

What happened in the Pistachio Fund last year?

Annual Report 2021/22



About Hort Innovation and the Pistachio 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 voluntary pistachio R&D levy, together with Australian Government contributions, into key initiatives for growers, through the Pistachio Fund. We're proud of the work we do to help drive productivity, profitability, and demand for pistachio growers and the horticulture sector.

Read on for an overview of what Hort Innovation delivered in the Pistachio Fund during the year.

We also encourage you to download a copy of the overarching Hort Innovation Annual Report 2021/22 at www.horticulture.com.au/annual-report-portal to see how Hort Innovation worked to benefit the horticulture sector during the year.

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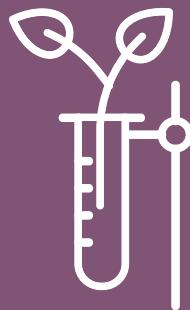
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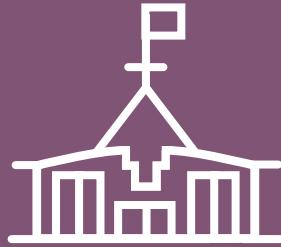
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\$162,155

invested in R&D



\$87,775

in levies collected

through the pistachio collective industry fund
and passed on to Hort Innovation for investment

Industry facts



\$23.9M

Since 2012/13, pistachio production value has grown at an average annual rate of 8.8 per cent, reaching \$23.9 million in 2020/21



40%

Pistachios are grown in the south of Australia, with the majority of production occurring in New South Wales (40 per cent), followed by Victoria (35 per cent) and South Australia (20 per cent)

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. See www.horticulture.com.au/horticulture-statistics-handbook.

Consumer insights



1.4 million

1.4 million Australian households purchased pistachios in 2021/22

These insights were made available through the Harvest to Home platform (www.harvesttohome.net.au) delivered as part of an investment providing regular consumer behaviour data and insight reporting.

Just some of the things delivered for you during the year



Improvements in the cultivation of pistachios by supporting the role and activities of a pistachio researcher who is tasked with undertaking ongoing field research – for project updates, see hortinn.com/ps17003



Continued efforts to support the adoption of best management practices involving on-farm demonstrations and regional discussion groups – see hortinn.com/ps20000



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 2021/22 for more details*

You can visit www.horticulture.com.au/pistachio at any time to access information on new, ongoing and completed projects, and to download resources produced by your levy investments.

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

Here's how your R&D levy was invested over the year

The pistachio Strategic Investment Plan (SIP) guides investments specific to the Hort Innovation Pistachio Fund. The SIP features priority outcome areas identified and agreed upon by the industry. Hort Innovation works to invest in R&D initiatives aligned to these.

Which projects were in each of the SIP outcome areas?

Hort Innovation Pistachio Fund investments in 2021/22 were aligned with the industry supply, productivity and sustainability outcome, which aims to increase the Australian pistachio industry's profitability, efficiency and sustainability through innovative R&D and sustainable best management practices (BMPs).

Project title and code	2021/22 investment	Status	More information
Pistachio productivity improvement program (PS17003)	\$138,196	Ongoing	hortinn.com/ps17003
Supporting the adoption of best management practices for pistachio growers through on-farm demonstrations and regional discussion groups (PS20000)	\$22,950	Ongoing	hortinn.com/ps20000



Financial operating statement

Pistachio Fund (collective)
Financial operating statement 2021/22

	R&D (\$)	Total (\$)
	2021/22 July – June	2021/22 July – June
OPENING BALANCE	124,772	124,772
Levies from growers	87,775	87,775
Australian Government money	91,061	91,061
Other income*	254	254
TOTAL INCOME	179,090	179,090
Project funding	162,155	162,155
Consultation with and advice from growers	–	–
Service delivery	19,968	19,968
TOTAL EXPENDITURE	182,123	182,123
CLOSING BALANCE	121,740	121,740

* Interest, loyalties

Levy collection costs – These are the costs associated with the collection of levies from industry charged by Levy Revenue Services (LRS)

Service delivery – Also known as Corporate Cost Recovery (CCR), this is the total cost of managing the investment portfolio charged by Hort Innovation

Making sure that levy investment decisions align with industry priorities

What will be the Pistachio Fund's focus over the next five years?



Hort Innovation developed the pistachio Strategic Investment Plan (SIP) in 2021 to reflect current priorities for the pistachio industry, involving extensive consultation with pistachio growers and industry stakeholders, including the Pistachio Growers' Association. The SIP is the roadmap that helps guide Hort Innovation's oversight and management of individual levy industry investment programs.

The pistachio SIP lays the foundation for decision-making in levy investments and represents the balanced interests of the pistachio industry. The most important function of the SIP is to make sure that levy investment decisions align with industry priorities.

The pistachio SIP identifies four outcome areas that will contribute to the productivity and profitability of the sector. They are:

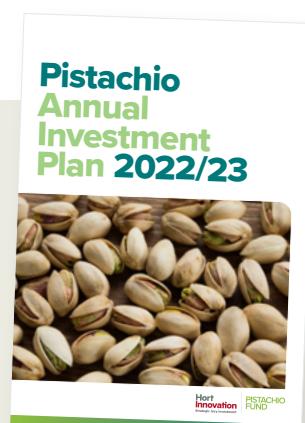
- Industry supply, productivity and sustainability
- Demand creation
- Extension and capability
- Business insights.

What projects will the Fund be investing in next year?

The pistachio Annual Investment Plan (AIP) 2022/23 details how Hort Innovation spends levy funds over 12 months. The pistachio industry SIP guides investment decisions, and our consultation process prioritises investments based on potential impact and levy fund availability.

Hort Innovation publishes Annual Investment Plans each year over the lifespan of the SIP and advises industry stakeholders via various communication channels.

Hort Innovation will continue to report on fund performance regularly, focusing on outcomes and the impact of investments.



Visit www.horticulture.com.au/pistachio-fund-management to view both documents and better understand how Hort Innovation invests your levy.

Bringing the latest research and information to pistachio growers

The pistachio industry invests their levy into ensuring growers have access to the information they need to run and grow their businesses

The investment *Supporting the adoption of best management practices for pistachio growers (PS20000)* is all about bringing the latest in Australian and international research, best practice and technical information to the nation's pistachio growers. The project delivers a range of activities and resources for pistachio growers that will assist them to adopt best management practices, leading to increased yield, quality and profitability.

Delivered by the Pistachio Growers' Association, project activities include:

- Maintaining and expanding the pistachio industry's regional 'Tech Groups'

- Facilitating field days and farm walks throughout each year in the country's major pistachio growing regions, with involvement of Australian and international experts
- Compiling technical information from Australia and overseas into resources for growers, including presentations, 'Seasonal Notes' that are distributed quarterly, e-bulletins and more
- Updating of the industry website with new information
- Workshops for new entrants to the industry.

Meet Ian McFarlane, pistachio grower from Cobdogla, South Australia

Ian McFarlane grows pistachios and wine grapes in Cobdogla, in the Riverland region of South Australia. He began growing pistachios on his 15-hectare property about five years ago to diversify his income stream, and he's looking to expand his current operations.

What are the main challenges you face?

"Pistachios have a significant lead time from when they are planted until you harvest nuts and develop an income

stream. Once you get to this stage however, the returns are worth the wait. This is the main challenge that I've faced, although this can also be a benefit as it can act as a barrier to entry into the industry and reduce the risks of oversupplying the market."

How has being involved in the project helped?

"The PIT groups (Pistachio Information and Technology Groups) have helped with providing information on how best to establish your orchard during this development phase. The industry is quite small so not a lot of research is done, so having the opportunity to get together with other growers and share information complements the more technical information provided by the Pistachio Growers' Association. I've found that everyone is quite open and willing to share."



Pistachio growers meet at a Regional Tech Group.



What are some of the benefits of being involved?

"One of the key benefits to come out from the project and my involvement in the PIT groups has been learning about a new way of establishing and structuring the trees while they are young and immature, and seeing how this is developing on other orchards throughout the region. These new systems are less labour intensive and are more focused towards mechanised pruning and harvesting in the future."

Why should growers get involved?

"There are quite of lot of new developments happening within the industry and innovations from overseas with regards to training and orchard management. With most of the industry involved and actively participating, you would be doing yourself a disservice if you didn't get involved."

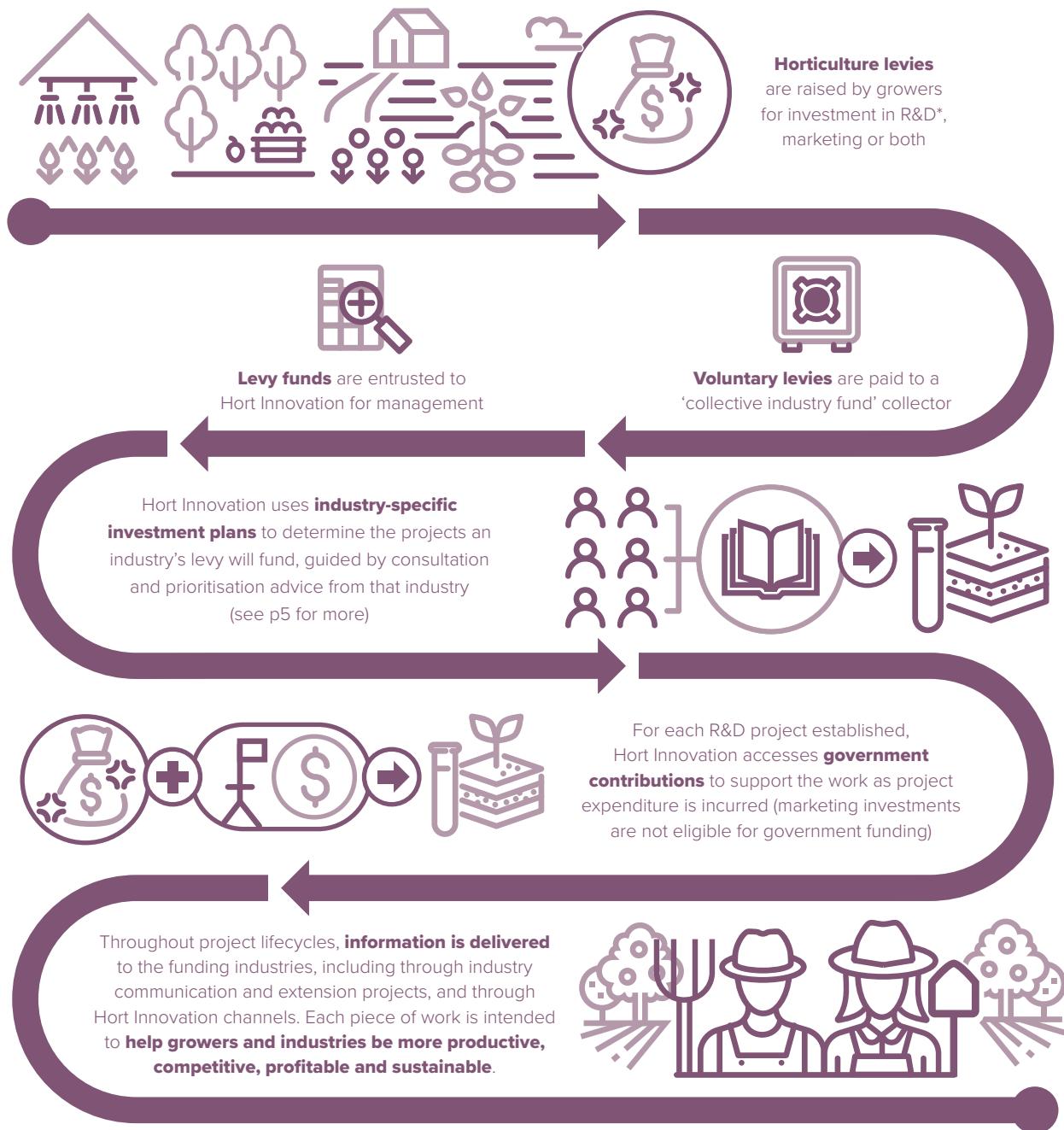
“

There are quite of lot of new developments happening within the industry and innovations from overseas with regards to training and orchard management. With most of the industry involved and actively participating, you would be doing yourself a disservice if you didn't get involved.”

Ian McFarlane, pistachio grower from Cobdogla, South Australia

How strategic levy investments are made in the Pistachio Fund

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The pistachio voluntary R&D levy was invested this way during the year, guided by the pistachio Strategic Investment Plan 2022-2026 and advice from the industry's investment advisory panel.



* Encapsulating extension and international trade

To learn more about funding specific to the Hort Innovation Pistachio Fund, visit www.horticulture.com.au/pistachio. During the year, other sources of funding were also used to support activities for the benefit of Australian horticulture, including grant funding secured by Hort Innovation, co-investment dollars brokered through our Hort Frontiers initiative and centralised strategic levy reserve.

Hort Innovation

Horticulture Innovation Australia Limited
ACN 602 100 149

Level 7, 141 Walker Street
North Sydney NSW 2060 Australia

02 8295 2300 | communications@horticulture.com.au

www.horticulture.com.au

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