

Avocado Annual Investment Plan 2021/22

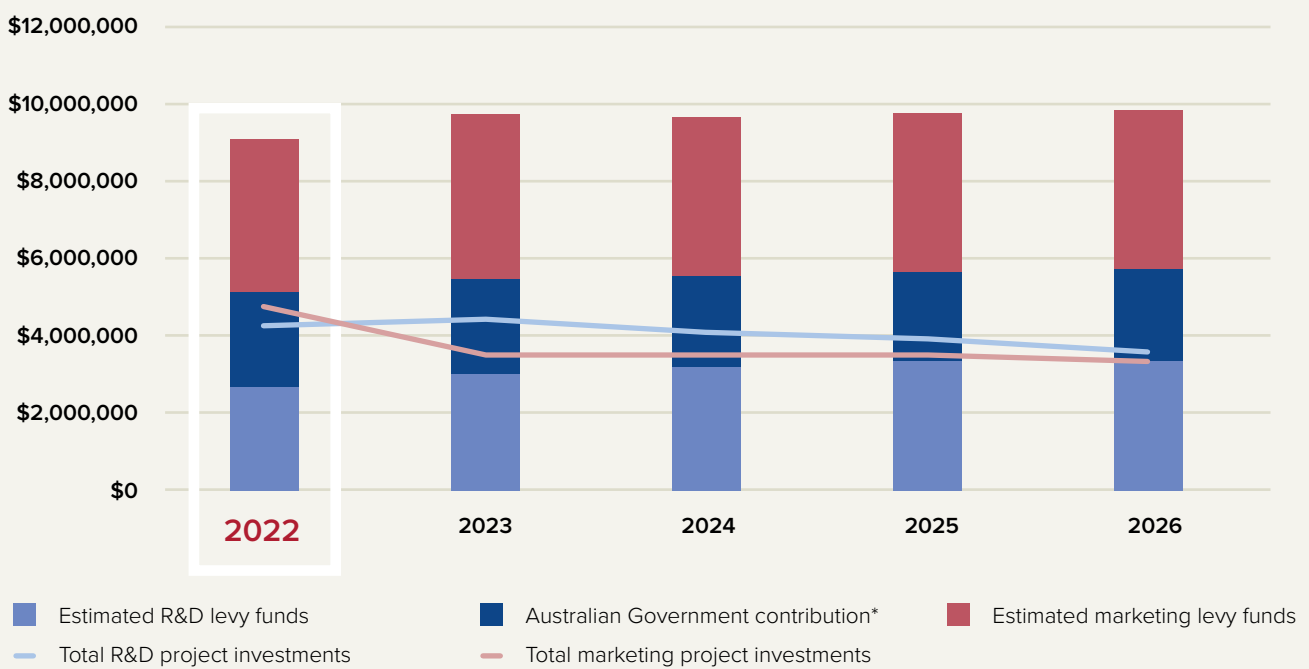


The 5-year Strategic Investment Plan

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

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

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



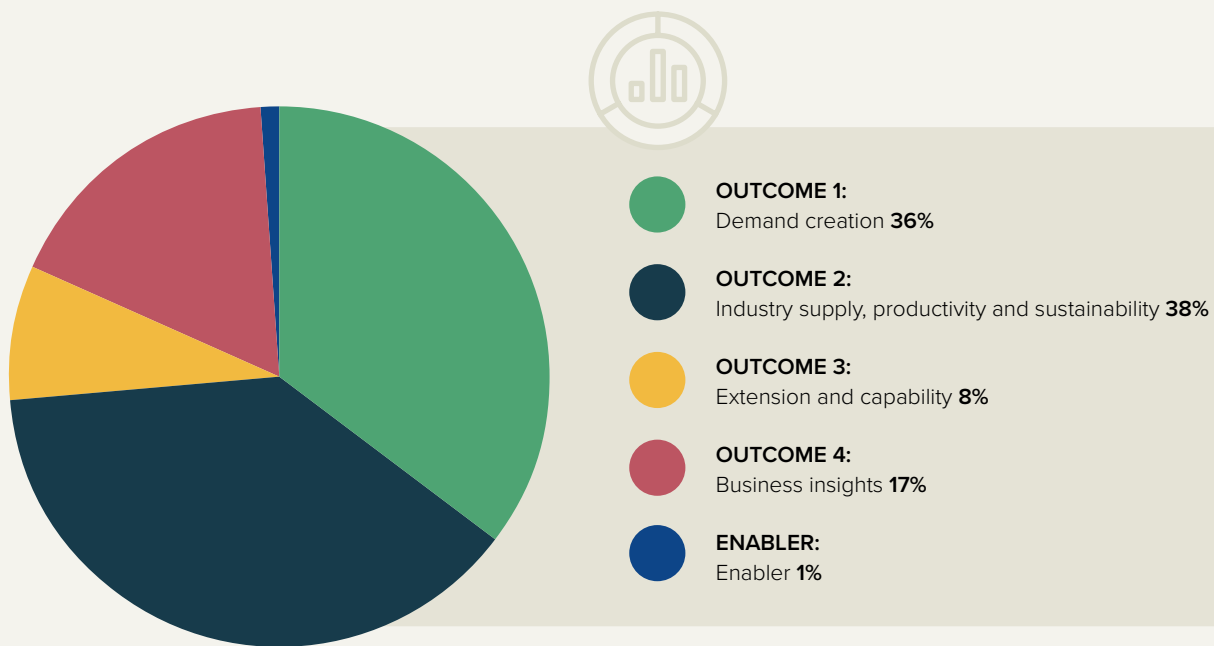
* Australian Government contribution is only applicable to the estimated levy funds for R&D.

About the avocado Annual Investment Plan

Investment decisions in the Avocado Fund are guided by the avocado 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 avocado AIP each year.

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

FIGURE 2. AVOCADO STRATEGIC INVESTMENT PLAN EXPENDITURE ANALYSIS FY2022



\$4,842,839

THE **TOTAL AMOUNT COMMITTED FROM EXISTING INVESTMENT** IN THE AVOCADO FUND FOR 2021/22

Avocado 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 Avocado Fund in FY2022. Outcomes in the avocado SIP 2022-2026 are defined below for your reference when reading the financial table.

Outcome 1 – Demand creation

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

Outcome 2 – Industry supply, productivity and sustainability

The Australian avocado industry has improved profitability, efficiency and sustainability through globally competitive production systems, orchard management, varieties, innovative research and development and sustainable best management practices.

Outcome 3 – Extension and capability

Improved capability and innovative culture in the Australian avocado industry maximises adoption of best practices and innovation in productivity and demand.

Outcome 4 – Business insights

Improved decision-making in the Australian avocado industry through the use of consumer knowledge and tracking, trade data, production statistics and forecasting, and independent reviews.

Enabler

Investments that support the delivery of the Strategic Investment Plan.

TABLE 1. INDICATIVE ESTIMATES FOR THE AVOCADO ANNUAL INVESTMENT PLAN 2021/22 AS AT **1 JULY 2021****RESEARCH AND DEVELOPMENT**

	\$
OPENING FUND BALANCE	3,597,630
Levy income	3,000,000
Levy collection costs	(30,700)
Australian Government contribution	2,797,815
Other income	6,287
TOTAL INCOME	5,773,402

Contracted R&D projects

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Increase domestic consumer demand for fresh, quality Australian avocados through improving knowledge, attitudes and purchase intent	AV20003	Educating health professionals on the Nutrition & Health benefits of Avocados	–	65,712	–	99,152	164,864
Demand creation	Develop a strategic plan for market access and trade development opportunities	AV20004	Avocado Market Access and Trade Development.	162,166	–	162,166	–	324,332
Demand creation	Improve technical access to high-value markets as identified within the export strategy	MT14052	Essential Market Access Data Packages	–	154,565	–	176,000	330,565
Industry supply, productivity and sustainability	Apply a systems research approach to improving quality of Australian avocados throughout the supply chain	AV19003	Monitoring avocado quality at retail	–	–	–	–	120,264
Industry supply, productivity and sustainability	Provide regulatory support and coordination for crop protection regulatory activities with the potential to impact plant protection product access, both in Australia and internationally*	MT20006	Across Horticulture support to Achieving Export MRL Compliance	–	–	–	–	7,869
Industry supply, productivity and sustainability	Enhance crop pollination and resilience through improved pollination security and understanding of avocado crop pollination requirements	PH19007	Avocado eDNA pollination PhD (Frontiers Pollination Fund)	–	–	–	–	20,250

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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 improved orchard management practices to increase productivity, yield consistency and fruit quality based on improved knowledge of tree physiology	AV16005	Maximising yield and reducing seasonal variation	10,000	10,000	224,923	–	244,923
Industry supply, productivity and sustainability	Develop and optimise fit for purpose pest and disease management strategies	AV16007	Improving Avocado Orchard Productivity Through Disease Management	–	100,328	–	269,522	369,850
Industry supply, productivity and sustainability	Reduce costs of production through identification and adaptation of technologies	AV18002	Implementing precision agriculture solutions in Australian avocado production systems	–	111,587	189,882	–	301,469
Industry supply, productivity and sustainability	Develop and optimise fit for purpose pest and disease management strategies	AV18007	Avocado Sunblotch Viroid Survey	83,000	–	83,000	118,000	284,000
Industry supply, productivity and sustainability	Develop and optimise fit for purpose pest and disease management strategies	AV19000	Investigation into citrus blossom bug in avocados	–	20,851	–	28,102	48,953
Industry supply, productivity and sustainability	Develop and optimise fit for purpose pest and disease management strategies	AV19002	Management of six-spotted mite in WA avocado orchards – Phase 2	45,524	–	46,875	–	92,399
Industry supply, productivity and sustainability	Apply a systems research approach to improving quality of Australian avocados throughout the supply chain	AV19003	Monitoring Avocado Quality at Retail	60,132	–	60,132	–	120,264
Industry supply, productivity and sustainability	Develop improved orchard management practices to increase productivity, yield consistency and fruit quality based on improved knowledge of tree physiology	AV19005	Understanding the mode of action of phosphite in avocado for enhanced management of Phytophthora root rot	–	84,981	–	84,982	169,963
Industry supply, productivity and sustainability	Develop improved orchard management practices to increase productivity, yield consistency and fruit quality based on improved knowledge of tree physiology	MT17003	Review of National Biosecurity Plans	2,848	–	2,848	–	5,695

Continued >>

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 improved orchard management practices to increase productivity, yield consistency and fruit quality based on improved knowledge of tree physiology	MT17006	Improving preparedness of the Australian horticultural sector to the threat potentially posed by <i>Xylella fastidiosa</i> (a severe biosecurity risk)	–	8,478	–	–	8,478
Industry supply, productivity and sustainability	Enhance crop pollination and resilience through improved pollination security and understanding of avocado crop pollination requirements	MT18019	Development and implementation of protocols to enable importation of improved honey bee genetics to Australia	–	17,500	–	–	17,500
Industry supply, productivity and sustainability	Provide regulatory support and coordination 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	–	7,524	–	–	7,524
Industry supply, productivity and sustainability	Enhance crop pollination and resilience through improved pollination security and understanding of avocado crop pollination requirements	PH19007	eDNA analysis of plant-pollinator relationships to improve Hass avocado production in south-west Western Australia	6,750	–	13,500	–	20,250
Industry supply, productivity and sustainability	Generate residue, efficacy and crop safety data to support applications to the APVMA to gain, maintain or broaden access to priority uses for label registrations and/or minor use permits for crop protection needs*	ST17000	Data Generation Program for Minor Use	–	15,600	–	–	15,600
Extension and capability	Deliver tailored extension and communication services to support positive change in the areas of export development and capability, domestic demand creation and BMPs in quality throughout the supply chain, biosecurity, sustainable orchard systems and IPDM	AV17005	Avocado Industry Development and Extension	34,670	–	–	–	34,670
Extension and capability	Deliver tailored extension and communication services to support positive change in the areas of export development and capability, domestic demand creation and BMPs in quality throughout the supply chain, biosecurity, sustainable orchard systems and IPDM	AV17006	Avocado Industry Capacity Building – Western Australia	–	–	6,000	6,000	12,000

Continued >>

Contracted R&D projects (continued)

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Extension and capability	Deliver tailored extension and communication services to support positive change in the areas of export development and capability, domestic demand creation and BMPs in quality throughout the supply chain, biosecurity, sustainable orchard systems and IPDM	AV18000	Implementing best practice of avocado fruit management and handling practices from farm to ripening DC	42,214	–	42,214	–	84,429
Extension and capability	Deliver tailored extension and communication services to support positive change in the areas of export development and capability, domestic demand creation and BMPs in quality throughout the supply chain, biosecurity, sustainable orchard systems and IPDM	AV18003	National avocado industry communications program	–	–	201,882	–	201,882
Extension and capability	Deliver tailored extension and communication services to support positive change in the areas of export development and capability, domestic demand creation and BMPs in quality throughout the supply chain, biosecurity, sustainable orchard systems and IPDM	AV19001	Review and extension of avocado arthropod pests and their management	–	69,345	–	–	69,345
Business insights	Use consumer insights to inform the positioning of the 'Australian Avocados' brand and underpin effective marketing strategies to drive increased demand*	MT21003	Consumer Demand Spaces for Horticulture	–	–	–	–	35,766
Business insights	Use production forecasts to inform long-term and/or in-season market planning and supply strategies in domestic and international markets	AV20000	Avocado industry and market data capture and analysis	–	163,496	163,496	–	326,992
Business insights	Use consumer insights to inform the positioning of the 'Australian Avocados' brand and underpin effective marketing strategies to drive increased demand*	AV20001	Australian Avocado Unique Selling Proposition	62,500	–	–	–	62,500
Business insights	Use consumer insights to inform the positioning of the 'Australian Avocados' brand and underpin effective marketing strategies to drive increased demand*	MT17015	Consumer behavioural and retail data for fresh produce; Woolworths Raw Data	3,348	3,348	–	–	6,696

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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	Access and report trade data to guide ongoing export development opportunities*	MT19005	Horticulture Trade Data	–	3,013	–	3,013	6,026
Enabler	Enabler	MT20003	SIP Development Support	–	–	–	–	30,026
Enabler	Enabler	MT21002	Hort Innovation Fund Annual Reports 2020/21	–	–	–	–	1,922
Enabler	Enabler	MT18011	Ex-post impact assessment	8,442	6,754	–	–	15,196
Contracted investment				521,594	843,081	1,196,918	784,771	3,562,461

Uncontracted new R&D investments

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Increase domestic consumer demand for fresh, quality Australian avocados through improving knowledge, attitudes and purchase intent	TBC	Phenomenom – Avocados	–	–	–	–	50,000
Demand creation	Develop a strategic plan for market access and trade development opportunities	TBC	Avocado Export Strategy 2022-2026	–	–	–	–	14,000
Industry supply, productivity and sustainability	Develop and optimise fit for purpose pest and disease management strategies	TBC	Improving Fruit and Banana Spotting Bug control	–	–	–	–	334,000
Industry supply, productivity and sustainability	Develop improved orchard management practices to increase productivity, yield consistency and fruit quality based on improved knowledge of tree physiology	TBC	Growing robust avocados	–	–	–	–	384,000
Industry supply, productivity and sustainability	Develop improved orchard management practices to increase productivity, yield consistency and fruit quality based on improved knowledge of tree physiology	TBC	Avocado industry biosecurity capacity building Phase II	–	–	–	–	350,000
Industry supply, productivity and sustainability	Develop improved orchard management practices to increase productivity, yield consistency and fruit quality based on improved knowledge of tree physiology	TBC	Avocado industry biosecurity strategy 2021-2026	–	–	–	–	250,000

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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	Reduce costs of production through identification and adaptation of technologies	TBC	Advancing the delivery of national mapping applications and tools	–	–	–	–	400,000
Industry supply, productivity and sustainability	Apply a systems research approach to improving quality of Australian avocados throughout the supply chain	TBC	Serviced Supply Chains – Hort Frontiers	–	–	–	–	30,000
Extension and capability	Deliver tailored extension and communication services to support positive change in the areas of export development and capability, domestic demand creation and BMPs in quality throughout the supply chain, biosecurity, sustainable orchard systems and IPDM	TBC	Avocado industry communications program	–	–	–	–	290,000
Extension and capability	Foster regional capacity and strengthen industry leadership through initiatives and training	TBC	Masterclass in Horticultural Business	–	–	–	–	10,000
Extension and capability	Foster regional capacity and strengthen industry leadership through initiatives and training	TBC	Nuffield Scholarship	–	–	–	–	27,000
Business insights	Use consumer insights to inform the positioning of the 'Australian Avocados' brand and underpin effective marketing strategies to drive increased demand*	TBC	Foodservice foundational market insights	–	–	–	–	200,000
Business insights	Use production forecasts to inform long-term and/or in-season market planning and supply strategies in domestic and international markets	MT21007	Seasonal Horticultural labour accomodation	–	–	–	–	17,516
Business insights	Use production forecasts to inform long-term and/or in-season market planning and supply strategies in domestic and international markets	TBC	Avocado Industry Benchmarking	–	–	–	–	80,000
Enabler	Enabler	MT20008	Industry Specific Impact Assessment	–	–	–	–	34,125
Uncontracted new investment				–	–	–	–	2,470,641

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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 \$
Available for new investment								1,049,794
CCR								977,515
Projected end balance								1,310,621

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.

MARKETING

	\$
OPENING FUND BALANCE	1,484,721
Levy income	4,300,000
Levy collection costs	(48,000)
Other income	
TOTAL INCOME	4,252,000

Contracted marketing projects

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Increase domestic consumer demand for fresh, quality Australian avocados through improving knowledge, attitudes and purchase intent	AV20603	Avocado Media Upweight	–	744,000	–	–	744,000
Demand creation	Increase domestic consumer demand for fresh, quality Australian avocados through improving knowledge, attitudes and purchase intent	MT20600	Media Strategy, Planning & Buying Services	42,230	31,213	42,230	31,213	146,886
Contracted investment				42,230	775,213	42,230	31,213	890,886

Uncontracted new marketing investments

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Increase domestic consumer demand for fresh, quality Australian avocados through improving knowledge, attitudes and purchase intent		Avocado marketing program FY22	–	–	–	–	3,109,114
Uncontracted investment				–	–	–	–	3,109,114
Available for new investment								–
CCR								898,657
Projected end balance								838,064

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 Avocado Fund
at www.horticulture.com.au/avocado/