

Dried Grape Fund

2017/18
ANNUAL REPORT



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



SUMMARY BY
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RELATIONSHIP
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We're for growers

At Hort Innovation it's our job to work with industry to invest the dried grape levy and Australian Government contributions into initiatives to help growers be as productive and profitable as possible – and 2017/18 was another fantastic year of growing better, together.

With close to **\$240,000** invested by Hort Innovation into R&D for the dried grape industry during 2017/18, I'm happy to be able to share with you all the key insights in this Hort Innovation Dried Grape 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 close-to-fruitation work to deliver new high-yielding, water-efficient and drought-tolerant rootstocks, and strong investments to help growers in accessing and adopting new skills and research.

Meanwhile **in marketing, the Dried Grape Fund program saw nearly \$30,000 invested during the year to raise the profile and consumption of Australian dried grapes.** 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, Will Gordon, enjoyed getting to connect with you about everything going on in the Dried Grape 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 can reach me any time at **bradley.mills@horticulture.com.au** or on 0408 635 465 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...

- » **Become 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.
- » **Check out *Hortlink*.** This digital publication provides an update on all new, ongoing and recently completed investments in the Hort Innovation Dried Grape Fund. The latest edition is always available from the Dried Grape Fund page at **www.horticulture.com.au/dried-grape**, while members have *Hortlink* sent straight to their inboxes.
- » **Engage with your industry communications program.** The *Australian dried fruit communications program* (MT15031) is dedicated to bringing the latest information and advice to growers, including news, outcomes and resources related to dried fruit levy investments (look for the Hort Innovation Dried Grape Fund logo to easily identify specific work related to your levy, or the general Hort Innovation logo for multi-industry investments). The communications program is funded through the Hort Innovation Dried Grape Fund and is delivered by Dried Fruits Australia. Find more info on **p5**.

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

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Making levy investments

Discover how the dried grape levy and Australian Government contributions are invested through the Hort Innovation Dried Grape 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'!

Investments specific to the Hort Innovation Dried Grape Fund are guided by the industry's Strategic Investment Plan (SIP), which was finalised by Hort Innovation in April 2017 after close consultation with growers and other industry stakeholders.

The SIP outlines key industry priorities for investment and can be found on the Dried Grape Fund page at www.horticulture.com.au/dried-grape.

The SIP document is used like a 'roadmap' by the dried grape Strategic Investment Advisory Panel (SIAP) – 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, with the SIP guiding them, in order 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/dried-grape.

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 Dried Grape Fund page at www.horticulture.com.au/dried-grape. *Hortlink* also provides updates on ongoing and recently completed investments.

The dried fruit communications program, run through the investment *Australian dried fruit communications program* (MT15031), also provides regular information on levy-funded activity. See [p5](#) for more.



R&D project list 2017/18

NEW INVESTMENTS IN 2017/18

DG17000	Dried grape 2017 industry R&D exchange program
DG17001	Dried grape production innovation and adoption program 2018-2021

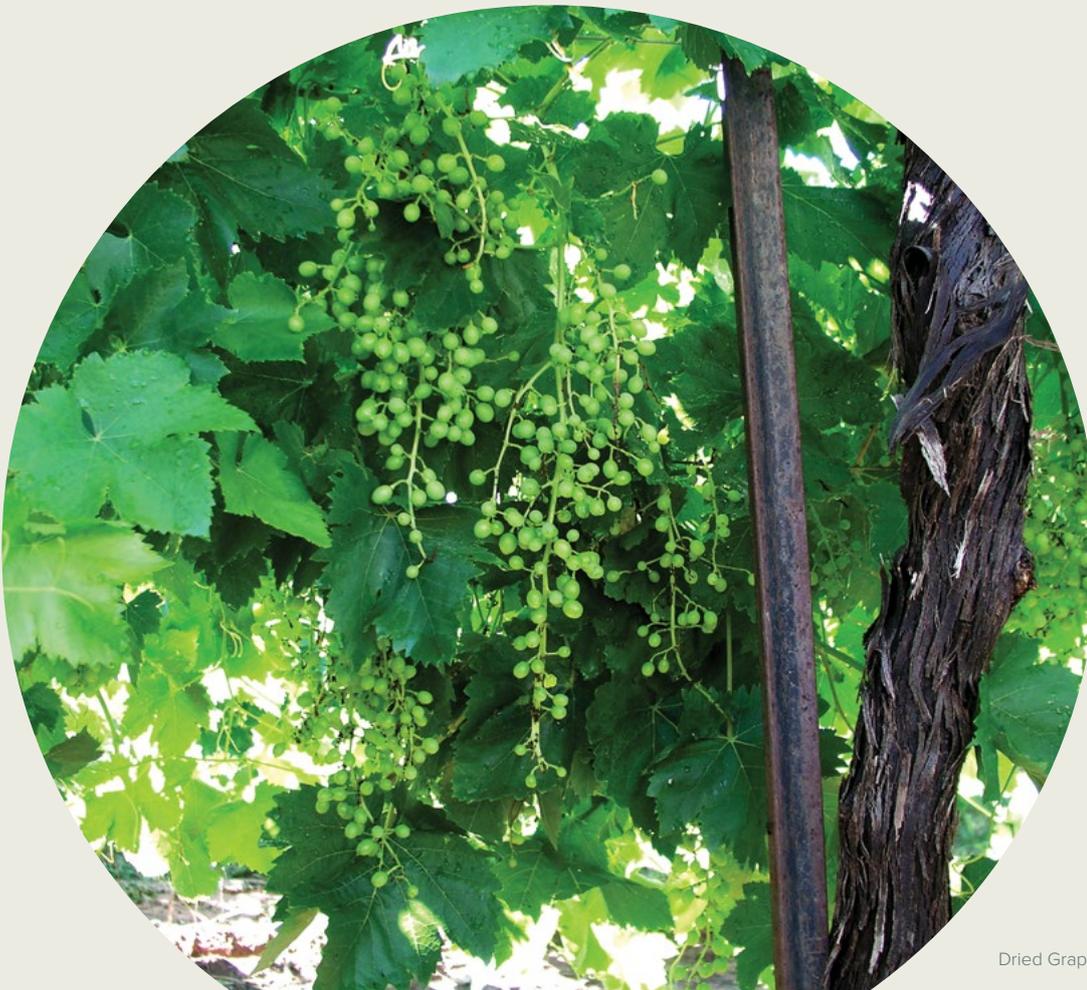
ONGOING INVESTMENTS IN 2017/18

MT15026	Evaluation of dried and table grape varieties
MT15031	Australian dried fruit communications program
MT16010	Horticultural trade data 2017-2019
MT16011	Horticulture trade intelligence reporting 2017-2019

INVESTMENTS COMPLETED IN 2017/18

DG12006	New rootstocks to improve production and water use efficiency, sustainability and reduce risks of dried grape production
DG13001	Dried grape industry development project – stage 2
MT15032	Monitoring and evaluation framework for the industry Strategic Investment Plan
MT15033	Strategic Investment Plan

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

Take a closer look at some of the key investments in the Hort Innovation Dried Grape Fund during 2017/18. Any resources from these and other levy-funded projects – such as fact sheets, guides and more – are published on your grower page at www.horticulture.com.au/dried-grape as they become available.

New rootstocks to improve production and water use efficiency, sustainability and reduce risks of dried grape production (DG12006)

NOW COMPLETE

Key research provider: CSIRO

Rootstocks are an important tool to reduce production risks associated with climate variability, salinity and soil-borne pests. Currently, the industry is reliant on rootstocks that have largely been bred and selected overseas for conditions that may not be the same as those in Australia.

Beginning in 2013 to carry on from earlier work, and now concluded, this project set out to help deliver new high-yielding, water-efficient and drought-tolerant rootstocks suited to the conditions in Australia's dried grape growing regions.

Through the project's field trials, the researchers collected a range of data to evaluate a host of potential new rootstocks. This has led to the identification of four new rootstocks for release to industry, based on their performance compared with current commercial rootstocks when grafted with Carina, Sultana and Sunmuscat and managed with full and deficit irrigation treatments.

The four new rootstocks will ultimately be released with Plant Breeders Rights protection through licensed nurseries, for adoption by the dried fruit industry.

As a final step towards this, at the time of writing the varieties had been included in a Plant Breeders Rights comparator trial to establish distinctness, uniformity and stability, and there was also work to further evaluate the rootstocks for nematode and phyloxera resistance. The establishment of mother plantings

was also being undertaken in preparation of the industry release, to ensure that adoption is not limited by the supply of propagation material.

It is anticipated that fact sheets and articles detailing the new rootstocks will also be produced to facilitate adoption by growers.

Meanwhile, the research has indicated that different rootstocks will be required for different scion varieties to optimise their productivity.

This investment also investigated how high-density plantings and rootstock choices can boost productivity under limited water supply. Results from its high-density trials have indicated potential yield benefits from adopting high planting densities with low-medium vigour rootstocks, compared to low planting densities with standard rootstocks.

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

NEW IN 2017/18

Key research provider: Dried Fruits Australia

This program began in January 2018 to carry on from the completed investment *Dried grape industry development project stage 2* (DG13001), which ran from January 2014 to December 2017. Like its predecessor, it 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.

As with DG13001, the new program's activities include workshops, seminars, field walks and focus groups for growers, typically run between April and January each season and hosted on growers' properties in the Sunraysia, Riverland and

[Continues >>](#)

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/dried-grape.



Swan Hill regions, plus at universities and research institutes. Looking back, DG13001 delivered around 35 such events, while also training some 30 businesses in the Dried Grape Approved Supplier Program.

Like DG13001, the new program is also tasked with delivering a range of learning materials through the Dried Fruits Australia online learning platform, including fact sheets, as well as conducting farm visits, and responding to grower enquiries. It will come to have a benchmarking component as well. This work will provide industry with benchmarks of production per hectare, production practices, prices received and input costs, and will track overall industry productivity growth.

Dried grape 2017 industry R&D exchange program (DG17000)

NEW IN 2017/18 & NOW COMPLETE

Key research provider: Dried Fruits Australia

This short investment supported an industry study tour, completed in September 2017, which allowed Australian dried grape producers to gain first-hand research knowledge and insights from the United States, which is currently the world's leading producer of dried grapes.

The investment facilitated the organisation of the tour, and subsidised grower participation. The tour group visited a range of facilities and organisations to talk to leaders in research, on-farm production, processing and packaging. Among the highlights, the group saw a new self-drying variety that could reduce labour costs, saw opportunities for automation of vineyard operations, and were updated on collaborative research into vine physiology.

Evaluation of dried and table grape varieties (MT15026)

Key research provider: CSIRO

Beginning in 2016, this multi-industry investment will deliver new grape varieties for both the dried grape and table grape industries, with levies from both used to fund the work. For dried grapes the project will deliver new, consistently high yielding, rain-tolerant varieties targeted to produce a premium light-coloured, globally differentiated product to enhance value.

Project work includes the continued evaluation of seedless material established by CSIRO in previous projects; identification of new selections for inclusion in multiplied plot trials; and the establishment of new advanced selections for semi-commercial and regional testing.

Australian dried fruit communications program (MT15031)

Key research provider: Dried Fruits Australia

Established in 2016, this multi-industry investment continues to maintain and improve communication 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 the industry and support decision-making in dried fruit businesses.

A number of regular communication channels are produced and maintained by this project, including but not limited to...

- » Quarterly magazine *The Vine* (a joint magazine between the dried fruit and table grape industries)
- » The Dried Fruits Australia website, www.driedfruitsaustralia.org.au
- » Fortnightly Dried Fruits Australia e-newsletters, with issues available from www.driedfruitsaustralia.org.au/latest-news
- » Social media, including the Dried Fruits Australia Facebook page (www.facebook.com/driedfruitsaustralia) and YouTube channel (www.bit.ly/2xaGbyB).

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 dried grape marketing levy into a range of activities to drive awareness and consumption – with a particular focus on export markets – under the Hort Innovation Dried Grape Fund. Here’s a quick look at some of the activities and achievements of the 2017/18 program.

During 2017/18, a new marketing strategy was developed in conjunction with industry to support the long-term and strategic focus of dried grape marketing, and to ensure marketing levy investments continue to reflect industry priorities across the markets Australian dried grapes are supplied to. As agreed with industry, this shifted industry investment from a focus on promotion in the European markets to the high-growth Asian markets.

Export activity

Prior to 2017/18, work in Asian export markets had included industry participation in a Bakery China event to educate and influence Chinese buyers on the merits of Australian dried grapes. This included the launch of a new marketing video on the dried grape industry and the sharing of marketing collateral including brochures, USBs with key information, and posters.

In October 2017, representation at the annual International Seedless Dried Grape Producing Countries Conference provided continued insight into world production trends and an overall understanding of market shifts in the presentation and utilisation of dried grapes.

In April 2018, Australian dried grapes were showcased at the Food & Hotel Asia 2018 conference held in Singapore – Asia’s premier international trade event for the food and hospitality industry. The event provided the opportunity to highlight Australian produce and products, with the objective of driving preference and establishing the premium positioning of Australian dried grapes to local and regional customers.

In June 2018 a ‘Taste Australia’ collaborative event was held at the Four Seasons in Shanghai. The event promoted Australian horticultural products as a premium food offering along with Australian meat, dairy and wine. Dried grapes were donated for the event’s menu and displays.

Meanwhile, in 2017/18 a close relationship was still maintained with Boesch Boden Spies (BBS), a Germany-based importer/wholesaler that markets a range of food ingredients into Europe throughout both retail and foodservice channels. BSB is responsible for facilitating advertising for Australian dried grapes in European bakery publications to maintain awareness in the market.



Domestic activity

The domestic strategy plans to increase demand for Australian dried grapes by sustaining relevance with consumers and establishing a provincial brand. Current barriers to be addressed in the new three-year strategy include low top-of-mind awareness and a perceived lack of ‘usefulness’.

At the end of 2017/18, work on a new domestic public relations (PR) campaign commenced – this is to be the first PR campaign in many years for the industry. In June 2018, PR company Magnum and Co was contracted to undertake the work which will see new brand assets developed, including a new logo for Australian dried grapes, as well as beautiful imagery.

Elements of the campaign in 2018/19 are expected to include media outreach and engagement with social media influencers to encourage domestic consumers to buy locally produced dried grapes. Materials will also be able to be shared in export markets, encouraging international consumers to seek out premium Australian product.

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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	-115,762	122,531	6,769
Levies from growers (net of collection costs)	114,507	107,483	221,990
Australian Government money	130,349	–	130,349
Other income*	-4,012	3,290	-722
TOTAL INCOME	240,844	110,772	351,617
Project funding	239,674	29,736	269,410
Consultation with and advice from growers	4,788	235	5,023
Service delivery – Base	10,102	1,238	11,340
Service delivery – Shared	15,297	1,875	17,172
Service delivery – Fund specific	18,760	2,300	21,060
TOTAL EXPENDITURE	288,621	35,385	324,005
Levy contribution to across-industry activity	6,173	–	6,173
CLOSING BALANCE	-169,712	197,919	28,207
Levy collection costs	17,710	9,058	26,767

At the end of 2016/17, the industry's pro rata share of levy funds were committed to strategic reserves (\$36,174 for R&D and \$21,594 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

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