

# Cherry Annual Investment Plan 2021/22

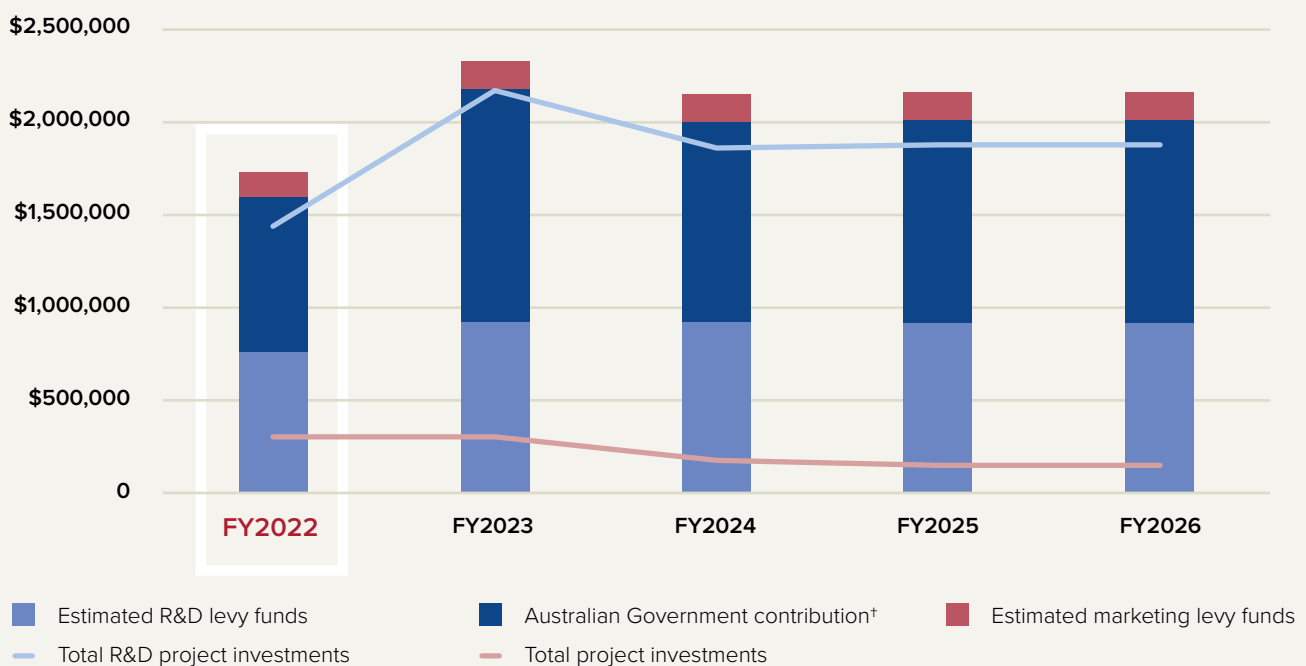


# The 5-year Strategic Investment Plan

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

Figure 1 provides an indicative overview of the Cherry Fund's funding availability over the life of the SIP (FY2022-FY2026).

**FIGURE 1. INDICATIVE FUNDING** AVAILABILITY FOR THE CHERRY FUND'S FIVE-YEAR INVESTMENT PROGRAM



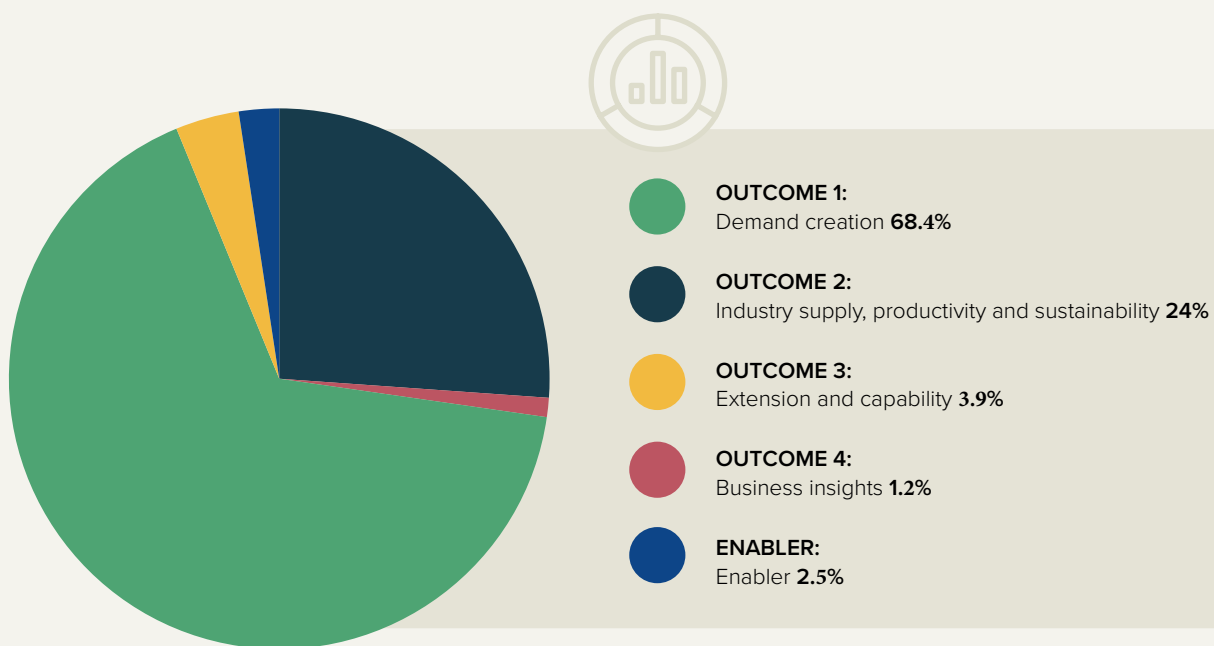
\* Australian Government contribution is only applicable to the estimated levy funds for R&D.

# About the cherry Annual Investment Plan

Investment decisions in the Cherry Fund are guided by the cherry 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 cherry AIP each year.

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

**FIGURE 2.** CHERRY STRATEGIC INVESTMENT PLAN EXPENDITURE ANALYSIS FY2022



## \$510,892

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

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

## Outcome 1 – Demand creation

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

## Outcome 2 – Industry supply, productivity and sustainability

The Australian cherry industry has increased profitability, efficiency and sustainability through innovative research and development, robust industry biosecurity and improved orchard systems.

## Outcome 3 – Extension and capability

Improved capability and an innovative culture in the Australian cherry industry maximises investments in productivity and demand.

## Outcome 4 – Business insights

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

## Enabler

Investments that support the delivery of the Strategic Investment Plan.

TABLE 1. INDICATIVE ESTIMATES FOR THE CHERRY ANNUAL INVESTMENT PLAN 2021/22 AS AT 1 JULY 2021

## RESEARCH AND DEVELOPMENT

	\$
<b>OPENING FUND BALANCE</b>	<b>666,098</b>
Levy income	760,000
Levy collection costs	(33,500)
Australian Government contribution	837,330
Other income	–
<b>TOTAL INCOME</b>	<b>1,563,830</b>

## Contracted R&amp;D projects

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Develop workable market access protocols to assist with maintenance and expansion of export markets	CY18002	Market Access and Trade Development	–	136,615	–	189,549	326,165
Demand creation	Increase domestic and international consumer demand for fresh, quality Australian cherries through improving knowledge, attitudes and purchase intent	AM17004 / MT18017	Taste Australia Retail Program R&D – explicit quality	–	–	–	4,500	4,500
Demand creation	Monitor the consistency of fruit quality throughout the season along the supply chain	CY19004	Cherry quality descriptors	–	–	–	5,500	5,500
Demand creation	Develop workable market access protocols to assist with maintenance and expansion of export markets	MT20000	Improving onshore cold treatment protocols	–	–	–	5,000	5,000
Industry supply, productivity and sustainability	Generate residue, efficacy and crop safety data to support applications to the Australian Pesticides and Veterinary Medicines Authority that seeks to gain, maintain or broaden access to priority uses for label registrations and/or minor use permits for crop protection needs*	CY16005	Cherry Industry Minor Use Program	–	–	–	6,500	6,500

Continued &gt;&gt;

## 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	Provide regulatory support and coordination 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 Maximum Residue Limit compliance	–	–	–	5,000	5,000
Industry supply, productivity and sustainability	Improve industry preparedness and resilience to biosecurity threats, particularly exotic and endemic fruit flies	AM17001	Developing a national systems approach for meeting bio-security requirements to access key Asian markets	–	11,250	–	11,250	22,500
Industry supply, productivity and sustainability	Improve industry preparedness and resilience to biosecurity threats, particularly exotic and endemic fruit flies	FF18003	SITplus production facility – proof of concept	–	36,429	–	35,714	72,143
Industry supply, productivity and sustainability	Improve industry preparedness and resilience to biosecurity threats, particularly exotic and endemic fruit flies	MT17006	Improving preparedness of the Australian horticultural sector to the threat potentially posed by Xylella fastidiosa (a severe biosecurity risk)	–	7,277	–	7,277	14,554
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	–	2,023	–	–	2,023
Extension and capability	Provide opportunity for engagement between industry, across industry members and with stakeholders throughout the supply chain	CY19001	National Cherry Conference	–	–	–	20,000	20,000
Business insights	Use trade data to guide ongoing export development opportunities*	MT19005	Horticulture Trade Data	–	3,013	–	3,013	6,026
Enabler	Enabler	MT20003	SIP Development Support	–	–	–	6,490	6,490
Enabler	Enabler	MT21002	Hort Innovation Fund Annual Reports 2020/21	–	–	–	1,922	1,922
Enabler	Enabler	MT18011	Ex-post impact assessment	2,342	1,874	–	–	4,216
<b>Contracted investment</b>				<b>2,342</b>	<b>198,480</b>	<b>–</b>	<b>301,715</b>	<b>502,538</b>

## Uncontracted new R&D investments

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Monitor the consistency of fruit quality throughout the season along the supply chain	TBC	Cherry Quality Monitoring Program	–	–	–	–	100,000
Industry supply, productivity and sustainability	Improve industry preparedness and resilience to biosecurity threats, particularly exotic and endemic fruit flies	TBC	Plant Biosecurity Research Initiative -PBRI	–	–	–	–	2,647
Industry supply, productivity and sustainability	Generate residue, efficacy and crop safety data to support applications to the APVMA that seeks to gain, maintain or broaden access to priority uses for label registrations and/or minor use permits for crop protection needs*	TBC	Data generation, efficacy trials, minor use permits	–	–	–	–	10,000
Industry supply, productivity and sustainability	Improve industry preparedness and resilience to biosecurity threats, particularly exotic and endemic fruit flies	TBC	National Fruit Fly Council	–	–	–	–	5,000
Industry supply, productivity and sustainability	Improve industry preparedness and resilience to biosecurity threats, particularly exotic and endemic fruit flies	TBC	National Bee Pest Surveillance Program	–	–	–	–	10,000
Extension and capability	Deliver communication and extension capability to support positive change in the priority areas for the cherry industry that is supportive of maximising sustainable profitability, driving export opportunities, biosecurity, and product integrity	TBC	Export Capability					10,000
Business insights	Use trade data to guide ongoing export development opportunities*	TBC	Horticulture Trade Data					6,367
Business insights	Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*	MT21004	Behavioural Data					6,000
Business insights	Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*	MT21003	Demand Spaces					6,731

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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 \$
Business insights	Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*	MT21200	Usage and attitudes	–	–	–	–	3,433
Enabler	Enabler	TBC	Industry specific impact assessment	–	–	–	–	4,000
Enabler	Enabler	TBC	Across horticulture impact assessment	–	–	–	–	2,024
<b>Uncontracted new investment</b>								<b>166,202</b>
<b>Available for new investment</b>								<b>741,975</b>
<b>CCR</b>								<b>234,661</b>
<b>Projected end balance</b>								<b>584,552</b>

**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

	\$
<b>OPENING FUND BALANCE</b>	<b>873,017</b>
Levy income	130,000
Levy collection costs	(31,000)
Other income	–
<b>TOTAL INCOME</b>	<b>99,000</b>

## Contracted marketing projects

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Increase domestic and international consumer demand for fresh, quality Australian cherries through improving knowledge, attitudes and purchase intent	MT20600	Media Strategy, Planning & Buying Services	2,402	1,775	2,402	1,775	8,354
<b>Contracted investment</b>				<b>2,402</b>	<b>1,775</b>	<b>2,402</b>	<b>1,775</b>	<b>8,354</b>

## Uncontracted new marketing investments

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand creation	Increase domestic and international consumer demand for fresh, quality Australian cherries through improving knowledge, attitudes and purchase intent	TBC	Cherry Domestic Marketing	–	–	–	–	330,000
Demand creation	Increase domestic and international consumer demand for fresh, quality Australian cherries through improving knowledge, attitudes and purchase intent	TBC	Cherry Export Marketing	–	–	–	–	150,000
Business insights	Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*	MT21650	Brand Health Tracking	–	–	–	–	–
<b>Uncontracted investment</b>				<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>480,000</b>

<b>Available for new investment</b>	<b>21,388</b>
<b>CCR</b>	<b>62,275</b>
<b>Projected end balance</b>	<b>400,000</b>

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

## 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 Cherry Fund  
at [www.horticulture.com.au/cherry/](http://www.horticulture.com.au/cherry/)