the sweetpotato industry
MT15033	Strategic Investment Plan
MT17017	Vegetable cluster consumer insights program
ST16008	AgVet collaborative forum
ST17000	Generation of data for pesticide applications in horticulture crops 2018
VG13004	Innovating new virus diagnostics and planting bed management in the Australian sweetpotato industry*



* This project was established in 2014, funded through the vegetable levy. The establishment of the dedicated sweetpotato R&D levy, however, meant that 2017/18 was the first year of investment in its activities through the industry-specific Sweetpotato Fund – making this a ‘new’ investment for the industry. The investment also concluded in 2017/18.

During the 2017/18 financial year, all Australian levy paying horticulture industries also contributed to across-industry projects addressing issues that affect horticulture as a whole. Visit www.horticulture.com.au/across-horticulture for financial documents and information on this program.

R&D report

The 2017/18 financial year saw the first R&D levy investments made in the Hort Innovation Sweetpotato Fund. Take a closer look at these projects below. Any resources from these investments and other levy-funded work – such as fact sheets, guides and more – are published on your grower page at www.horticulture.com.au/sweetpotato as they become available.

Vegetable cluster consumer insights program (MT17017)

Key research provider: The Nielsen Company

This multi-industry investment delivers the 'Harvest to Home' program, through which Hort Innovation is working with global information and measurement company Nielsen to bring growers the largest series of insights into market performance and shopping behaviour yet for the sweetpotato, vegetable and onion industries.

Launched in late 2017, the Harvest to Home online platform (www.harvesttohome.net.au) allows growers to quickly identify how well commodities are selling in each state, how often consumers are buying, how much they are spending on each occasion, and more. The information and insights are intended to help growers, among other things...

- » Develop an improved understanding of the drivers and barriers to purchase of their produce
- » Grow awareness of current and future usage and consumption trends
- » Gain insights into perceptions of packaging, formats and freshness
- » Identify opportunities and issues, such as emerging usage occasions.

Generation of data for pesticide applications in horticulture crops 2018 (ST17000)

Key research provider: Peracto

The generation of pesticide residue, efficacy and crop safety data is required to support label registration and minor use permit applications made to the Australian Pesticides and Veterinary Medicines Authority which, when approved, provide access to safe and effective chemicals for the management of pests, weeds and diseases.

In May 2018, Hort Innovation announced the securing of more than \$1 million in assistance grants under the Australian Government's Access to Industry Uses of Agricultural and Veterinary (AgVet) Chemicals program. Through this project, the grant funding is being used, along with levy contributions, to generate the data required for a range of registration and permit applications across a variety of horticulture crops, including for the sweetpotato industry.

Review of the biosecurity plan for the sweetpotato industry (PW17000)

Key research provider: Plant Health Australia

Contracted by Hort Innovation in March, this five-year investment is tasked with reviewing and updating the industry's biosecurity plan. The plan is a top-level document that identifies high-priority endemic and exotic pests, diseases and weeds, along with the risk mitigation activities required to reduce their biosecurity threat, plus surveillance and diagnostic activities. It provides a strategic framework for industry and government to work together to improve preparedness for and response to these potential threats.

To enhance the approach to implementing biosecurity, the project will also establish a Biosecurity Implementation Group.

Want to keep up to date with the latest information on new, ongoing and recently completed R&D investments throughout the year? Check out Hort Innovation's **Hortlink** publication – the latest edition is always available from your grower page, www.horticulture.com.au/sweetpotato.



Innovating new virus diagnostics and planting bed management in the Australian sweetpotato industry (VG13004)

NOW COMPLETE

Key research provider: Australian Sweetpotato Growers

The provision of disease-free planting material is a key driver of Australia's burgeoning sweetpotato industry, which currently achieves the highest commercial yields in the world.

This project began through vegetable levy funding in 2014, to investigate how to improve the productivity of on-farm multiplication nurseries (plant beds). It was also tasked with the study of virus occurrence and threats to the Australian industry, and exploring new techniques for detecting viruses.

The establishment of the dedicated sweetpotato R&D levy meant that 2017/18 was the first year of investment in these activities through the industry-specific Sweetpotato Fund – making this a 'new' investment for the industry in the same year the project was completed.

The project worked closely with commercial sweetpotato growers in Queensland and northern New South Wales, representing 95 per cent of Australia's production.

Queensland scientists monitored grower plant beds over the investment's four years, assessing production of planting material (sprouts) and problems, such as plant bed breakdown, that arose during the seasons. They investigated management options such as sweetpotato root size, plant bed nutrition, irrigation and soil temperatures, in detailed experiments at research facilities and with on-farm collaborators.

Meanwhile, the project's virology team surveyed viruses present in the Australian industry and how they varied geographically and across the season. They also compared different diagnostic techniques for accuracy and cost-efficiency.

The research demonstrated that sprout multiplication could be improved as much as 25 per cent by...

- » Constructing higher, well-drained plant beds
- » Only covering bedding roots with 3 to 5cm of soil
- » Irrigating sparingly early
- » Keeping soil temperatures between 17 and 26°C in spring by careful use of plastic covers.

The dominant issue seen was premature plant bed breakdown, particularly with the new, nematode-resistant cultivar Bellevue. The project investigated physiological and pathogenic causes of this breakdown and developed guidelines to reduce risk, which are available to download from the Hort Innovation Sweetpotato Fund page at www.horticulture.com.au/sweetpotato, along with other project resources.

Surveying found only two main viruses, sweetpotato feathery mottle virus and sweetpotato leaf curl virus, in commercial cropping areas. The researchers reported that north Queensland had at least two more viruses, mainly in home/market garden situations. However the Australian industry planting material scheme is free of viruses, and by using pathogen-tested material, virus infections have negligible impact on yields.

Regarding diagnostics, 'herbaceous indexing' with *Ipomoea setosa* was confirmed as the most reliable method of detecting sweetpotato viruses, despite the fact that it is very time consuming. The researchers reported, though, that molecular technologies are very cost-effective and are rapidly improving. The project developed new virus assays for endemic and exotic viruses not currently in Australia.

In addition to its research work, during the course of the project the researchers were involved in 24 industry field days and workshops to help communicate project activities and findings to growers. The project also developed collaborative relationships with sweetpotato researchers at several Australian universities, neighbouring Pacific countries, and particularly scientists from Louisiana State University in the US. The latter were involved in several reciprocal visits over the project's four years.

Full details of completed research can be found in project final reports which, when finalised, are available to order at www.horticulture.com.au/final-report-order-form. Final reports are free to Australian horticulture levy payers, registered Hort Innovation members and industry representative bodies.

Marketing report

Hort Innovation is responsible for investing the sweetpotato marketing levy into activities to drive awareness and consumption, under the Hort Innovation Sweetpotato Fund. Here's a quick look at some of the activities and achievements of the 2017/18 program.

Sweetpotato recipe book

In 2017/18, a new sweetpotato recipe book with meal inspiration for kids and families was developed. The book contains refreshed recipes as well as top sweetpotato facts, and was released in hard copy for high-end events, such as parenting expos, and as an e-book for mass distribution through the industry's social channels. You can access a digital copy at www.bit.ly/2DBPeNI. The book has had more than 3000 downloads to date.

In-store demonstrations

September and October 2017 saw sweetpotato in-store demonstrations happening across major supermarkets on Australia's east coast. A total of 150 supermarkets were involved, including 73 Coles stores and 77 Woolworths supermarkets, with the activity designed to increase sales, encourage trial, communicate sweetpotato health benefits and usage tips, and to distribute recipe brochures. Some 16,300 sweetpotato samples were given out to shoppers, with a high trial-to-conversion rate of 36 per cent, and Victoria averaging the highest number of sales during the campaign.

Into 2018, in February and again in April, there was in-store sampling of sweetpotato fries in Coles and Woolworths stores, with a total of 230 sessions across Brisbane, Sydney, Melbourne, Adelaide and Perth. Brand ambassadors prepared and cooked the fries, offering samples to shoppers together with recipe information. More than 25,000 sweetpotato samples were distributed during this campaign.

Video campaign and digital activity

Digital activity was a core component of marketing efforts in 2017/18, including the production and use of six-second and 15-second video ads. The quick videos include...

- » 'Supercharge your meals' – watch it at www.bit.ly/2O5CQtj
- » 'Supercharged flavour and goodness' – watch it at www.bit.ly/2OakxTJ
- » 'Don't just have an ordinary meal' – watch it at www.bit.ly/2OQkQ3d.

All point back to the Australian Sweetpotatoes website (www.australiansweetpotatoes.com.au) for recipes, tips and more.



The videos were rolled out across a range of catch-up television services including 9Now, 7Plus and tenplay, taking advantage of the availability of successful, high-rating programs such as *Married At First Sight*. They also appeared ahead of video content across popular websites including taste.com.au and news.com.au, as well as health and fitness websites and those specifically targeting parents. In just the first fortnight of activity, the videos were seen more than 200,000 times.

The videos were also put to use on YouTube, being played ahead of content in selected food channels, such as chef Jamie Oliver's platform. The ads were targeted to people watching content relating to parenting too, plus there was age-based targeting. In just the first fortnight of this activity, the sweetpotato content was seen more than one million times, with videos in the food channels proving particularly successful in generating click-throughs to the industry's consumer-facing website.

Another aspect of the digital campaign involved having content developed and shared by key parenting websites, including recipes and sweetpotato tips. Examples included a sweetpotato choc-chip muffin recipe, showcased by popular blog site Kidgredients and highlighted in Facebook and Instagram channels, and a healthy sweetpotato 'strata bake' shared in the same way.

Print and outdoor advertising

2017/18 also saw a print and outdoor campaign to generate awareness while inspiring more frequent consumption of sweetpotatoes.

The print campaign utilised a selection of lifestyle, parenting, food and health magazines, with messaging focused on the nutritional benefits of sweetpotatoes and the showcasing of recipes and meal inspirations. This activity reached 3.3 million highly engaged people, and was further extended to the online platforms of the magazines, including social channels Facebook and Instagram, to reach an additional 600,000 people.

Outdoor advertising was used to remind consumers to add Australian sweetpotatoes as part of their grocery shopping, with advertising panels situated outside major supermarkets. Over February and March 2018, sweetpotatoes were featured across 420 of these outdoor panels nationally, reaching almost 700,000 shoppers more than 10 times.

Public relations

Through several public relations (PR) activities, more than 25 million people were reached with sweetpotato coverage over 2017/18 across print and online media outlets including *New Idea*, *Kidspot*, *Women's Health*, *mybody+soul* and *Nine Kitchen*. To drive this level of conversation and coverage, materials including tip sheets, nutritional reports and recipes that showcased the versatility, taste and health benefits of Australian sweetpotatoes were distributed to food, lifestyle and health media as well as social media influencers.

The marketing program also engaged with influential ambassadors including family, health and wellness blogger Dani Stevens to reach mums and parents passionate about their family's wellbeing. Through this type of partnership, the marketing program able to reach more than 1.2 million people.



Social media

The sweetpotato social media program continued to expand in 2017/18 with the launch of the Australian Sweetpotatoes Instagram account (www.instagram.com/australiansweetpotatoes) in February 2018. Since launch, the Australian sweetpotato Instagram page has gained almost 5000 followers and seen a reach of more than 600,000 people. This platform has been a valuable way to showcase the versatile ways to incorporate sweetpotatoes into meals, particularly with mums and health-conscious families.

The Australian Sweetpotatoes Facebook page (www.facebook.com/australiansweetpotatoes) also continued to grow, with a current fan base of more than 28,000 people. Facebook fans are highly engaged with video content that showcases easy and quick meals that feature sweetpotato.

Events

Back in August 2017, sweetpotatoes were featured at the Ekka Royal Show in Brisbane, with a branded exhibit within the Woolworths Fresh Food Pavillion – arguably the busiest pavillion at the Ekka. There were more than 450,000 consumers moving through the event, meaning there was a large amount of traffic passing by and engaging with the sweetpotato brand, sampling sweetpotato dishes and receiving brochures and information. There were 70,000 brochures and recipe cards for individual dishes (sweetpotato fries and a sweetpotato frittata) handed out.

The Sydney Essential Baby & Toddler Show, held in late September 2017, saw more than 17,600 visitors attended. There were 4000 samples given out to visitors, along with 3000 sweetpotato recipe books containing nutritional information, meal ideas and recipes for baby's first foods, transitioning to solid foods, feeding hungry toddlers and cooking for the whole family.

The demographic of visitors fell directly into the marketing campaign's target demographic of families – with 46 per cent of visitors expecting a new baby, 34 per cent with a baby 0 to 12 months, 22 per cent with a toddler 13 to 36 months, and 13 per cent with a child over three years of age.

There was also sweetpotato recipe sampling and education at The Essential Baby & Toddler Show held in Melbourne in late April 2018, and the Sydney Pregnancy & Baby Show during May 2018.

Connect with
Hort Innovation!
Become a member
at **www.horticulture.com.au/membership**

Financial statement

Financial operating statement 2017/18

	R&D (\$)	MARKETING (\$)	TOTAL (\$)
	2017/18 July – June	2017/18 July – June	2017/18 July – June
OPENING BALANCE	514,954	722,493	1,237,447
Levies from growers (net of collection costs)	492,973	996,713	1,489,685
Australian Government money	255,351	–	255,351
Other income*	16,605	\$23,458	40,064
TOTAL INCOME	764,929	1,020,171	1,785,100
Project funding	409,772	763,023	1,172,796
Consultation with and advice from growers	21,211	2,642	23,853
Service delivery – Base	17,809	31,639	49,448
Service delivery – Shared	28,835	47,911	76,745
Service delivery – Fund specific	33,074	58,758	91,833
TOTAL EXPENDITURE	510,702	903,973	1,414,675
Levy contribution to across-industry activity	10,884	–	10,884
CLOSING BALANCE	758,297	838,692	1,596,989
Levy collection costs	1,850	20,933	22,782

At the end of 2016/17, the industry's pro rata share of levy funds were committed to strategic reserves (\$313 for R&D and \$1279 for marketing), and so have been deducted from the 2017/18 opening balance.

* Interest, royalties

Service delivery costs explained

Base service delivery (flat rate) = keeping the lights on

This figure contributes to the standard fixed costs that are incurred with the running of the business (for example, costs relating to rent, utility bills, equipment). These costs are calculated on a monthly basis and are based on actual program expenditure.

Shared service delivery (flat rate) = related to program delivery

Shared costs are related to program delivery and include costs that are incurred in supporting activities relating to R&D and marketing programs that are not attributable to any one levy industry (for example, costs relating to procurement and information technology activities). These costs are calculated on a monthly basis and are based on actual program expenditure.

Fund specific service delivery (flat rate for 2017/18) = direct servicing costs

These are the actual costs for activities and services that are directly incurred in the administration of levy program expenditure, and which are identifiable and attributable to a specific levy investment fund (for example, costs around direct relationship, marketing and fund management, and logistical costs around industry advisory meetings and activities). From 2018/19 these costs will be charged at cost on a monthly basis.

For more information explaining the costs in the financial summary, visit www.bit.ly/2x7ERLC.

Hort Innovation

Horticulture Innovation Australia Limited
ACN 602 100 149
Level 8, 1 Chifley Square
Sydney NSW 2000
Telephone 02 8295 2300
www.horticulture.com.au