

Apple and Pear Fund Annual Investment Plan 2023/24



Proposed investments in 2023/24

A list of proposed R&D and marketing investments in the Apple and Pear Fund in 2023/24 can be found below. Each year, apple and pear industry representatives meet as advisory panels to discuss investment recommendations in line with the apple and pear Strategic Investment Plan (SIP). At these meetings, the panels are provided with a financial forecast and an investment analysis of current investments. Based on this information, they provide Hort Innovation with advice on priorities for investment for the upcoming year.

Both the apple and pear R&D and marketing advisory panels met on independently on 31 January 2023 and 3 April 2023 respectively, to discuss, provide advice on, and prioritise recommendations on investments in 2023/24. The R&D investment recommendations are listed in order of priority in Table 1, the apple marketing investment recommendations are listed in Table 2 and the pear marketing investments are listed in Table 3.

Note: Investments will be aligned to form multi-industry projects where possible, and all investments are subject to funding availability. If investments do not occur in this financial year, they will be reconsidered and reprioritised for the apple and pear Annual Investment Plan (AIP) 2024/25.

Table 1. Apple and pear R&D advisory panel prioritised investment recommendations in 2023/24

Priority	Investment	Outcome	Strategy
1	Production Irrigation Pests and Soils (PIPS4) i) Profit - Pest and Disease Management ii) Pear Production Systems PIPS 4 Profit iii) Sustainable Soils PIPS 4 Profit iv) Apple Production Systems PIPS 4 Profit v) PIPS 4 Profit Coordinator	2. Industry supply, productivity, and sustainability	O2S1. Productivity and Profitability O2S3. Enhance sustainable orchard systems
2	Apple and Pear Merchandising Project	1. Demand creation	O1S2. Drive quality and customer experience
3	Consumer Research to Understand Barriers and Opportunities for Light Buyers and to Develop Communication for Apples and Pears/Apple and Pear qualitative consumer research	1. Demand creation 4. Business insights	O1S1. Build domestic consumer demand O4S1. Brand positioning and consumer insights
4	One Basin CRC	2. Industry supply, productivity, and sustainability	O2S1. Develop management strategies to optimise productivity
5	Apples and Pears creative development advertising validation	4. Business insights	O4S1. Build domestic consumer demand
6	Lean Leaders Program	3. Extension and capability	O3S3. Strengthen industry leadership
7	Nuffield Scholarship	3. Extension and capability	O3S3. Strengthen industry leadership

Table 2. Apple marketing advisory panel prioritised investment recommendations in 2023/24

Priority	Investment	Outcome	Strategy
1	Apple Marketing Strategy and Activities for FY24: i) Apples In Store POS Concepting ii) Apple Retail Media iii) Export co promotions iv) Apple Sampling Program -Merchandising project (1500 stores) v) Hit Refresh 1.1. Campaign	1. Demand creation	O1S1. Build domestic consumer demand O1S4. Develop a targeted export market O1S2. Drive quality and customer experience

Table 3. Pear marketing advisory panel prioritised investment recommendations in 2023/24

Priority	Investment	Outcome	Strategy
1	Pear Marketing Strategy and Activities for FY24: i) Drive Awareness and Trial Instore, ii) Inspire and Educate in Store and Online - Quality Education and Merchandising iii) Grow Pear Exports – Export Co promotions	1. Demand creation	O1S1. Build domestic consumer demand O1S4. Develop a targeted export market O1S2. Drive quality and customer experience
2	Pear Education Campaign	1. Demand creation	O1S2. Drive quality and customer experience

Current contracted R&D and marketing projects

Current contracted projects in the Apple and Pear Fund as at July 1, 2023, which are aligned to the respective outcomes and strategies in the apple and pear SIP, can be seen below. Apple and pear R&D contracted projects can be seen in Table 4, apple marketing projects in Table 5 and pear marketing projects in Table 6. More information about these projects is available on the Hort Innovation website where the projects have a hyperlink.

Table 4. Current contracted R&D project actuals at 2022/23 and forecast to 2025/26

Project code	Project title	2022/23 Actual	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
AP14025	Prevar	(148,503)			
AP16001	Apple and Pear Minor Use	175	1,000	1,000	1,000
AP18001	Pilot Sterile Codling Moth Releases for the Apple industry	200,000	250,000		
AP19002	Strengthening cultural and biological management of pests and diseases in apple and pear orchards	100,000	146,000		
AP19003	Advancing sustainable and technology driven apple orchard production systems	36,000	81,646		
AP19005	Developing smarter and sustainable pear orchards to maximise fruit quality, yield and labour efficiency	59,770	131,746		
AP19006	Soil health and plant nutrition in Australian Apple and Pear orchards	94,306	161,000		
AP19007	Independent Program Coordination for Apple and Pear PIPS3	47,700	32,100		
AP21000	Apple & Pear Communication program	449,808	331,437	331,437	331,437
AP21001	Apple & Pear Market access and trade development	88,861	196,109	284,970	
AP21002	Apples and Pears quality assurance program	151,313			
AP21003	Apple and Pear Biosecurity plan review	80,500		42,233	21,092
AP22000	Apple and Pear Retail Education Program FY23 R&D	215,551	323,325		

Project code	Project title	2022/23 Actual	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
AP22005	PIPS 4 Profit Coordinator		501,375	214,875	214,875
AP22006	Apple and Pear qualitative consumer research	150,344	150,344	148,415	183,805
<u>AM21002</u>	Modernising phytosanitary risk management for biosecurity and safe trade		112,500	112,500	112,500
<u>FF18003</u>	SITplus: Prt Augusts Qfly SIT factory pilot operation	74,107			
<u>FF20000</u>	National Fruit Fly Council	4,000	8,000	8,000	8,000
<u>LP15006</u>	Attracting new entrants into Australian Horticulture	\$2,959			
<u>MT14052</u>	Essential Market Access Data Packages	102,318			
<u>MT17006</u>	Improving preparedness of the Australian horticultural sector to the threat potentially posed by Xylella fastidiosa		16,952		
<u>MT20007</u>	Regulatory Support & response coordination	11,716	5,858	8,787	
<u>MT21003</u>	Consumer Demand Spaces for Horticulture	13,797			
<u>MT21004</u>	Consumer Behavioural Retail Data	40,839	39,944	39,944	39,944
<u>MT21005</u>	Strategic agrichemical review process	5,250			
MT21007	Seasonal Horticulture Labour Accommodation Study	11,412			
<u>MT21008</u>	National Bee Pest Surveillance Program	49,509	49,509	49,509	
<u>MT21010</u>	Economic Contribution of Australian Horticulture	1,109	3,775		
MT21012	Creative campaign evaluation	2,065			
<u>MT21015</u>	Horticulture impact assessment program 2020/21 to 2022/23	9,160	9,160	10,992	
MT21019	Ehrenburg-Bass Capability Program	24,000			

Project code	Project title	2022/23 Actual	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
<u>MT21201</u>	Pilot program - consumer usage and attitude and brand tracking	1,118			
<u>MT21202</u>	Consumer usage & attitude research program	19,301	17,083		
<u>MT22003</u>	Nuffield Scholarship	5,000	38,200		10,800
<u>MT22005</u>	Horticulture trade data 2022-2025	4,322	4,473	4,630	
<u>MT22200</u>	Communication evaluation modules	1,260	966	882	168
<u>ST19018</u>	Xyella Vectors	40,000			
<u>ST21007</u>	Australian horticulture international demand creation	7,313			
Total		2,823,355	2,868,313	1,814,556	1,480,003

Table 5. Current contracted apple marketing project actuals at 2022/23 and forecast to 2025/26

Project code	Project title	2022/23 Actual	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
MT20600	Media Strategy Planning & Buying Services (Retainer Payments)	91,092	78,578		
MT21504	Apple and pear merchandising program	60,525			
MT22502	Apple and Pear Merchandising Program FY23 (MKTG)	125,738	125,738		
MT22640	Taste Australia	204,167			
AP21500	Storage, distribution and printing	855			
AP21600	Apple FY22 Campaign - Media	111,645			
AP21612	Apple FY22 campaign - social	9,500			
AP22500	FY23 Apple storage distribution and printing	8,416			
AP22501	Apples FY23 Retail Sampling Program	349,750			
AP22502	International Co-Promotions Apples FY23 (con-002549)		6,400		
AP22502	International Co-Promotions Apples FY23 (con-002548)	101,240	25,310		
AP22600	Apples Media FY23	686,000			
AP22610	Apples Creative and Production for FY24	450,000			
AP23502	Apple FY24 POS Materials/misc/printing/storage		50,000		
AP23503	Apples brand creative and production research stimulus	50,000			
AP23600	Apple Retail Media H1 FY24		97,780		
AP23601	Hit Refresh media amplification H1		287,304		
Total		2,248,928	671,110		

Table 6. Current contracted pear marketing project actuals at 2022/23 and forecast to 2025/26

Project code	Project title	2022/23 Actual	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
MT20600	Media Strategy Planning & Buying Services (Retainer Payments)	15,237	6,903		
MT21504	Apple and pear merchandising program	20,175			
MT22502	Apple and Pear Merchandising Program FY23 (MKTG)	53,887	53,888		
MT22640	Taste Australia Retail Channel	95,833			
PA21500	Australian Pears Co-Promotion (Canada) (con-002325)	47,892			
PA21500	Australian Pears Co-Promotions 2022 (con-002324)	85,000			
PA21630	Pear Shopper Activation Campaign 2022	36,000			
PA22500	Pears FY23 Retail Sampling Program	149,944			
PA22501	International Pears Co-Promotion	110,000	13,000		
PA22502	FY23 Pears storage distribution and printing	103	9,897		
PA22600	Pears FY23 education campaign paid media	60,000	40,000		
PA22610	Pears Creative Development and Production	225,000			
Total		899,071	123,688		

Financial statements

Financial statements for the R&D levy fund can be seen in Table 7 below, the apple marketing levy fund in Table 8 and the pear marketing levy fund in Table 9.

View the current and most up-to-date financial statements for the Apple and Pear Fund at the Hort Innovation website [here](#).

Table 7. Apple and pear R&D levy fund actuals at 2022/23 and forecast to 2025/26 (as at July 1, 2023)

	2022/23 Actual	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Opening Balance	568,044	788,250	388,866	347,660
Levies from growers	1,891,199	1,567,000	2,075,000	2,075,000
Commonwealth funds	1,672,037	1,940,149	2,081,144	2,027,288
Other Income	41,852	15,765	7,777	6,953
Total Income	3,605,088	3,522,914	4,163,921	4,109,241
Project funding ¹	2,823,355	3,012,521	1,902,523	1,610,849
Available for Investment	-	250,000	1,600,000	1,800,000
Grower consultation and advice	37,166	40,000	40,000	40,000
Service delivery	483,553	577,776	619,765	603,726
Total matched expenditure	3,344,074	3,880,297	4,162,288	4,054,575
Closing balance	788,250	388,866	347,660	358,629
Federal Government levy collection costs	40,808	42,000	42,840	43,697

Note:

1. Project funding includes committed projects and projects supported by the advisory panel and currently in the process of procurement.

Table 8. Apple marketing levy fund actuals at 2022/23 and forecast to 2025/26 (as at July 1, 2023)

	2022/23 Actual	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Opening Balance	1,740,091	1,110,874	301,451	296,944
Levies from growers	2,102,303	1,700,000	2,340,000	2,340,000
Other Income	45,408	22,217	6,029	5,939
Total Income	2,147,711	1,722,217	2,346,029	2,345,939
Project funding ¹	2,248,928	2,027,556	-	-
Available for Investment	-	-	1,875,000	1,875,000
Grower consultation and advice	37,622	10,000	10,000	10,000
Service delivery	446,269	418,085	387,236	387,236
Total expenditure	2,732,819	2,485,641	2,302,236	2,302,236
Closing balance	1,110,874	301,451	296,944	289,931
Federal Government levy collection costs	44,109	46,000	48,300	50,715

Note:

1. Project funding includes committed projects and projects supported by the advisory panel and currently in the process of procurement.

**Table 9. Pear marketing levy fund actuals at 2022/23 and forecast to 2025/26
(as at July 1, 2023)**

	2022/2023	2023/2024	2024/2025	2025/2026
	Actual	Forecast	Forecast	Forecast
Opening Balance	903,215	606,671	347,966	325,694
Levies from growers	817,202	550,000	886,000	886,000
Other Income	22,529	12,133	6,959	6,514
Total Income	839,731	562,133	892,959	892,514
Project funding ¹	899,071	623,688	-	-
Available for Investment	-	-	700,000	700,000
Grower consultation and advice	9,024	15,000	15,000	15,000
Service delivery	177,234	129,150	144,582	144,582
Total expenditure	1,085,329	767,838	859,582	859,582
Closing balance	606,671	347,966	325,694	300,193
Federal Government levy collection costs	50,946	53,000	55,650	58,433

Note:

1. Project funding includes committed projects and projects supported by the advisory panel and currently in the process of procurement.

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