

Impact Update

**Hort
Innovation**

Welcome to **Impact Update** – a snapshot of your Hort Innovation investments in action and how they are creating lasting change.

Export growth has never been more important for the \$16 billion horticulture sector, with most industries identifying enhancing and diversifying export markets as a priority.

This edition takes a deep dive into some of Hort Innovation's key trade investments currently underway.



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Harvesting international relationships for horticulture's success

Two Hort Innovation trade flagship investments that foster the growth of the horticulture industry's export prospects and expand the presence of Australian growers' produce in international markets are the five-year program **Multi-industry export program (vegetables, onions and melons)** (MT21009) and the three-year project **Avocado market access and trade development program** (AV20004).

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Harvesting international relationships for horticulture's success

Revealing consumer insights to shape export strategies

Biosecurity is all about trade

Developing export markets, maintaining viable export pathways, building industry capability and achieving sustained export growth has been the focus of the innovative multi-industry export program that works with vegetable, onion and melon growers across the country.

The second project has fostered collaboration between Australian avocado growers, industry, and export

markets to develop new markets for the strong domestic supply of Australian avocados. This has been developed through education initiatives that have equipped industry with the knowledge of how to export goods effectively, build relationships with stakeholders domestically and internationally, and offering support services for the development of export-oriented businesses.

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To further understand the significance of these projects, we spoke to Hort Innovation's **International Trade Manager – Export Capability, Mimi Doan.**

Q: Why is it crucial that these industries have programs that improve their ability to export?

A: Our levy-funded export and trade development programs offer growers at different stages of their exporting journey a range of tailored and comprehensive support, which empowers them with the knowledge, resources and connections required to overcome barriers and seize opportunities in export markets.

Export growth enables our growers to tap into larger customer bases, leading to increased revenue potential. Furthermore, a thriving export-oriented horticulture industry contributes significantly to the Australian economy, creates job opportunities, and enhances the country's global branding for its horticultural produce. Overall, these programs play a vital role in ensuring the industry's sustainability and resilience.

Q: What impact have these programs had so far and what future impact are they anticipated to have on the respective industries?

A: These programs are comprehensive and broad in scope, covering various aspects including export capability building, market development, quality, and market access support to name a few.

The cross-industry collaboration of the *Multi-industry export program* (MT21009) represents a strategic opportunity for the vegetable, melon, and onion industries. Through shared resources and knowledge, growers can tackle export challenges and opportunities more effectively. By leveraging the technical capability of an experienced service provider, such as AUSVEG, the program promotes cross-sector knowledge sharing, innovation, and export growth.

These programs have and will continue to deliver impact for our industries. For example, one area the *Avocado market access and trade development program* (AV20004) project covers is providing technical input and market access support to the avocado industry. During this project, the industry gained market access to two new markets, India, and Thailand. These two markets present strong opportunities for the industry to expand its presence and boost avocado exports. With the support of the trade development program, the avocado industry is poised to capitalise on these new market openings, driving revenue growth and strengthening its position in the global market. The role of this project in supporting market access, but also market development and export capability, demonstrates the valuable role that trade development projects play in facilitating market expansion and creating new opportunities for our industries.

Q: What is something exciting on the horizon for both projects?

A: One exciting event on the horizon for is participation in Asia Fruit Logistica, one of the largest and most prestigious fruit and vegetable trade fairs in Asia. This event offers an excellent platform for the industries to showcase its produce, network with potential buyers and distributors from across the Asian region and explore new market opportunities.

In an interview with delivery partner AUSVEG, a major producer and supplier to the domestic market of potatoes, onions, and carrots, based in South Australia, said the program helped the company present itself in a favourable light to potential business partners.

"By attending trade shows, we were able to establish those contacts and establish relationships to give us a foothold in export markets."

"I encourage you to look at the opportunities that export markets can give you, including diversifying your customer base, but it also means you can be more competitive in an international market given Australia's reputation for quality produce," the spokesperson said.



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Hort Innovation spoke to **Avocados Australia Export Manager and Project Lead Flora Zhang** to further understand the impact of *Avocado market access and trade development program (AV20004)*, which is set to finish by the end of 2023.

Q: What has the program achieved for the export of Australian avocados so far?

A: One of the pillars is capability and capacity building. We made it a priority to visit each of the six growing regions, where we engaged directly with the growers. During these interactions, we discussed export opportunities to help the growers realise untapped potential and the importance of increasing their exports. Additionally, we focused on internal capability building, supporting the growers in understanding the protocol requirements for trading with different countries, ensuring their products meet all necessary requirements.

Our external engagement with overseas stakeholders has been expanded in many ways. We organised a series of events in key export markets and created platforms enabling growers and exporters to connect with importers and retailers. This has strengthened relationships and communication channels. We actively sought the stakeholders' feedback and recommendations to identify opportunities and challenges.

We also collaborated with Trade and Investment Queensland and organised our very first avocado inbound mission. There are more inbound missions in planning.



Q: Why is this program important and how will it benefit Australian avocado growers?

A: This program holds tremendous significance for Australian avocado growers, as it directly aligns with both our industry strategy and export strategy. Over the next three years, our avocado production is projected to increase by at least 60 per cent. To accommodate this substantial growth, utilising export opportunities is essential.

Three years ago, the industry exported 3 per cent of the total production. In the past calendar year, our export volume surged to 10 per cent, growing more than 300 per cent in just two and a half years.

This substantial increase in export demonstrates the importance of the program in driving our ambitious targets and expanding our presence in international markets.

The core purpose of this project is to establish a robust platform that empowers avocado growers with export knowledge and technical support. By equipping our growers with the necessary tools and knowledge, we enable them to explore new markets and capitalise on international market opportunities.

By fostering connections with international stakeholders, we create long-term relationships and open doors to further growth and collaboration.



Revealing consumer insights to shape export strategies

A comprehensive study into international consumer demand for Australian horticulture in 13 key markets has delivered revealing insights that will help inform export strategies and activities for some of the nation's leading horticulture export industries.

Hort Innovation has shared the results from the *Understanding International Consumer Demand* project with industry. The initiative was funded through the Australian Government's Agricultural Trade and Market Access Cooperation program, along with levy contributions from 20 participating industries.

Those industries are almond, apple and pear, avocado, blueberry, cherry, citrus, dried grape, fresh potato, lychee, macadamia, mango, melon, olive, onion, raspberry and blackberry, strawberry, summerfruit, sweetpotato, table grape and vegetable. These industries have prioritised export in their Strategic Investment Plans for 2022-26.

Three category reports have been produced for fruit, vegetables, and dried fruits/nuts, as well as 13 market reports for Hong Kong, India, Indonesia, Japan, Malaysia, Qatar, Singapore, South Korea, Taiwan, United Arab Emirates, United Kingdom, United States and Vietnam.

The insights contained within these reports will be used to inform future trade initiatives led by Hort Innovation and are available for industry to leverage in their own businesses.

Hort Innovation General Manager for Trade & Biosecurity Research and Development, Dr Mila Bristow, said a comprehensive understanding of what drives consumer demand and decision-making is required to guide export strategies and improve Australia's success in selling to international partners.

"The results from this project provide a consumer-focused perspective on the export opportunities for Australian horticulture across 13 key markets," Dr Bristow said.





"The research unpacks consumer attitudes and values, as well as their fresh produce shopping behaviour and how they consume fruits, nuts and vegetables.

"It also provides a **strategic lens** through which markets represent the most attractive opportunity for each commodity, and identifies which commodities have the strongest right to play within each market."

The research was led by Kantar Insights as part of the **Australian horticulture international demand creation** (ST21007) program.

The research team:

- Identified the most profitable consumer trends and growth opportunities in priority international markets where Australian produce has the right to play and prioritised them across markets
- Identified target consumers and their needs in occasion and usage through purchase behaviour patterns to better address each market with Australian produce
- Optimised product positioning to drive profitable growth against prioritised industries, allowing the deployment of trade marketing resources in the most effective and coordinated way.

The 13 markets included in the Kantar report were chosen based on previous analysis by Deloitte that identified priority markets for Australian export, with a view to diversify.

Those priority markets were ranked by Deloitte based on import need, future growth, preferences, trade and country risk and compatibility.

The Kantar category reports now available to industry include a consumption snapshot for each commodity and detail around when, how and where each product is consumed, where it is purchased and with whom it is consumed.

The reports also outline core consumption drivers, premium drivers, barriers, substitutes and strategic recommendations for 'where to play' and 'how to win'.

Hort Innovation has established a portal where industry stakeholders can register to access the reports here.

The findings from the research will also be delivered by Hort Innovation via presentations throughout the remainder of 2023.



"This is the most **comprehensive and useful report ever released** by Hort Innovation."

Agricultural trade specialist Noel Shield is among a number of industry stakeholders who have been impressed by the market research, stating: "This is the most comprehensive and useful report ever released by Hort Innovation."

Mr Shield, whose career has included 30 years domiciled in six countries across Asia, is an adviser to Farmland Corporation Japan which is involved in fruit imports, warehousing, distribution, transport, farming and production, value adding shipping and information technology.

The recipient of the 2020 Asiafruit Impact Award for recognition of his work across the fruit industry in Asia,

Mr Shield is a member of the project reference group for the 'Understanding International Consumer Demand' project.

Mr Shield said with insightful research into supply chains and consumer demands now at hand, understanding the relationship between consumers and their product preferences would boost industry's strategic knowledge and positioning.

Biosecurity is all about trade

Biosecurity is all about safeguarding Australia's ability to trade fresh produce by protecting our plants from pests and diseases.



Biosecurity is an integral part of protecting Australia's \$16 billion horticultural industry and ensuring the sector continues to grow.

Hort Innovation's Trade & Biosecurity R&D Team manages a range of investments that focus on ensuring the Australian horticulture sector is prepared for biosecurity risks and equipped to manage pests and diseases. The team covers key biosecurity areas such as market access, integrated pest and disease management, regulatory affairs and crop protection, as well as the cross-RDC Plant Biosecurity Research Initiative.

Here are some examples of biosecurity-related investments that Hort Innovation has underway to protect Australia's trade reputation by detecting and managing various pests and diseases...



PREVENTING EXOTIC PLANT PESTS FROM ENTERING AUSTRALIA

The first line of defense is preventing exotic plant pests from entering Australia in the first place. Hort Innovation has a range of investments in preparedness to do just that.

Improving access to new genetics through faster and more accurate diagnostics

Rapid and safe access to new plant genetic stocks is crucial for plant primary industries to remain profitable, sustainable, and internationally competitive. Currently, new plant material entering Australia can spend up to three years in post-entry quarantine facilities undergoing pathogen testing.

A diagnostic platform that is scalable, robust, accurate, and rapid is needed for post-entry quarantine to expedite phytosanitary screening and allow imported plants to move through the quarantine process potentially more quickly.

From 2018 to 2023, Hort Innovation worked in partnership with quarantine

agencies in Australia and New Zealand to develop an end-to-end quality assurance program and standard operating procedures. Efforts were made to ensure the program harmonised with international best practices, to enable the adoption of high-throughput sequencing technology (also known as next generation sequencing) for phytosanitary screening of exotic pests in post-entry quarantine (PEQ) facilities. The technology allows the PEQ team to search for many plant pathogens in a single test, greatly improving efficiency and potentially reducing testing costs.

This new capability will enhance Australia's biosecurity system, safeguarding domestic plant industries from exotic pests and enabling plant industries to gain accelerated access to new plant genetics to facilitate their access to high-value market opportunities.

Biosecurity preparedness for the citrus industry

The citrus industry faces a number of significant exotic pest threats that have the potential to affect production as well as market access. These include Huanglongbing and its psyllid vectors, citrus canker and citrus variegated chlorosis (Xylella).

Hort Innovation is working to bolster biosecurity capacity and technical capability for the Australian citrus industry through a range of preparedness, response and awareness activities.

The project involves a nationally coordinated surveillance program for the early detection of high-priority pests and provides industry data to support industry market access and trade.

This project employs the National Citrus Biosecurity Manager who is responsible for working with growers, researchers, industry bodies and the Australian and State Government agencies to coordinate citrus surveillance and biosecurity activities across the country. A key element of the coordinator's work is ensuring that growers, consultants, other industry participants and members of the public are more aware of, and prepared for, biosecurity and exotic pests of citrus.

A review of the Citrus Biosecurity Plan (which was developed in 2015) will also occur under this project. The review will assess and confirm high priority pests of the citrus industry and therefore which exotic pests should be the target of biosecurity preparedness, surveillance and diagnostic activities.



REDUCING THE IMPACT OF PLANT PESTS ALREADY PRESENT IN AUSTRALIA

Integrated pest and disease management is a critical part of the horticulture sector's biosecurity efforts on home soil. Keeping pest pressure low feeds into confidence in the supply chain that end-point disinfestation

will be successful, reduces the need for some pest control chemicals to ensure fresh produce is pest-free when leaving the farm. This helps growers meet increasingly stringent Maximum Residue Limits (MRLs) for pesticides.

Facilitating timely and effective pest management in the macadamia industry

Hort Innovation is working hand-in-hand with the macadamia industry to help growers make timely and effective pest management decisions.

The program has three key areas of work:

1. Delivering ecological studies across the geographical range of the industry in Queensland and New South Wales. These studies will provide information on occurrence patterns of pests of concern, their biology and population dynamics, as well as pest interactions with natural enemies, macadamia phenology, and environmental factors.
2. Building on existing pest monitoring protocols and developing decision support systems, including the development of a macadamia agro-ecosystem model integrated



with economic analyses to consider the efficacy of various integrated pest management strategies, chemical and biological. It will establish evidence-based damage thresholds, tolerance levels and benchmarks of the return from control measures using the Economic Injury Level (EIL) and Economic Threshold (ET) framework.

3. Improving our understanding of biological control of macadamia pests. Field studies will identify existing natural enemies of all the pests of concern, assessing the seasonal abundance and diversity of the natural enemies under changing environmental conditions and resource availability.

Supporting grower access to safe and effective crop protection

Hort Innovation supports growers' essential access to safe and effective crop protection products through levy projects, grant funding and additional activities.

To help horticulture industries identify gaps in existing control options for pests, weeds and diseases, Hort Innovation funds Strategic Agrichemical Review Process (SARP) research.

Each industry's SARP report assists in directing ongoing efforts to ensure the availability of, and access to, effective chemical controls for the industries to address those needs and gaps. This may relate to pursuing chemical registration with agrichemical companies, or minor use permits with the Australian Pesticides and Veterinary Medicines Authority (APVMA).

The SARP process involves industry consultation and desktop studies to...

- Assess the importance of the diseases, insects and weeds that can affect each industry
- Evaluate the availability and effectiveness of pesticides in the control of these plant pests
- Determine any gaps in the current pest control strategy
- Identify suitable new or alternative pesticides to address the gaps.



ASSURING OUR INTERNATIONAL TRADING PARTNERS THAT OUR PRODUCE IS PEST-FREE

Australia's horticultural sector exports \$2.7B worth of produce each year – that makes up nearly 17 per cent of the total sector. To ensure we have continued access to overseas markets, and gain entry to new ones, we need to assure our trading partners that our produce is free of pests and diseases. In fact, this is the first stage of the process before trade negotiations can even begin.

Here are some examples of investments Hort Innovation has underway to support the industry gain technical market access, including our recently announced \$130M Fresh and Secure Trade Alliance.

Bolstering Australia's produce reputation

While Aussie produce is renowned for having stringent biosecurity practices

along all stages of the production and supply chains, state and territories have differing requirements for interstate trade when it comes to pests and diseases, which we refer to as phytosanitary conditions.

A Hort Innovation investment led by CSIRO in partnership with all Australian State and Territory Governments is working closely with Australia's domestic biosecurity regulators to strengthen our science-backed approach to managing these phytosanitary risks, making it easier for growers to conduct safe cross-border trade.

As part of the four-year effort, researchers will work closely with all governments to develop and refine a fit-for-purpose 'toolkit' that can be used to improve state-level decision-making about biosecurity risks and how these are best managed. The tools will also underpin analyses to support international market access negotiations.

This toolkit will provide Australian growers and exporters who are already effectively managing their production chains to minimise pests and diseases, a way to demonstrate their fruit, vegetables and nuts present a low biosecurity risk. The project will build on the Australian industry's already excellent practices in this, facilitate better use of data in management of plant biosecurity risks, and will include new and emerging technologies such as optical grading and automated pest surveillance.



Historic \$130M trade alliance to supercharge Aussie horticulture exports

Hort Innovation recently announced the largest and most ambitious trade initiative in Australian horticulture industry with a host of partners signing on to an historic \$130 million program, the Fresh and Secure Trade Alliance (FASTA).

The eight-year program will see key Aussie export stakeholders and authorities joining forces to help protect and grow Australia's horticultural exports.

As part of the program, FASTA will also bring a host of biosecurity initiatives

that will solidify Australia's strong pest-management reputation for years to come.

Insect pests are a major challenge for Australia's horticultural producers as they impact production and domestic and international trade. Before new trade can commence, trading partners require evidence that Australia's horticulture exports are insect pest free.

FASTA's research program is focused on two areas:

- Delivering robust and timely datasets to underpin market access negotiations: State and Territory governments will work together to standardise their approach to collecting phytosanitary, or pest and disease management, data. This data demonstrates that Australia's produce is pest-free while also ensuring the impact of phytosanitary treatments on fruit quality will be minimised. These datasets will be used to open new export markets for Australian produce, and improve conditions to existing ones.

- Increasing understanding about fruit fly and other key pests: A multi-discipline, multi-organisational research team of over 70 scientists from across Australia will be assembled to test new technologies for tracking pests, trapping pests and reducing pest pressure. Through the eight-year program, this will increase Australia's research capabilities in pest management research and facilitate world-class research.

The Fresh and Secure Trade Alliance is a partnership between Hort Innovation, the Department of Agriculture and Fisheries Queensland, the Department of Primary Industries and Regional Development (WA); the Queensland University of Technology, the Department of Energy, Environment and Climate Action (VIC), the Western Sydney University, the Department of Tourism, Industry and Trade (NT), the Australian Blueberry Growers' Association, James Cook University, the Department of Primary Industries and Regions (SA) and GreenSkin Avocados, with levy funding from the avocado and strawberry industries, and support from the Australian Government.

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