

Summerfruit Fund

2017/18
ANNUAL REPORT



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SUMMARY BY
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We're for growers

At Hort Innovation it's our job to work with industry to invest the summerfruit 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 more than \$926,000 invested by Hort Innovation into R&D for the summerfruit industry during 2017/18, including into a host of new projects, I'm happy to be able to share with you all the key insights in this Hort Innovation Summerfruit 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 key work in the trade space – from the development of a new industry export strategy to strong investments in export readiness and market access – along with projects to support high yields and consistent quality.

Meanwhile **in marketing, the Summerfruit Fund program saw some \$371,000 invested during the year to raise the profile and consumption of Australian summer stonefruit.** Find an overview of this activity from **p10**.

On a personal note, during the year it was great getting to connect with you about everything going on in the Summerfruit Fund, to hear your thoughts, and to share ideas – including at the 2017/18 Summerfruit Australia Limited AGM in Renmark. During 2018/19 I'm looking forward to even more opportunities to connect in person, and I remind you that you can reach me any time at mark.spees@horticulture.com.au or on 0439 574 173 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 Summerfruit Fund. The latest edition is always available from the Summerfruit Fund page at www.horticulture.com.au/summerfruit, while members have *Hortlink* sent straight to their inboxes.

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

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Making levy investments

Discover how the summerfruit levy and Australian Government contributions are invested through the Hort Innovation Summerfruit 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 Summerfruit Fund are guided by the industry's Strategic Investment Plan (SIP), which was finalised by Hort Innovation in June 2017 after close consultation with growers and other industry stakeholders.

The SIP outlines key industry priorities for investment and can be found on the Summerfruit Fund page at www.horticulture.com.au/summerfruit.

The SIP document is used like a 'roadmap' by the summerfruit industry's 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/summerfruit.

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 Summerfruit Fund page at www.horticulture.com.au/summerfruit. *Hortlink* also provides updates on ongoing and recently completed investments.



R&D project list 2017/18

NEW INVESTMENTS IN 2017/18

SF17000	Summerfruit China export facilitation
SF17000	In market insights and emergency scenario planning
SF17001	Summerfruit export strategy
SF17003	Summerfruit communications strategy development
SF17005	National biosecurity plan for the summerfruit industry
SF17006	Experimental summerfruit orchard – phase II
AM17001	Developing a national systems approach for meeting biosecurity requirements to access key Asian markets
AM17010	Taste Australia trade shows*
LP15001	Global Masterclass in Horticultural Business
MT17015	Consumer behavioural and retail data for fresh produce
ST16008	AgVet collaborative forum

ONGOING INVESTMENTS IN 2017/18

SF13001	Rootstock and training system to optimise early stone fruit bearing and growth
SF13004	Tropical stonefruit breeding and evaluation [^]
SF15001	Comparing stonefruit ripening, quality and volatile composition
SF16001	Summerfruit industry minor use program
MT12015	Selecting and releasing to industry high quality fresh and dried Australian apricots for export and domestic markets [^]
MT13059	SITplus: Developing and optimising production of a male-only, temperature-sensitive-lethal, strain of Qfly, <i>B. tryoni</i>
MT14052	Essential market access data packages
MT16010	Horticultural trade data 2017-2019
MT16011	Horticulture trade intelligence reporting 2017-2019
ST15027	Generation of residue data for pesticide minor use permit applications in horticulture crops

INVESTMENTS COMPLETED IN 2017/18

SF12003	Increased stone fruit profitability by consistently meeting market expectations
SF16000	China export readiness and entry
MT13061	Understanding the purchase behaviour of fresh produce consumers
MT15032	Monitoring and evaluation framework for the industry Strategic Investment Plan
MT15033	Strategic Investment Plan

* This investment is a parent program, under which further event-specific Taste Australia investments may sit

[^] These flagged investments did not involve the industry levy, and were instead funded by Hort Innovation using voluntary contributions and Australian Government funding. They were carried over from the original Horticulture Australia Limited (HAL)

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 Summerfruit 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/summerfruit as they become available.

China market readiness and entry (SF16000)

NOW COMPLETE

Key research provider: Summerfruit Australia Limited

This investment began in 2016, after the signing of the protocol to export Australian nectarines to China. It included...

- » Ensuring the export readiness of the Australian summerfruit industry through the training of growers, packers and exporters and facilitating the registration and audit of export treatment facilities, orchards and packhouses
- » Developing and implementing a monitoring and management program for a range of pests and diseases of quarantine concern to China.

The project also facilitated industry engagement to finalise market access to China for peaches, apricots and plums, and delivered the market-entry strategy for nectarines into China.

Summerfruit export strategy (SF17001)

NEW IN 2017/18 & NOW COMPLETE

Key research provider: APCO Worldwide Advisory Services

Beginning in October 2017 and wrapping up just inside the 2018/19 period, this investment was established to build and extend the Australian summerfruit industry's export success in suitable global markets. In consultation with industry, it developed an export strategy detailing and mapping priority markets for summerfruit export and the route-to-market for each of these markets, to help deliver sustainable trade growth for the industry.

At the time of writing, the new summerfruit export strategy was being readied for input from the industry's Strategic Investment Advisory Panel and other stakeholder consultation. Keep a look out in industry channels to see the top-level export opportunities and challenges outlined in the plan. The plan will be considered in the activities of the industry's two new SF17000 export investments, described following, and Hort Innovation will also work with industry to determine the appetite for further levy investment in the area, to act upon the plan's recommendations.

In-market insights and emergency planning (SF17000)

NEW IN 2017/18

Key research provider: KPMG

Beginning in 2018, this new investment will help develop export readiness and market access for Australian summerfruit into a range of international markets. It will produce an in-market intelligence plan and analysis of key export markets for summerfruit, including developing information for growers on how to utilise resources and networks related to these export markets. Its work will also involve developing an emergency industry consultation and response plan in the event of market disruption or closure, biosecurity incidents and other scenarios.

The project will complement the activities of *Summerfruit China export facilitation* (being delivered by Summerfruit Australia Limited and also designated SF17000).

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/summerfruit.

Summerfruit China export facilitation (SF17000)

NEW IN 2017/18

Key research provider: Summerfruit Australia Limited

Another new investment to bolster the industry in the export space, this new investment will help establish a strong pathway for the Australian summerfruit industry to export. Among its activities, it will run a pilot program of supply chains for Australian summerfruit into China, and will deliver learnings from these to all potential parties in the supply chain.

In addition, the project will help lead the summerfruit industry's export initiatives in other international markets, including through trade shows in Hong Kong, Singapore and the Middle East. Working with the KPMG export project described in the previous project summary, it will also support the development of other existing markets and new market access.

Consumer behavioural and retail data for fresh produce (MT17015)

NEW IN 2017/18

Key research provider: Nielsen

Contracted in June 2018, this multi-industry investment is tasked with providing regular consumer behaviour data and insight reporting to a range of industries, including the summerfruit industry. This information is intended to assist growers and supply chain partners in decision-making for their businesses and, for the wider industry, the data and insights will be available to support strategic activities, as well as Hort Innovation Summerfruit Fund marketing plans.

At the time of writing, the data and insights were soon to be easily accessible via a new online dashboard – look for further information in industry and Hort Innovation channels as it becomes available.

This project represents an evolution of previous investment *Understanding the purchase behaviour of fresh produce consumers* (MT13061).

National biosecurity plan for the summerfruit industry (SF17005)

NEW IN 2017/18

Key research provider: Plant Health Australia

This five-year investment began at the end of 2017 and is responsible for 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 and 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.

Increased stone fruit profitability by consistently meeting market expectations (SF12003)

NOW COMPLETE

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

Established in 2012 and finishing in late 2018, this investment was responsible for the establishment of the world-class Stonefruit Field Laboratory at DEDJTR-Tatura in Victoria, and through this the investigation of management practices to produce high-quality fruit and so increase grower productivity and profitability.

Investigations looked at how orchard management practices relating to crop load, irrigation, rootstocks and canopy architecture can improve consistency in fruit quality – including size, maturity and sweetness – for selected varieties of peach, nectarine, plum and apricot. To this end, the orchard involved a suite of field experiments, complemented with sensor technologies such as DA meters, plus a state-of-the-art post-harvest facility including a fruit grader equipped with near infrared spectroscopy (NIR) technology and optical sensors for rapid, non-destructive measurement of fruit quality, and cool rooms equipped with controlled atmosphere storage units.

Improvements in fruit size, maturity and sweetness were observed by manipulating fruiting levels by crop load management, applying strategic crop water stress through irrigation management, reducing tree vigour using dwarfing rootstocks and optimising fruit position in the tree by manipulating canopy architecture. Results suggested that careful manipulation of these agronomic practices in the correct combination has the potential to improve yield, pack-out and to reduce variability in fruit quality.

With the trees reaching maturity/commercial production in the 2017/18 season, there will be continued research to develop specific orchard management recommendations from the project's many avenues of research through new investment *Experimental summerfruit orchard – phase II* (SF17006). However, preliminary findings in SF12003 suggested these approaches for growing consistent high-quality fruit...

- » For new plantings of modern high-density orchards, select rootstock/scion and trellis design for early bearing
- » Adjust crop load (fruiting level) to maximise fruit size and fruit sweetness to target market requirements...
 - For peach and nectarine, a target cropping level of one fruit per 12 to 15cm of fruiting lateral, and
 - Thin fruit (fruit <15mm diameter) early in the season to maximise cell number and final fruit size
- » In cases where tree canopies have poor light distribution in lower parts of the tree, maximise fruit number higher in the tree and reduce fruit number at the base to improve fruit size and quality uniformity

Continues >>

- » Apply regulated deficit irrigation (RDI) during stage two of fruit growth to maintain yield and fruit quality (the studies suggest, however, that deficit irrigation during stages one or three of growth reduce yield and fruit size)
- » Monitor fruit size using digital calipers and monitor maturity development using DA meter in situ ('on the tree') starting four to six weeks prior to harvest to determine optimal harvest date/s
- » Regularly review orchard performance (such as irrigation, fertiliser strategies, IPM, yield, pack-out).

Throughout its course, project SF12003 delivered information to industry including through regional roadshows, conference presentations and ever-popular orchard walks and tours through the on-site facilities to showcase and provide training around modern high-density orchard management, including tree training systems, pruning, blossom thinning, IPM, irrigation and fertigation management and post-harvest storage and handling systems.

Rootstock and training system to optimise early stone fruit bearing and growth (SF13001)

NOW COMPLETE

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

Using the Stonefruit Field Laboratory established in sister project *Increased stone fruit profitability by consistently meeting market expectations* (SF12003), this investment addressed issues related to the very early years of tree establishment and development until full production.

Concluding early in 2018/19, it generated knowledge on how rootstocks and tree training systems – and their interaction with crop load – affect the physiology of trees and fruit development, with a particular focus on fruit size, composition and performance, and on reserves as wood starch content.

With avenues of investigation varied, comprehensive information and resources from the project (and from SF12003) can be found on the Profitable Stonefruit Research website at www.hin.com.au/networks/profitable-stonefruit-research.

In short, results showed that a higher crop load reduced shoot growth, quantity of pruning wood and fruit size, and generally delayed fruit maturity. It did not affect wood starch reserves in any of the canopy systems or rootstocks investigated.

Some of the key recommendations from the project included:

- » For newly planted orchards, removing most or all of the fruit in the first year is a way to increase starch accumulation in trees and improved tree uniformity
- » Cropping levels should be adjusted by thinning to one fruit per 12 to 15cm of fruiting lateral when fruit are less than 15mm diameter, to maximise returns

- » Fruit maturity should be monitored to identify optimal harvest timing
- » In cases where tree canopies have uneven light distribution, fruit maturity needs to be assessed in different canopy positions.

Comparing stonefruit ripening, quality and volatile composition (SF15001)

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

Beginning in late 2015 and due to conclude at the time of writing, this investment has been tasked with developing tools and knowledge to assist producers in harvesting, storing and ripening fruit for optimum firmness, sweetness and aroma. There has been a particular emphasis on fruit for export.

The two components to the research have involved...

- » Identifying and quantifying fruit aroma volatile profiles
- » Monitoring the response of summerfruit cultivars to storage when fruit is harvested at various maturities, then determining subsequent ripening behaviour.

Generation of residue data for pesticide minor use permit applications in horticulture crops 2015/16 (ST15027)

Key research provider: Eurofins Agrisearch

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. This investment has been responsible for producing the data required to support a range of registration and permit applications across a host of horticulture industries, including summerfruit.





Summerfruit industry minor use program (SF16001)

Key research provider: Hort Innovation

Through this project, levy funds and Australian Government contributions are used to submit renewals and applications for new minor use permits for the summerfruit industry, as required. These submissions are prepared and submitted to the Australian Pesticides and Veterinary Medicines Authority.

For more on minor use permits, including a list of permits, see [p8](#).

All current permits for the industry remain searchable at portal.apvma.gov.au/permits, while permit updates are also circulated in Hort Innovation's *Growing Innovation* e-newsletter, which levy-paying members receive monthly. Not a member? Sign up to the Hort Innovation membership program for free at www.horticulture.com.au/membership.

Selecting and releasing to industry high quality fresh and dried Australian apricots for export and domestic markets (MT12015)

Key research provider: Dried Fruits Australia

This investment, due to conclude during 2018, has been responsible for developing new apricot varieties that are locally adapted, through a partnership with the South Australian Research and Development Institute (SARDI) National Apricot Breeding Program. It has continued to select and evaluate the remaining seedlings from the breeding program, working towards the commercialisation of the best lines. For the fresh apricot industry, this means the delivery of varieties that can produce regular crops of robust fruit with a flavoursome eating experience for consumers. The summerfruit industry's contribution to this investment hasn't been through the R&D levy, but from voluntary contributions from within the summerfruit industry, via Summerfruit SA.

Global Masterclass in Horticultural Business (LP15001)

NEW IN 2017/18

HORT FRONTIERS

Key research provider: University of Tasmania in partnership with Lincoln University and Wageningen Research Academy

The Masterclass in Horticultural Business course was developed under the Hort Frontiers Leadership Fund and is aimed at fostering new innovators and leaders for the Australian horticulture industry. Best described as a 'mini MBA', it's a nine-month course where participants develop their business skills and build their own business plans for the future. The course is delivered predominantly online, with several face-to-face sessions and field trips to some of Australia's savviest horticulture outfits.

Summerfruit levy has been co-invested into the Masterclass investment to support scholarships for industry levy payers.

SITplus: Developing and optimising production of a male-only, temperature-sensitive lethal, strain of Qfly, *B. tryoni* (MT13059)

HORT FRONTIERS

Key research provider: South Australian Research and Development Institute (SARDI)

This project is developing a 'temperature-sensitive lethal, male-selecting' strain of Queensland fruit fly (Qfly). To put simply, the research will allow for male-only, sterile fruit flies to be bred in large numbers. It is one of the key projects in the broader strategic co-investment SITplus initiative that's tackling the issue of Qfly. The male flies are to ultimately be released in growing regions of south-eastern Australian that are affected by Qfly. They will come to outnumber the wild male population in these areas and by mating with wild females – and limiting the opportunity for wild males to do so – they are intended to lead to the collapse of wild Qfly populations. The summerfruit industry is one of several involved in the project which, as a SITplus initiative, is now part of the Hort Frontiers Fruit Fly Fund.

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.

Minor use permits

Why minor use permits?

While the use of pesticides and other chemicals in the horticulture industry is being modified through the increasing uptake of integrated pest management approaches, there remains a need for the strategic use of specific chemicals.

Chemical companies submit use patterns for product label registrations to the Australian Pesticides and Veterinary Medicines Authority (APVMA), and the summerfruit industry is generally provided with a number of label registrations because of its 'major' crop status in this area. However, there are instances where chemical companies consider the market size too small to generate adequate commercial returns, based on the R&D investment required. This is where minor use permits come into play. The APVMA's national permit system adds some flexibility to the approval process and provides a legal framework that can allow access to products for minor use purposes.

Permits in 2017/18

During the 2017/18 financial year, successful applications for new emergency use permit PER85380 and new permit PER85273, plus successful renewals for PER13527 and PER14875, were prepared by Hort Innovation and submitted to the APVMA, facilitated through the *Summerfruit industry minor use program* (SF16001). Both PER85273 and PER14875 were also supported by data from the project *Generation of residue data for pesticide minor use permit applications in horticulture crops 2015/16* (ST15027).

Meanwhile, a renewal for PER14562 was also submitted during the financial period. At the time of writing, this remained with the APVMA for assessment. Details for all of these permits can be found in the table below.

Current permits

Below is a list of minor use permits for the summerfruit industry, current as of September 1, 2018.

PERMIT ID	DESCRIPTION (CHEMICAL/CROP/PEST OR USE)	ORIGINAL DATE OF ISSUE	EXPIRY DATE	PERMIT HOLDER
PER12590 version 3	Spinetoram (Delegate) / Pome fruit and stone fruit / Fruit fly <i>Suppression only</i>	06-Oct-11	31-May-19	Summerfruit Australia Limited (SAL) C/Hort Innovation
PER13527 version 2	Clothianidin (Samurai) / Apricots / Oriental fruit moth	28-Jun-13	30-Jun-23	SAL
PER14562	Thiacloprid (Calypso) / Pome fruit and stone fruit / Mediterranean fruit fly <i>Western Australia only</i>	13-Dec-13	30-Nov-18	Growcom

[Continues >>](#)





PERMIT ID	DESCRIPTION (CHEMICAL/CROP/PEST OR USE)	ORIGINAL DATE OF ISSUE	EXPIRY DATE	PERMIT HOLDER
PER14875 version 3	Alpha-cypermethrin / Stone fruit (except cherries) / Fruit fly, all species	05-Sep-14	31-Oct-21	SAL
PER13859	Dimethoate / Orchard clean-up – fruit fly host crops following harvest / Fruit fly	9-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
PER85380	Abamectin + chlorantraniliprole (Volium Targo Insecticide) / Stone fruit (except cherries) / Western flower thrips	06-Nov-17	30-Nov-20	SAL C/Hort Innovation
PER84804	Spirotetramat (Movento) / Stone fruit / Western flower thrips	21-Jul-17	31-Jan-21	SAL
PER85273	Fosetyl (Aliette) / Apricot, peach, nectarine and plum / Phytophthora trunk/collar rot	23-Apr-18	30-Apr-23	SAL C/Hort Innovation

All efforts have been made to provide the most current, complete and accurate information on these permits, however you should always confirm all details on the APVMA website at portal.apvma.gov.au/permits. Details of the conditions of use associated with these permits can also be found on the APVMA site.

Minor use permit updates are circulated in Hort Innovation's e-newsletter, **Growing Innovation**, which levy-paying members receive monthly. Not a member? Sign up for free at www.horticulture.com.au/membership.

Marketing report

Hort Innovation is responsible for investing the summerfruit marketing levy into a range of activities to drive awareness and consumption, under the Hort Innovation Summerfruit Fund.

During 2017/18, the industry's existing marketing strategy drew to a close, with activities from the latest campaign ending in March 2018. Meanwhile, new domestic and export marketing strategies were being developed in close consultation with industry, to continue to support the long-term, strategic focus for summerfruit marketing, and to ensure that marketing levy investments in 2018/19 and beyond continue to reflect industry priorities across the range of markets the industry supplies to.

DOMESTIC ACTIVITY

A social media partnership

To showcase the simplicity of summerfruit as a perfect snack with Australian consumers, the 2017/18 domestic marketing program secured an authentic and engaging partnership with popular foodie blogger Leah Itsines. Social media 'influencers' are a valuable way of connecting with consumers, and Leah's content helped to achieve a strong reach, with her healthy food posts appealing directly to the summerfruit industry's intended target audience. Leah has over 400,000 Instagram followers and reached over two million people through six social media posts and two blog posts dedicated to Australian summerfruit, which included recipe images and videos.

The partnership was all about the co-creation of content, with posts aimed at celebrating summer snacking as well as educating and inspiring consumers. Leah created appetising and engaging recipes, while also highlighting seasonality, taste and ease-of-use messaging. The Instagram posts alone attracted thousands of 'likes' and plenty of comments from consumers keen to try the ideas for themselves.

Other social media

During the season, the Aussie Summer Stonefruit Facebook page (www.facebook.com/australiasummerstonefruit) and Instagram account (@aussiesummerstonefruit) were used to help drive engagement with, purchase and consumption of summerfruit. Grower content such as on-farm photos were particularly popular, with the social fanbase showing their support for Australian summerfruit growers with positive comments, shares and general engagement. Across social media, through owned media alone there were 790,000 impressions delivered during the 2017/18 season.



Public relations

Media outreach during 2017/18 included the sending of media kits and summerfruit hampers to key media outlets. During the season, media coverage appeared across a range of top-tier print, broadcast and online media outlets, including 2UE, *Woman's Day*, print and online in *The Courier Mail* (syndicated), *Nine Kitchen*, *Best Recipes*, *Australian Women's Health* and News regional media outlets in Queensland.

The campaign achieved 73 pieces of coverage, presenting the opportunity to reach 17.9 million consumers with Australian summerfruit information, tips and recipes (up from a reach of 11 million in the previous season).

New consumer research

Consumer research took place in early 2018 to gain insights into the attitudes and purchasing behaviours of Australia's main grocery buyers when it comes to summerfruit. Some 1500 consumers were surveyed online, with an additional 150 shoppers surveyed in-store.

The findings have fed into the development of planning and activities for 2018/19 Summerfruit Fund marketing activities, which will have a focus on driving seasonal awareness and consideration by inspiring fruit fans and variety hunters around the taste, variety and sensory experience of Australian summerfruit, as well as summerfruit's versatility.

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EXPORT ACTIVITY

For the 2017/18 season, international marketing campaigns took place in the key markets of China, Malaysia, the United Arab Emirates and Thailand. This season saw 'Taste Australia' replace 'Now in Season' as the overarching brand campaign bringing Australian horticultural products to export markets. The summerfruit marketing campaigns were implemented under this new branding, with activities including in-store sampling, point-of-sale material, public relations activity and social media.

Marketing in China

There was a particular focus on supporting and driving awareness in China, which opened up for Australian nectarines in 2016/17, and the rest of summerfruit in the middle of the 2017/18 season.

New marketing materials were developed to drive awareness, including a video, point-of-sale materials, plus new digital banners with Taste Australia branding and the tagline 'Discover something new' for use across retail stores, online and in media.

A media launch to drive awareness of the new summerfruit access into China was also supported by the CEO of Summerfruit Australia, John Moore, who gave a trade presentation on seasonal conditions, the value proposition and the benefits of Australian fruit. This, coupled with a cooking demonstration, provided content for 22 media attendees.

A digital campaign was also implemented across trade media to drive awareness of the new access, linking to Chinese New Year ('Discover something new this Chinese New Year'). This included online banner advertising as well as a WeChat seminar with key Chinese trade partners.



From December 2017 to March 2018, four Chinese retailers conducted in-store sampling and promotion, with a combined 670 sampling days between them. These stores were selected due to their premium positioning with a strong foreign customer base and mid-high class Chinese customer base.

Other export markets

- » **In Malaysia**, a launch event was organised in one of the biggest malls in Kuala Lumpur for key media and importers, in conjunction with Tesco. Introducing Taste Australia and Australian summerfruit, the launch involved a cooking demonstration, media gifts and tastings, and supported the generation of 59 pieces of media coverage with an estimated media value of \$370,000. Malaysian retailers also took part in in-store activities, with 146 sampling days conducted over 40 stores that directly generated \$41,000 in sales as observed by point-of-sale staff alone.
- » **In Thailand**, there was also in-store sampling activity (amounting to 198 days across seven retailers), with cooking demonstrations and branded materials being used to support the sessions.
- » **In the United Arab Emirates**, in-store activity in three retailers saw a 150 per cent average increase in Australian summerfruit sales during the promotional period, which was supported by 38 sampling days. There was also a social media campaign with advertising across Facebook and Instagram, reaching 165,000 people.



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	72,233	1,068,533	1,140,766
Levies from growers (net of collection costs)	549,389	450,130	999,519
Australian Government money	556,256	–	556,256
Other income*	387	26,610	26,997
TOTAL INCOME	1,106,032	476,740	1,582,772
Project funding	926,356	371,855	1,298,211
Consultation with and advice from growers	12,961	3,540	16,501
Service delivery – Base	38,815	15,512	54,327
Service delivery – Shared	58,777	23,490	82,266
Service delivery – Fund specific	75,603	28,808	104,411
TOTAL EXPENDITURE	1,112,511	443,205	1,555,716
Levy contribution to across-industry activity	23,721	–	23,721
CLOSING BALANCE	42,033	1,102,068	1,144,101
Levy collection costs	20,273	15,059	35,332

At the end of 2016/17, the industry's pro rata share of levy funds were committed to strategic reserves (\$93,966 for R&D and \$83,194 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.

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