



Dried Grape Fund

Annual Report 2019/20

About Hort Innovation and the Dried Grape 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 dried grape R&D and marketing levies, together with Australian Government contributions, into key initiatives for growers, through the Hort Innovation Dried Grape Fund. We’re extremely proud of the work we do to help drive productivity, profitability and demand for dried grape growers, and for the horticulture sector at large.

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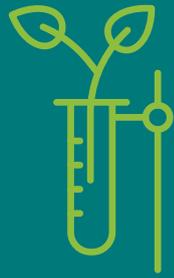
About the year

An intense and unpredictable year, 2019/20 certainly dealt challenges for the world, for Australian horticulture, and for Hort Innovation. There was ongoing drought, a devastating bushfire season, intense floods, the biosecurity threat of fall armyworm and, of course, the global and ongoing COVID-19 pandemic.

We encourage you to download a copy of the overarching Hort Innovation Annual Report 2019/20 at www.horticulture.com.au/annual-report-portal to better understand Hort Innovation’s responses to these events, and how the company was able to change its plans and priorities to best serve the sector.

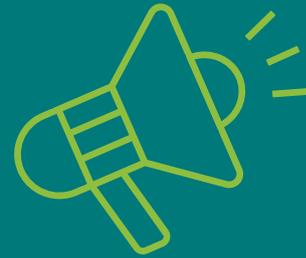
Through it all, though, activity in the Hort Innovation Dried Grape Fund remained strong. While some activities inevitably changed under COVID-19, it was still a solid year of investment. There was some \$270,000 invested in R&D for the industry, plus \$25,000 in marketing. Read on for an overview of what was delivered.

2019/20 Dried Grape Fund snapshot



\$270,000

invested in R&D



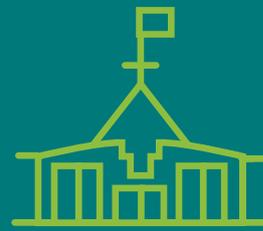
\$25,000

invested in marketing



12

active R&D
investments



\$231,000

in levies collected
by the government and passed
on to Hort Innovation for investment

Did you know?



85%

Sultanas represent the majority of production at 85 per cent, followed by currants at 10 per cent and raisins at five per cent



35%

In 2018/19, 35 per cent of Australia's dried grape production was exported, an increase of 18 per cent compared to 2017/18



90%

Ninety per cent of Australia's dried grape production takes place in Victoria, with seven per cent in New South Wales

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 2018/19 edition was released in early 2020 and, for the first time, features an interactive dashboard format for desktop users. See www.horticulture.com.au/horticulture-statistics-handbook.



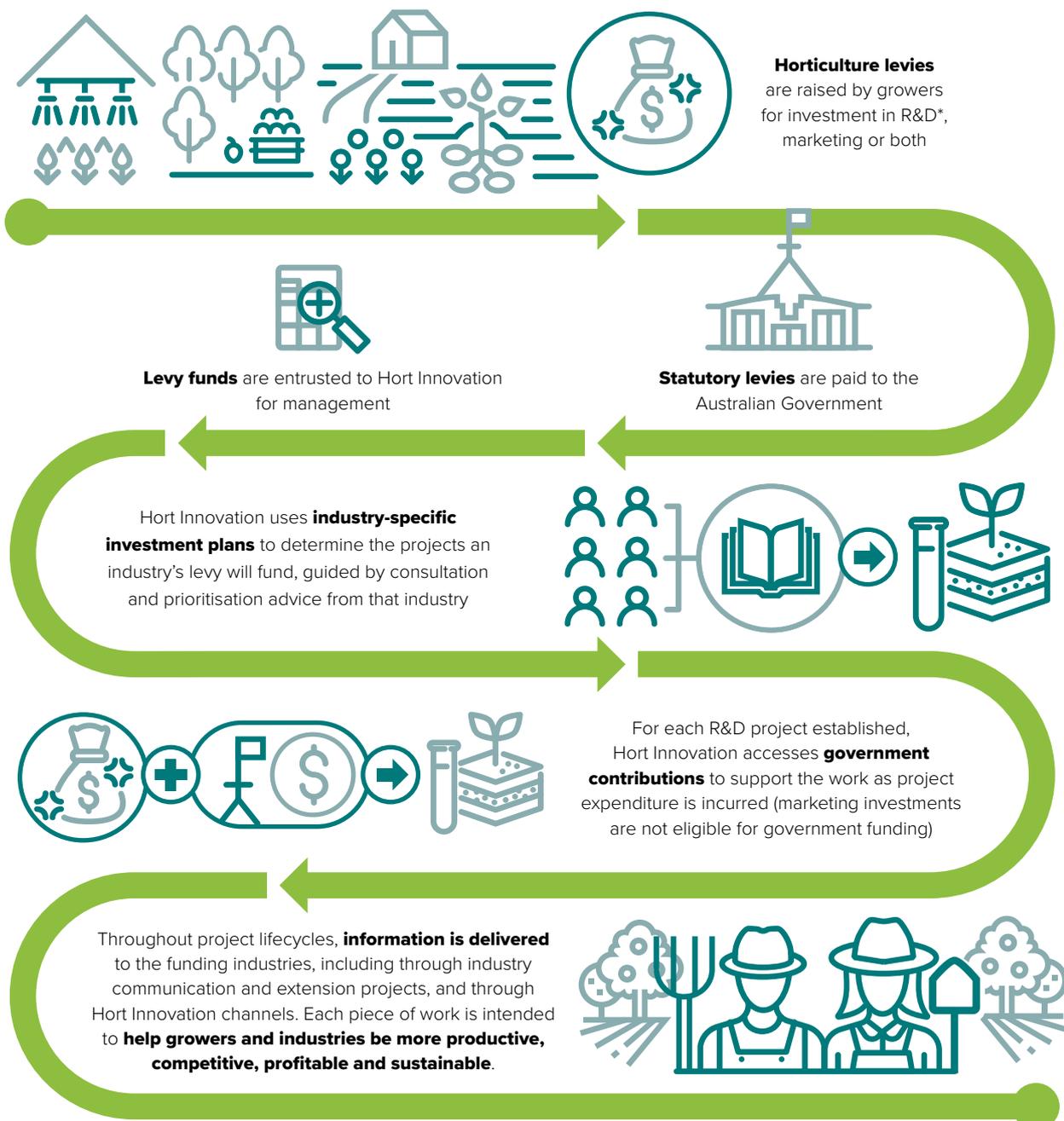
Just some of the things delivered for you during the year:

- ✓ **The selection of new, consistently high yielding, rain-tolerant varieties** for future commercialisation, through the industry's variety evaluation program ([p7](#))
- ✓ **Information and data to assist through COVID-19**, including the new *Hort Innovation Insights* podcast (www.horticulture.com.au/webinars) and regular consumer attitude and behaviour information (www.horticulture.com.au/impact-monitor)*
- ✓ **Preparation support for fall armyworm**, including emergency minor use permits and an educational podcast series, www.bit.ly/armyworm-podcast*
- ✓ **Industry communication and extension programs**, delivering *The Vine* magazine, Dried Fruits Australia e-newsletters, events, plus content and learning resources for the industry's website, www.driedfruitsaustralia.org.au
- ✓ **Collaborative multi-industry biosecurity initiatives** to help prepare for and protect against high-priority threats, including *Xylella fastidiosa* (see from [p8](#))
- ✓ **Domestic and international marketing activities** and, launched during COVID-19, **The Good Mood Food** across-horticulture campaign* (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*
- ✓ **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 2019/20 for more*

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

Making investments in 2019/20

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



* Encapsulating extension and international trade

To learn more about funding specific to the Hort Innovation Dried Grape Fund, visit www.horticulture.com.au/dried-grape. 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 reserves.

Investment planning and performance

During 2019/20, Hort Innovation continued to track investment expenditure against the Dried Grape Strategic Investment Plan, while looking towards new developments in 2021. Access an at-a-glance copy of the current investment plan at www.bit.ly/dried-grape-plan.

A performance analysis is coming

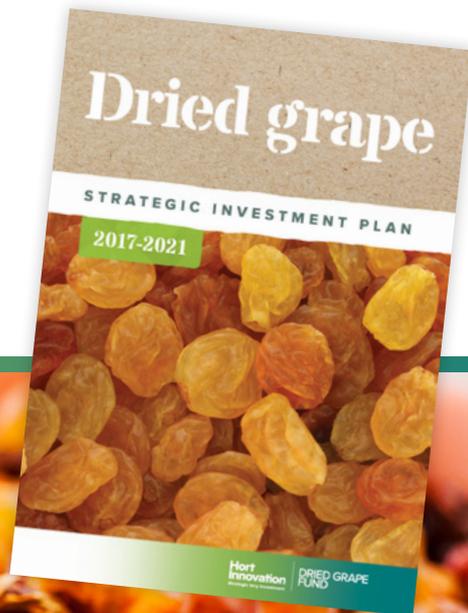
The industry's investment plan outlines key goals and outcomes for levy investment. With the plan due for renewal in 2021, Hort Innovation is undertaking a performance analysis to see how the industry has progressed against the current plan's ambitions. This will also help guide ongoing priorities for investment. Look for information to be published at www.horticulture.com.au/dried-grape in 2021.

See how your levy investments align to the industry's current plan

You can see how investment expenditure in the Hort Innovation Dried Grape Fund aligns to the industry's current strategic investment plan with the interactive analysis information available from www.bit.ly/dried-grape-investment. The analysis shows the allocation of funding against each of the dried grape plan's outcomes, and gives an indication of the projects that are aligned to each outcome.

New ways of obtaining advice and setting priorities

In 2020/21, Hort Innovation will be implementing new ways of obtaining advice and setting priorities for industry investments. Renewed industry investment plans, plus new yearly (or as needed) program plans and new ways of consulting more broadly will mean more efficient investment and better outcomes for industry. Watch this space.



R&D project list 2019/20

NEW INVESTMENTS IN 2019/20

| | |
|---------|--|
| DG18001 | Dried grape industry communications program |
| DG19000 | Dried grape scion and rootstock evaluation program |
| MT19005 | Horticulture trade data |

ONGOING INVESTMENTS IN 2019/20

| | |
|---------|--|
| DG17001 | Dried grape production innovation and adoption program 2018-2021 |
| MT17006 | Improving preparedness of the Australian horticultural sector to the threat potentially posed by <i>Xylella fastidiosa</i> (a severe biosecurity risk) |
| MT17006 | Xylella coordinator |
| MT18011 | Ex-post impact assessment* |

* This multi-industry project was a key monitoring and evaluation investment during 2019/20 – we encourage you to find the full details at www.horticulture.com.au/mt18011

INVESTMENTS COMPLETED IN 2019/20

| | |
|---------|--|
| MT15026 | Evaluation of dried and table grape varieties |
| MT15031 | Australian dried fruit communications program |
| MT16010 | Horticultural trade data 2017-19 |
| MT17005 | Improving the biosecurity preparedness of Australian horticulture for the exotic spotted wing drosophila (<i>Drosophila suzukii</i>) |
| ST16008 | AgVet collaborative forum |



R&D report

Take a closer look at some of the key investments in the Hort Innovation Dried Grape Fund during 2019/20. You can also visit www.horticulture.com.au/dried-grape 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.

Dried grape scion and rootstock evaluation program (DG19000)

NEW IN 2019/20

Key research provider: CSIRO

This investment is progressing existing dried grape scion and rootstock trials from the project ***Evaluation of dried and table grape varieties (MT15026)***, which came to an end in early 2019/20.

Project MT15026 began in 2016 to work towards the release of new grape varieties for both the dried grape and table grape industries. For dried grapes, it looked at new, consistently high yielding, rain-tolerant varieties with premium, light-coloured fruit.

A number of promising selections were prioritised for further evaluation and commercialisation, which new projects DG19000 picks ups.

Under DG19000, the project team will complete the assessment of this material and identify new scion varieties for release and commercialisation by the industry with Plant Breeders Rights (PBR) protection.

Dried grape industry communications program (DG18001)

NEW IN 2019/20

Key research provider: Dried Fruits Australia

Established in 2019 and carrying on from the now-concluded ***Australian dried fruit communications program (MT15031)***, this project continues to deliver communications to Australian dried fruit growers and other industry stakeholders. By keeping the industry up to date on R&D, news, events and other critical information, its ultimate goal is to facilitate the uptake of R&D by growers and support decision making in dried fruit businesses.

A number of regular communication channels continue to be produced and maintained by this investment, including but not limited to:

- » Quarterly magazine *The Vine*
- » The Dried Fruits Australia website, www.driedfruitsaustralia.org.au
- » Fortnightly *Dried Fruits Australia* e-newsletters (sign up by contacting the Dried Fruits Australia team at communications@driedfruitsaustralia.org.au)
- » Social media, including the Dried Fruits Australia Facebook page (www.facebook.com/DriedFruitsAustralia) and YouTube channel (www.bit.ly/dfa-youtube).



Dried grape production innovation and adoption program 2018-2021 (DG17001)

Key research provider: Dried Fruits Australia

Ongoing through 2019/20, this program is tasked with helping dried grape producers access and share leading and emerging research and knowledge on production techniques to grow skills, improve productivity and keep quality high.

Program activities include workshops, seminars, field walks and focus groups for growers. These events typically run between April and January each season and are hosted on growers' properties in the Sunraysia, Riverland and Swan Hill regions, plus at universities and research institutes. As a result of the COVID-19 pandemic, the project's face-to-face activities were paused, being delayed until social distancing protocols allow them to take place.

The program is also tasked with delivering a range of learning materials through the Dried Fruits Australia online learning platform at www.driedfruitsaustralia.org.au. It has a benchmarking component as well, to provide industry with benchmarks of production per hectare, production practices, prices received and input costs, and to track overall industry productivity growth. Visit Hort Innovation's project page for access to project outputs and more information at www.bit.ly/dg17001.

Improving the biosecurity preparedness of Australian horticulture for the exotic spotted wing drosophila (*Drosophila suzukii*) (MT17005)

NOW COMPLETE

Key research provider: Plant Health Australia

Running from 2018 to 2020, this multi-industry investment improved awareness of the risks posed by spotted wing drosophila, which attacks a range of soft-skinned fruit, as well as enhanced Australia's capacity to detect and respond to any incursions of the pest.

Most importantly, this project developed a framework for modelling spotted wing drosophila establishment and movement throughout Australian regions, allowing for a comprehensive preparedness plan to be developed for a swift response in the event of an incursion. The plan includes an extensive list of recommendations for industry, including relating to surveillance, control techniques, engagement and awareness, and diagnostics.

The project also worked to build knowledge and capacity around appropriate surveillance and management tools and strategies within the growing industries, government and

among other relevant stakeholders. It produced a range of materials for growers, including identification information, a fact sheet on spotted wing drosophila hosts, and a webinar detailing preparedness for the pest.

Full details and links to the project's resources – and final research report – can be found at www.bit.ly/mt17005.

Xylella coordinator (MT17006)

Key research provider: Wine Australia

Xylella fastidiosa is an exotic and potentially devastating bacteria that impedes the movement of rising sap in plants. While it hasn't yet appeared in Australia it has proven catastrophic overseas and, were it to enter the country, it could threaten more than 350 commercial, ornamental and native plant species.

This multi-industry and multi-sector investment supports the role and activities of a national coordinator as part of a three-year program to improve Australia's readiness for any potential incursion of the disease. This is a joint initiative between Hort Innovation and Wine Australia, through the Plant Biosecurity Research Initiative (PBRI). The PBRI is a collaboration between Australia's seven plant-focused Rural RDCs, Plant Health Australia, the Department of Agriculture and other contributors, to coordinate plant biosecurity RD&E funding and efforts. You can learn more at www.pbri.com.au.

Improving preparedness of the Australian horticultural sector to the threat potentially posed by *Xylella fastidiosa* (a severe biosecurity risk) (MT17006)

Key research provider: The Victorian Department of Jobs, Precincts and Regions

Adding to the PBRI's *Xylella* work, seen above, this multi-industry investment will allow Australia to adopt world's best practice methods for detecting and identifying strains of the *Xylella fastidiosa* bacteria, should it come to our shores. As well as developing state-of-the-art diagnostic tools, technologies and protocols to screen plant material entering the country and to support active surveillance programs, it will provide associated training to technical staff in diagnostic laboratories.

The project's work will ultimately allow for quick and effective detection of what is considered to be the number one plant biosecurity threat to Australia and New Zealand, to facilitate a swift and sure response.

Marketing report

Hort Innovation is responsible for investing the dried grape marketing levy into a range of activities to drive awareness and consumption of the fruit, under the Hort Innovation Dried Grape Fund. Read on for a snapshot of activities and results from the 2019/20 marketing program.

In the 2019/20 financial period, the dried grape marketing program delivered several initiatives in export markets, underpinned by the development of new branding (which you can read about a little further down).

Activities included attendance at key trade events in Asia, Europe and in Australia, with participation from representatives of Dried Fruits Australia, Sunbeam Foods and Australian Premium Dried Fruits. At these events Australian Sultanas and Australian Sunmuscats were heavily promoted and received well by buyers and importers.

During the year, key relationships were also further developed with Global Victoria, Bosch Boden Spies (Europe), buyers, supermarkets and snack market representatives in both Asian and European markets.

New branding for export markets

The key focus of the 2019/20 dried grape export marketing campaign was to develop a new branding position for Australian Dried Grapes. Hort Innovation and Dried Fruits Australia worked closely with processors to better understand export markets and how Australian dried grapes could be positioned effectively. This included consulting with processors Australian Premium Dried Fruits and Sunbeam Foods to leverage their contacts and experience within the export marketplace to provide input on key cultural elements that would be required in a new branding position that would appeal internationally, particularly in Asia.





Throughout the early phase of the design process there was constant consultation with the domestic dried grape industry and processor representatives to ensure the new logos would present the Australian dried grape products as premium and include elements that appeal to the Asian and European marketplaces, such as appropriate colour arrangements and the inclusion of eight grapes – a number that has significant appeal in China.

In regard to Europe, the dried grape marketing program worked with Bosch Boden Spies to adjust the new branding of Australian Sultanas and, in particular, Australian Sunmuscats to appeal to the European marketplace.

Since the rebranding project commenced, the following activities have been successfully achieved:

- » Development of a new brand for Australian Sultanas and Australian Sunmuscats that has appeal to export markets, with a focus on Asia

- » Marketing collateral, based on new branding, developed for use at key trade events
- » Translation of marketing collateral for key export markets
- » Launch of marketing collateral and new brand at Food Hotel Vietnam in April 2019
- » Brochures developed with information on dried grape varieties to be used as fact sheets
- » Introduction of new collaborative branding at SIAL Shanghai in May 2019
- » Introduction of new branding and differentiated produce – Australian Sunmuscats – with appeal to the European market at the Anuga food fair in October 2019.





THE GOOD MOOD FOOD

In 2019/20, Hort Innovation created The Good Mood Food campaign to deliver an immediate and enduring behaviour-change message to motivate more Australians to eat more fruit, vegetables and nuts.

With the central message that these Aussie horticulture products are natural mood boosters, the campaign was developed to support the sector through the impacts of recent challenges including bushfires, drought, floods and of course COVID-19 – the effects of which continue to be felt in consumer spending and purchasing behaviour.

Initially running between May and November 2020, The Good Mood Food has been seen across the country on TV; in newspapers; on radio and music streaming services; online (including on YouTube and TV catch-up services); on social media; and via retail partnerships and advertising screens near supermarkets.

In July, 56 per cent of surveyed consumers said The Good Mood Food had positively influenced their shopping habits, and by the end of campaign's run, 98 per cent of all Australians were expected to be reached.

Learn more at www.horticulture.com.au/the-good-mood-food.

Financial statement

Financial operating statement 2019/20

| | R&D (\$) | MARKETING (\$) | TOTAL (\$) |
|---|------------------------|------------------------|------------------------|
| | 2019/20 July – June | 2019/20 July – June | 2019/20 July – June |
| OPENING BALANCE | (150,477) | 150,352 | (126) |
| Levies from growers (net of collection costs) | 138,205 | 93,106 | 231,311 |
| Australian Government money | 145,173 | – | 145,173 |
| Other income* | (2,214) | 1,618 | (596) |
| TOTAL INCOME | 281,164 | 94,724 | 375,888 |
| Project funding | 269,908 | 25,450 | 295,358 |
| Consultation with and advice from growers | 411 | – | 411 |
| Service delivery – base | 12,554 | 1,485 | 14,039 |
| Service delivery – shared | 18,026 | 2,132 | 20,158 |
| Service delivery – fund specific | 21,000 | 9,000 | 30,000 |
| TOTAL EXPENDITURE | 321,900 | 38,066 | 359,967 |
| Levy contribution to across-industry activity | – | – | – |
| CLOSING BALANCE | (191,214) | 207,010 | 15,795 |
| Levy collection costs | 7,011 | 5,061 | 12,072 |

* Interest, royalties

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

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