

Apple and pear Annual Investment Plan 2021/22

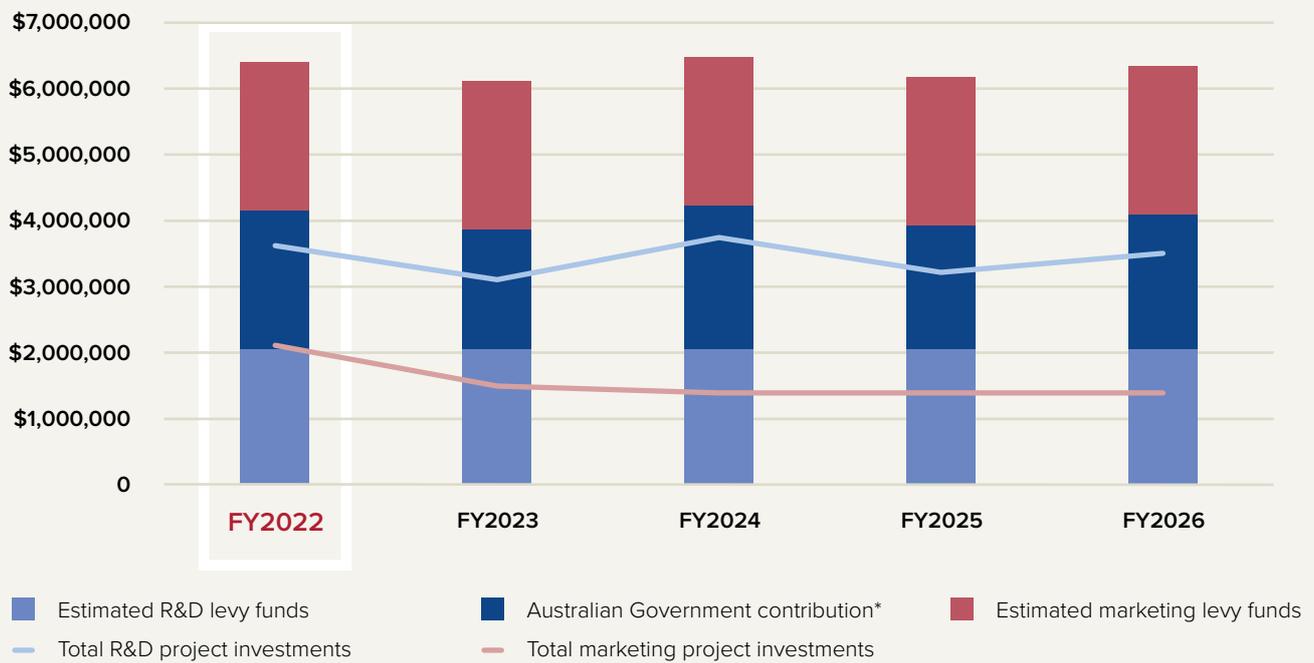


The 5-year Strategic Investment Plan

The apple and pear Strategic Investment Plan (SIP) 2022-2026 provides a roadmap to guide Hort Innovation’s investment of apple and pear industry levies and Australian Government contribution, ensuring investment decisions are aligned with industry priorities.

Figure 1 provides an indicative overview of the apple and pear industry’s funding availability over the life of the SIP (FY2022-FY2026).

FIGURE 1. INDICATIVE FUNDING AVAILABILITY FOR THE APPLE & PEAR FUND’S FIVE-YEAR INVESTMENT PROGRAM



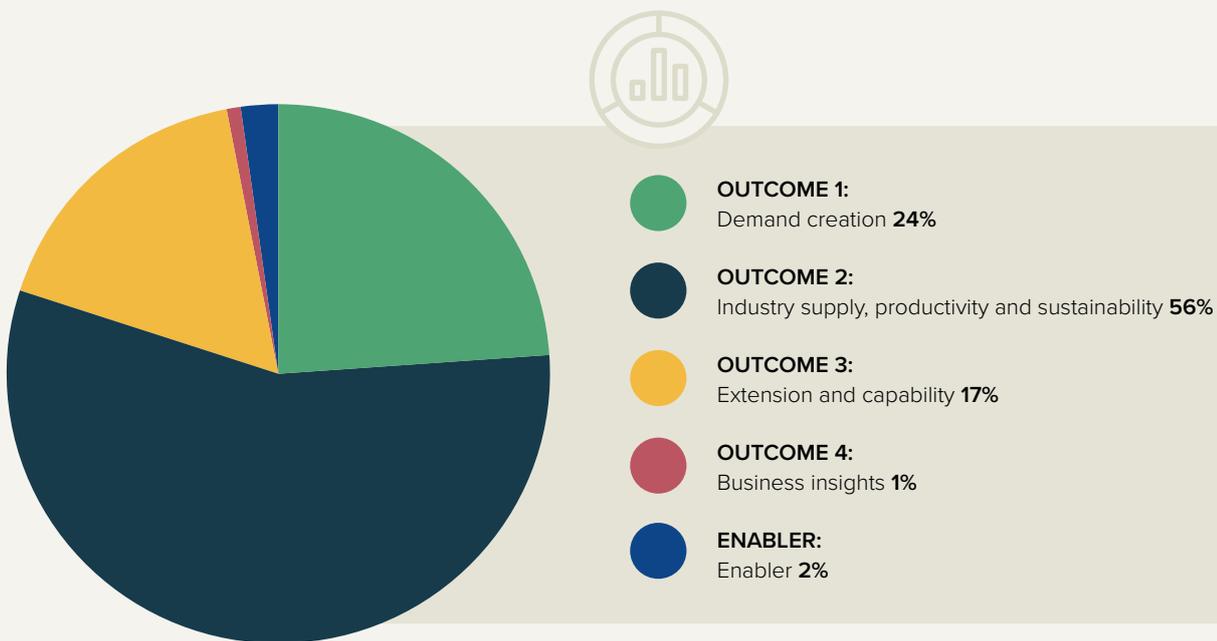
* Australian Government contribution is only applicable to the estimated levy funds for R&D.

About the Apple and Pear Annual Investment Plan

Investment decisions in the Apple and Pear Fund are guided by the apple and pear SIP 2022-2026 and prioritised based on potential industry impact, as well as availability of levy funds each year. Specific investments to address the SIP outcomes and strategies, and how they align with industry strategic priorities are outlined in detail through the apple and pear AIP each year.

Figure 2 summarises how the AIP will invest in the SIP outcome areas for FY2022.

FIGURE 2. APPLE & PEAR STRATEGIC INVESTMENT PLAN EXPENDITURE ANALYSIS FY2022



\$3,035,941

THE **TOTAL AMOUNT COMMITTED FROM EXISTING INVESTMENT** IN THE APPLE & PEAR FUND FOR 2021/22

Apple and Pear Annual Investment Plan in detail

The financial table on the following pages provides detail on current investments and how new investments will be made in the apple and pear Fund in FY2022. Outcomes in the apple and pear SIP 2022-2026 are defined below for your reference when reading the financial table.

Outcome 1 – Demand creation

Demand creation supports the Australian apple and pear industry to develop existing and future domestic and international markets.

Outcome 2 – Industry supply, productivity and sustainability

The Australian apple and pear industry has increased profitability, efficiency and sustainability through innovative research and development and sustainable best management practices.

Outcome 3 – Extension and capability

Improved capability and an innovative culture in the apple and pear industry maximises investments in productivity and demand.

Outcome 4 – Business insights

The Australian apple and pear industry is more profitable through informed decision-making using consumer knowledge and tracking, trade data, production statistics, and independent reviews.

Enabler

Investments that support the delivery of the Strategic Investment Plan.

TABLE 1. INDICATIVE ESTIMATES FOR THE APPLE & PEAR ANNUAL INVESTMENT PLAN 2021/22 AS AT **1 JULY 2021**

RESEARCH AND DEVELOPMENT

	\$
OPENING FUND BALANCE	339,643
Levy income	2,055,000
Levy collection costs	(45,000)
Australian Government contribution	2,100,901
Other income	–
TOTAL INCOME	4,110,901

Contracted R&D projects

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	AP20504	Apples Trademark Search	–	–	–	–	1,000
Demand creation	Monitor and record an apple and pear pests and diseases profile for the purpose of supporting market access and to continue to seek new market access and improvements to existing markets as outlined in the export strategy	AM17001	Developing a national systems approach for meeting bio-security requirements to access key Asian markets	–	10,500	–	10,500	21,000
Demand creation	Develop a targeted export market development plan to strengthen trade relationships in key export markets	AP17002	Apple and Pear Export Readiness and Market Access	–	254,404	–	–	254,404
Demand creation	Monitor and record an apple and pear pests and diseases profile for the purpose of supporting market access and to continue to seek new market access and improvements to existing markets as outlined in the export strategy	MT14052	Essential Market Access Data Packages	–	48,251	–	81,927	130,178

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Contracted R&D projects (continued)

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Industry supply, productivity and sustainability	Develop management strategies to optimise productivity and profitability in apple and pear orchards, including soil and plant health, inputs such as water and labour, and crop protection and environmental factors	AP14023	Improved tree and fruit nutrition for the Australian apple industry	–	–	–	–	25,000
Industry supply, productivity and sustainability	Develop management strategies to optimise productivity and profitability in apple and pear orchards, including soil and plant health, inputs such as water and labour, and crop protection and environmental factors	AP15013	Physiological, metabolic and molecular basis of biennial bearing in apple	–	–	–	–	16,495
Industry supply, productivity and sustainability	Provide regulatory support and co-ordination for crop protection regulatory activities with the potential to impact plant protection product access, both in Australia and internationally*	AP16001	Apple and Pear Industry Minor Use Permits	–	–	–	–	1,850
Industry supply, productivity and sustainability	Support pollination security through robust honey bee health, and pest and disease mitigation	MT16005	Enhanced National Bee Pest Surveillance Program 2016–2021	–	–	–	–	15,000
Industry supply, productivity and sustainability	Enhance industry biosecurity preparedness and resilience to ensure business continuity, and market access and trade, both domestically and internationally	ST19018	Mitigating the potential spread of Xylella fastidiosa (Xf) by understanding vectors	–	–	–	–	20,000
Industry supply, productivity and sustainability	Enhance industry biosecurity preparedness and resilience to ensure business continuity, and market access and trade, both domestically and internationally	ST19017	Biosecurity preparedness through developing capacity for in-field detection of SWD	–	–	–	–	20,000
Industry supply, productivity and sustainability	Provide regulatory support and co-ordination for crop protection regulatory activities with the potential to impact plant protection product access, both in Australia and internationally*	MT19006	Across horticulture support for achieving MRL compliance	–	–	–	–	20,000
Industry supply, productivity and sustainability	Enhance sustainable orchard system design and management to optimise orchard profitability through improvements in input efficiencies and quality improvements	AP16005	Developing Agri-tech solutions for the Australian apple industry	–	–	538,000	–	538,000

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Contracted R&D projects (continued)

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Industry supply, productivity and sustainability	Enhance industry biosecurity preparedness and resilience to ensure business continuity, and market access and trade, both domestically and internationally	AP18001	Pilot Sterile Codling Moth Releases for the Apple industry	–	–	–	50,000	50,000
Industry supply, productivity and sustainability	Develop management strategies to optimise productivity and profitability in apple and pear orchards, including soil and plant health, inputs such as water and labour, and crop protection and environmental factors	AP19002	Strengthening cultural and biological management of pests and diseases in apple and pear orchards	–	132,000	–	122,000	254,000
Industry supply, productivity and sustainability	Enhance sustainable orchard system design and management to optimise orchard profitability through improvements in input efficiencies and quality improvements	AP19003	Advancing sustainable and technology driven apple orchard production systems	–	41,250	–	59,249	100,499
Industry supply, productivity and sustainability	Enhance sustainable orchard system design and management to optimise orchard profitability through improvements in input efficiencies and quality improvements	AP19004	Technology review for fruit traceability at every stage of the Apple and Pear fruit production and supply chain.	47,000	–	–	–	47,000
Industry supply, productivity and sustainability	Enhance sustainable orchard system design and management to optimise orchard profitability through improvements in input efficiencies and quality improvements	AP19005	Developing smarter and sustainable pear orchards	–	104,130	–	104,130	208,260
Industry supply, productivity and sustainability	Develop management strategies to optimise productivity and profitability in apple and pear orchards, including soil and plant health, inputs such as water and labour, and crop protection and environmental factors	AP19006	Improved Australian apple and pear orchards soil health and plant nutrition	–	94,310	–	94,310	188,620
Industry supply, productivity and sustainability	Develop management strategies to optimise productivity and profitability in apple and pear orchards, including soil and plant health, inputs such as water and labour, and crop protection and environmental factors	AP19007	Independent Program Coordination for Apple and Pear PIPS3	–	26,500	12,400	–	38,900

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Contracted R&D projects (continued)

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Industry supply, productivity and sustainability	Enhance industry biosecurity preparedness and resilience to ensure business continuity, and market access and trade, both domestically and internationally	FF18003	SITplus production facility – proof of concept	–	36,429	–	35,714	72,143
Industry supply, productivity and sustainability	Support pollination security through robust honey bee health, and pest and disease mitigation	MT16005	Enhanced National Bee Pest Surveillance Program	–	–	15,000	–	15,000
Industry supply, productivity and sustainability	Enhance industry biosecurity preparedness and resilience to ensure business continuity, and market access and trade, both domestically and internationally	MT17006	Improving preparedness of the Australian horticultural sector to the threat potentially posed by Xylella fastidiosa (a severe biosecurity risk)	–	6,015	–	6,015	12,030
Industry supply, productivity and sustainability	Enhance industry biosecurity preparedness and resilience to ensure business continuity, and market access and trade, both domestically and internationally	MT19003	Parasitoids for the management of fruit flies in Australia	22,976	–	–	22,977	45,953
Industry supply, productivity and sustainability	Provide regulatory support and co-ordination for crop protection regulatory activities with the potential to impact plant protection product access, both in Australia and internationally*	MT20007	Regulatory Support & Response Co-ordination	–	5,856	–	–	5,856
Extension and capability	Deliver industry-specific communication, capacity, and capability to create positive changes in the areas of sustainable production, value-adding opportunities along the supply chain, labour efficiency, crop protection, biosecurity, soil, plant health and export capability	AP15004	Australian apple and pear industry innovation and adoption program	–	–	–	–	325,524
Extension and capability	Deliver industry-specific communication, capacity, and capability to create positive changes in the areas of sustainable production, value-adding opportunities along the supply chain, labour efficiency, crop protection, biosecurity, soil, plant health and export capability	AP18000	Apple and Pear Industry Communications Program	–	204,000	–	–	204,000

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Contracted R&D projects (continued)

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Business Insights	Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*	MT17015	Consumer behavioural and retail data for fresh produce; Woolworths Raw Data	9,044	9,044	–	–	18,088
Business Insights	Use trade data to guide ongoing export development opportunities*	MT19005	Horticulture Trade Data	–	3,013	–	3,013	6,026
Enabler	Enabler	MT21002	Hort Innovation Fund Annual Reports 2020/21	–	–	–	–	1,922
Enabler	Enabler	MT18009/011	Ex-post impact assessment	–	–	–	–	9,186
Enabler	Enabler	MT20001	SIP Development Support	–	–	–	–	29,796
Enabler	Enabler	AP20910	Industry advice and grower consultation	–	–	–	–	22,000
Enabler	Enabler	MT18011	Ex-post impact assessment	6,200	4,960	–	–	11,160
Contracted investment				85,220	980,661	565,400	589,835	2,728,889

Uncontracted new R&D investments

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	TBC	Field Force Merchandising Investment	–	–	–	–	–
Industry supply, productivity and sustainability	Enhance industry biosecurity preparedness and resilience to ensure business continuity, and market access and trade, both domestically and internationally	TBC	Apple & Pear Biosecurity Review Plan	–	–	–	–	30,000
Demand creation	Develop a targeted export market development plan to strengthen trade relationships in key export markets	TBC	Apple & Pear Market Access and Trade Development	–	–	–	–	300,000

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Uncontracted new R&D investments (continued)

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Industry supply, productivity and sustainability	Support pollination security through robust honey bee health, and pest and disease mitigation	TBC	National Bee Pest Surveillance Program:	–	–	–	–	80,000
Extension and capability	Deliver industry-specific communication, capacity, and capability to create positive changes in the areas of sustainable production, value-adding opportunities along the supply chain, labour efficiency, crop protection, biosecurity, soil, plant health and export capability	TBC	Apple & Pear Communication Program	–	–	–	–	380,000
Uncontracted new investment				–	–	–	–	790,000
Available for new investment								103,653
CCR								584,002
Projected end balance								244,000

Disclaimer: All figures are indicative only and may change depending on milestone achievements and actual income and expenditure.

* Foundational investments provide data and information that underpin the delivery of other SIP outcome areas and will be aligned to this strategy. Foundational investment areas include:

- Consumer behavioural data
- Consumer usage and attitudes, and brand health tracking data
- Impact assessments
- Trade data
- Crop protectant data.

APPLE MARKETING

	\$
OPENING FUND BALANCE	1,397,283
Levy income	2,250,000
Levy collection costs	(28,000)
Other income	–
TOTAL INCOME	2,222,000

Apple Fund contracted marketing projects

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	AP20600	Aussie Apples New Creative Campaign	–	–	–	–	–
Demand creation	Build international consumer awareness and preference of fresh, quality Australian apples and pears through improving knowledge, attitudes and purchase intent	MT17020	Taste Australia Retail Channel (Marketing)	40,000	10,000	–	–	50,000
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	MT20504	Australian Apples & Pears brand tracker	12,000	–	–	–	12,000
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	MT20600	Media Strategy, Planning & Buying Services	30,621	22,633	30,621	22,633	106,509
Contracted investment				82,621	32,633	30,621	22,633	168,509

Apple Fund uncontracted new marketing investments

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	TBC	Merchandising and quality monitoring	–	–	–	–	10,000
Uncontracted investments				–	–	–	–	10,000
Available for new investment								2,618,871
CCR								391,103
Projected end balance								430,800

Disclaimer: All figures are indicative only and may change depending on milestone achievements and actual income and expenditure.

PEAR MARKETING

	\$
OPENING FUND BALANCE	1,264,123
Levy income	900,000
Levy collection costs	(29,362)
Other income	8,200
TOTAL INCOME	878,838

Pear Fund contracted marketing projects

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	MT17020	Taste Australia Retail Channel (Marketing)	40	10,000	–	–	10,040
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	MT20504	Australian Apples & Pears brand tracker	8,000	–	–	–	8,000
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	MT20600	Media Strategy, Planning & Buying Services	10,207	7,544	10,207	7,544	35,503
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	PA20501	Australian Pears Export Co-Promotions	20,000	–	–	–	20,000
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	PA20601	Australian Pears Retail Media – Cartology (MT20600)	65,000	–	–	–	65,000
Contracted investment				103,247	17,544	10,207	7,544	138,543

Pear Fund uncontracted new marketing investments

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Build domestic consumer demand for fresh, quality Australian apples and pears through knowledge, attitudes and purchase intent	TBC	Merchandising and quality monitoring	–	–	–	–	10,000
Uncontracted investments				–	–	–	–	10,000
Available for new investment								1,583,026
CCR								330,392
Projected end balance								81,000

Disclaimer: All figures are indicative only and may change depending on milestone achievements and actual income and expenditure.

Financial table definitions:

Opening fund balance: Forecast opening fund balance

Net levy income: Net levy income/revenue that is generated and collected by levy revenue services (LRS)

Australian Government contribution: Amount of contribution from the Australian Government on R&D levy-funded expenditure

Contracted investment: Estimated value of contracted projects

Uncontracted investment: Represents the estimated dollar value that is available for potential new investments for industry subject to industry advice

CCR: Cost to implement and manage R&D and marketing investment programs for each industry

Projected end balance: Forecast of the anticipated final position of each fund

Enabler: Investments that support the delivery of the SIP

Available for new investment: Uncontracted projects and the figure indicated in the SIP as available for new investment

Find out more information on the Apple & Pear Fund
at www.horticulture.com.au/apple-and-pear/