

Onion Fund

Annual Investment Plan

2020/21



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1: Industry background

In 2018/19 258,195 tonnes of onions were produced, with a farm gate production value of \$191 million. 18% of the onion crop by volume was exported (primarily to Taiwan, Japan, Thailand and the UAE), with a further 7% being sent to processing. A volume of 4,983 tonnes of fresh onions were imported in 2018/19, however this represented only 2.5% of the total fresh market supplied volume. Approximately 5,152 hectares were planted to onions in 2017/18, by an estimated 260 growers.

Brown onions dominate domestic production by volume (79%), followed by red onions (19%), white onions (1%), and shallots (<1%).

Table 1: Onion industry metric relative comparison

2018/19	Onions	Total vegetables	Total horticulture
Production value (\$m)	\$191.2	\$4,722.1	\$14,366.9
5-year average annual value growth (%)	5.8%	5.1%	5.6%
Production volume (tonnes)	258,195	3,722,378	6,731,638
5-year average annual volume growth (%)	1.5%	1.8%	2.4%
Export value (\$m)	\$39.2	\$292.2	\$2,645.7
5-year average annual export value growth (%)	7.1%	12.6%	14.2%
Export volume (tonnes)	47,490	237,530	827,775
5-year average annual export volume growth (%)	0.9%	8.2%	9.2%

Table 1 shows that onion production value has grown at similar rates to total vegetables and total horticulture. Production volume has grown at a slower rate than production value, showing that unit price has increased over the past five years. There has been growth in export value, outpacing the growth in export volume, showing the unit price of exports has increased significantly.

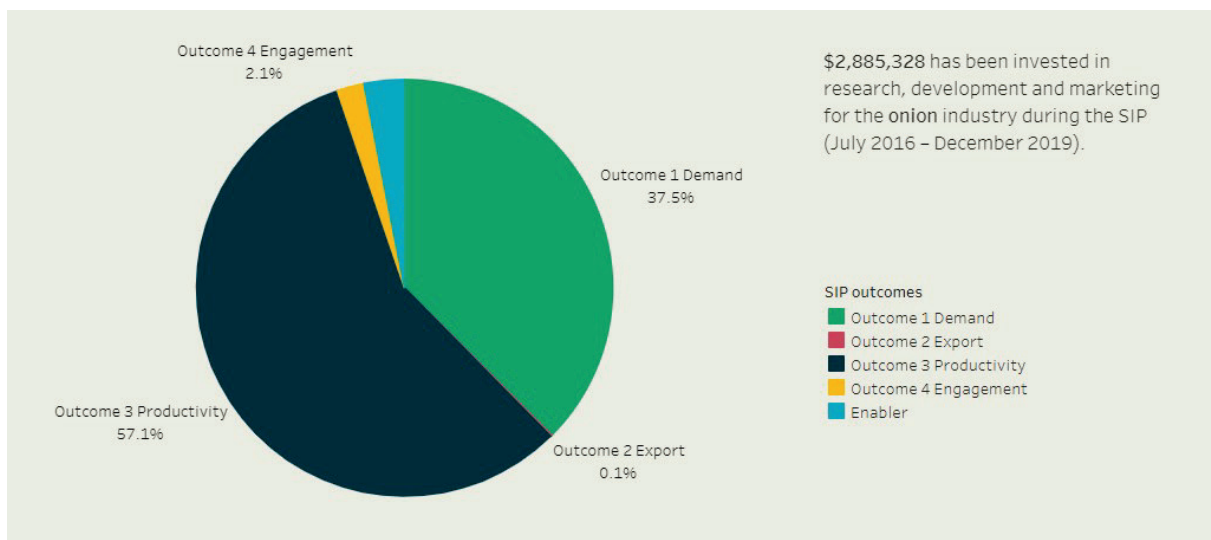
Strategic Investment Plan

The onion Strategic Investment Plan (SIP) identifies the desired 'end of plan' outcomes for the industry as a result of investment into R&D and marketing. Every investment undertaken within the onion fund must be aligned with at least one outcome area. The outcomes, and corresponding strategies proposed which may contribute to supporting the outcomes are identified in **Table 2** below.

Outcome / Strategy	Description
Outcome 1 Demand	A combined marketing approach working in harmony to show the versatility of onions to increase consumption
Outcome 2 Export	Export growth achieved through market diversification and product customisation, to support and maintain domestic pricing
Outcome 3 Productivity	Reduced costs and improved returns to growers through improvements in business and production skills
Outcome 4 Engagement	An informed, engaged industry results in a greater ability to respond to market shifts

Over the term of the SIP (July 2016 – December 2019), the onion industry has invested \$2.9 million across R&D and marketing.

The Onion investment analysis can be found online on the Hort Innovation website <https://www.horticulture.com.au/growers/container-page/onion-fund/fund-management/investment-analysis/>.



While the expenditure analysis identifies how expenditure has been allocated, it should be noted that no 'target' expenditure shares have been set for the onion industry. Investment prioritisation is informed by a wider range of considerations including:

- Capacity to affect change for intended audience – who will benefit?
- How feasible is delivery of the solution?
- Will the solution delivery value to levy payers?
- Why has the issue not been addressed prior?
- Existing vs emerging industry priority (how critical is the issue)?
- Industry capacity and adoption pathway

The impact assessment will provide consideration for the above for determining the likely impacts and prioritisation of the investment.

Industry consultation

The Onion Fund's Annual Investment Plan 2020/21 (AIP) was developed in line with the outcomes and strategies identified in the SIP. Onions Australia were consulted in the preparation of the draft plan along with current and emerging industry opportunities

In addition, Hort Innovation portfolio managers from R&D, Trade, Marketing Data & Insights worked closely with key industry, supply chain, delivery partner and research community stakeholders to ensure each investment addresses an industry opportunity or issue.

A snapshot of the consultation undertaken with the onion industry has been captured below.

The Onion SIAP meeting, held on 15-16 July 2020, included an investment prioritisation workshop which informed the AIP.

- An online meeting was held on 22 June with Onion growers, Onions Australia (OA) and the Hort Innovation trade team to discuss exports based on industry data and insights
- An online meeting was held on 30 June with Onion growers, Onions Australia (OA) and the Hort Innovation marketing team to discuss marketing opportunities and potential improvements to the current onion marketing campaign for 2020/21.
- Individual online meetings with onion growers were arranged prior to the development of the draft Onion Fund AIP 2020/21. A focus of these discussions centered on Pests & Diseases and Biosecurity issues.
- Ongoing engagement between the Onion Marketing Manager (Hort Innovation), SIAP and Onions Australia (OA) in line with the Industry Engagement Plan.

2: Ongoing investments

R&D Fund

Funding source	Project code	Project title	Project summary links
Outcome 1 – Demand			
Strategy 1 – Marketing strategy			
R&D Levy	MT17017	Vegetable cluster consumer insights program	Link
R&D Levy	MT18001	Australian food service syndicated market reports	Link available shortly
R&D Levy	MT18002	Custom Australian food service study	Link
R&D Levy	MT18015	Phenomenom extension project	Link
R&D Levy	MT19000	Phenomenom extension project	Link
R&D Levy	MT19001	Clubs NSW chefs table culinary literacy	Link
R&D Levy	VN18000	Australian onions - food service farm tour program	Link
R&D Levy	VN18001	Australian onion consumer behaviour, usage & attitude research	Link
R&D Levy	VN18002	National literature review	Link
Strategy 3 – Supermarkets			
R&D Levy	MT18012	Veg-Eze mobile app	Link
Outcome 2 – Export			
Outcome 1 – Export Plan			
R&D Levy	MT19005	Horticulture trade data	Link available shortly
Strategy 3 – Support exporters			
R&D Levy	VN18005	Australian onions - inbound/outbound trade missions	Link available shortly
Outcome 3 – Productivity			
Strategy 1 – Strong understanding			
R&D Levy	VN18003	Industry communications program	Link
Strategy 2 – Pests and disease			
R&D Levy	MT16005	Enhanced national bee pest surveillance program 2016–2021	Link
R&D Levy	MT16009	An IPM extension program for the potato and onion	Link

R&D Levy	MT17007	Minor use coordinator	Link available shortly
R&D Levy	MT17022	Sponsorship of the 10th Australasian soilborne disease symposium	Link
R&D Levy	MT19008	SARP updates	Link
R&D Levy	ST16008	Proposed AgVet collaborative forum plant industry investment	Link available shortly
R&D Levy	ST18003	PBRI symposium	Link
R&D Levy	VN15001	Review of the national biosecurity plan for the onion industry	Link
R&D Levy	VN16000	Onion minor use permits	Link
Enabler			
R&D Levy	MT18011	Ex-post impact assessment	Link
R&D Levy	MT19002	Annual reporting 2018/2020	Link

Marketing Fund

Funding Source	Project Code	Project Name	Comment
Outcome 1 – Demand			
Strategy 1 – Marketing strategy			
MK Levy	VN19910	Industry advice and grower consultation	Projects underway as part of the Onion Marketing Campaign for FY20 and FY21. A review of FY20 Campaign performance and recommendations for the FY21 Onion Marketing Brand Plan were presented at the SIAP Meeting on 15 – 16 July 2020.
MK Levy	VN19501	Onion recipe development	
MK Levy	VN19502	Onion social media, PR, website	
MK Levy	VN19503	In store sampling	
MK Levy	VN19504	Onion POS printing	

3: New investments

The Onion Fund's Annual Investment Plan 2020/21 (AIP) was presented to the onion SIAP on 15-16 July 2020, and the following investments were supported.

The Onion Fund is in a positive position, with funds available for investment in FY20 and FY21.

Please note wherever possible investments will be aligned with the priorities of other Strategic Levy Funds to form multi-industry projects. **All investments are subject to funding availability.** If investments do not occur in this financial year, then they will be reconsidered and reprioritised for the 2021/22 AIP.

Outcome	Strategy	Project Title	Description	Funding Source
3 4	3 4	Onion Industry development	<p>An increase in sustainable pest, disease and weed management practices including the use of softer chemicals in the long term.</p> <p>Professional development of industry agronomists stemming from R&D project outputs.</p> <p>Skill development of future industry leaders.</p> <p>Increase in growers participating in overseas trade shows and inbound/outbound trade missions.</p>	R&D levy
3	2	Optimising chemical and cultural management of onion white rot (discussion paper)	<p>Sampling protocol for taking soil samples from a crop.</p> <p>High-throughput sequencing method for analysing samples and providing accurate identifications of soil organisms to growers.</p> <p>Extension materials on the technology, how-to guides, and so on.</p>	R&D levy
3	2	Epidemiology and Management of Fusarium Basal Rot in Onions	<p>Isolate and identify causal organism.</p> <p>Determine disease incidence and severity and crop loss for multiple site-years.</p> <p>Identify key factors associated with epidemic development.</p> <p>Implement cultural and chemical management strategies.</p>	R&D levy

3	2	Crisis management for the onion industry	To help prepare the onion industry in the event of a crisis, taking into account previous work that has been done in this area.	R&D levy
1	1	Onion Nutrition Education Program	To develop an onion nutrition education program targeting health professionals to increase demand.	R&D levy
1	1	Onion-specific Phenomenom Resource Extension	Drive sustained growth of onions domestically using marketing as a key lever to create consumer demand.	R&D levy
1	1	FY21 Onions Consumer Usage & Attitudinal Study	Drive sustained growth of onions domestically using marketing as a key lever to create consumer demand.	R&D levy
2	1	Australian Onion Industry Export Strategy	The business objective of an export strategy is to guide decision and high level strategic analysis and setting direction for future industry activities and further investment in market access, trade development and Taste Australia & International Trade programs whilst providing the tools, capacity and capability activities to capitlise on the opportunities created	R&D levy
2	3	Taste Australia International Trade Program – Onion Industry	To support growers and industry to build understanding, knowledge and capabilities to drive export growth – in conjunction with the export strategy, market access and trade development project in a 2-phase approach.	R&D levy
2	2	Market Intelligence	These projects are designed to guide the industry’s ongoing export strategy, market access, trade development and Taste Australia & International Trade programs, whilst providing the tools, capacity and capability activities to capitlise on the opportunities being created. As a strategic phased approach of developing export and trade development programs for the onion industry initiating a project that will deliver high level market intelligence and	R&D levy

			customer market insight statistics will help guide the way for future international trade projects.	
4	1	Hort Innovation onion industry roadshow	<p>Provide an avenue for growers to interact with experts and Hort Innovation personnel</p> <p>Promote the value of Hort Innovation and the levy system to levy payers and encourage their further engagement with their levy program.</p> <p>Facilitate the development of networks with existing industry members, researchers, suppliers and service providers.</p>	R&D levy