

Onion Annual Investment Plan 2022/23



Industry position

The Australian onion industry provides year-round production, with most of the production based in South Australia (48%) and Tasmania (22%). Lower seasonal volumes are available from Queensland (12%), along with smaller volumes in Western Australia (10%), Victoria (6%) and New South Wales (2%).

Industry volume was 271,930 tonnes in 2020/21; this figure has not fluctuated significantly over several years.

Fresh domestic demand continues to be the focus of the industry, which accounted for 75% of the Australian onion supply in 2020/21. Export is valued at \$30 million, but this fluctuates year on year based on short-term global trading conditions.

Current onion industry challenges and opportunities include:

- Input costs continue to be a major industry challenge, with large increases in labour and transport costs, along with farm supplies
- Unpacking the realistic opportunity for strategic export growth over forwarding years will be a focus for the industry
- The foodservice market is still in a COVID-19 rebuilding phase, and this presents both a challenge within the supply/demand market model and an opportunity for the industry to further explore segmentation growth and alignment to customer purchasing needs
- Biosecurity risks, pest/disease management and industry preparedness present both a challenge and an opportunity. Weed management improvements continue to be a focus
- Industry engagement and extension activities are another focus area.

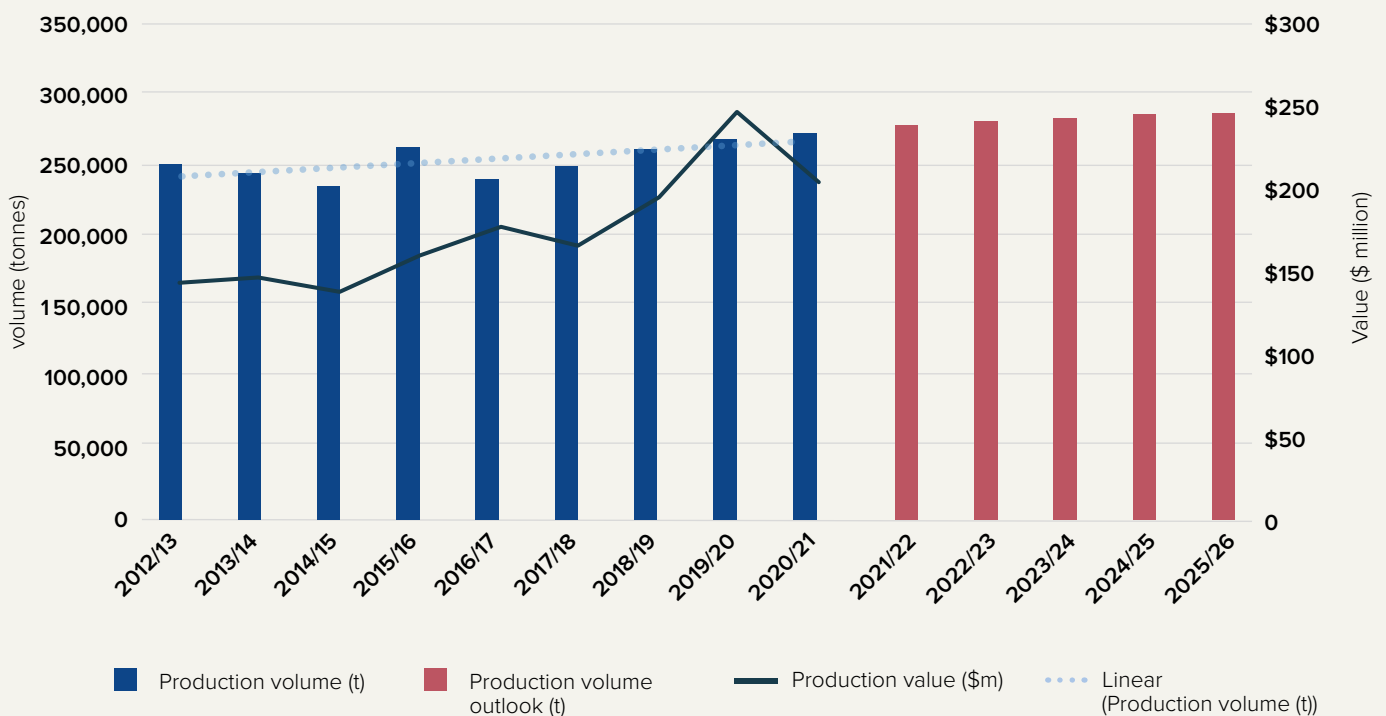
Further background on the onion industry and its priorities can be found in the [onion Strategic Investment Plan \(SIP\) 2022-2026](#). Further information on industry statistics can be found in the [Australian Horticulture Statistics Handbook](#).

The key challenges for the onion industry are: driving demand; export; and improving production efficiencies.

Onion production

Onion production volume and value from 2012/13 to 2025/26, showing the predicted production trend for the next five years, can be seen in **Figure 1**. Future performance has been projected based on the eight-year compound annual growth rate (CAGR) to create a lagging indicator of historical production.

FIGURE 1. ONION PRODUCTION 2012/13 TO 2025/26



*Note: the estimated production volume is not an accurate indicator for the value of statutory levies to be received by Hort Innovation.
Source: Australian Horticulture Statistics Handbook for the year ending 30 June 2021, with predicted production volume based on the eight-year CAGR.*

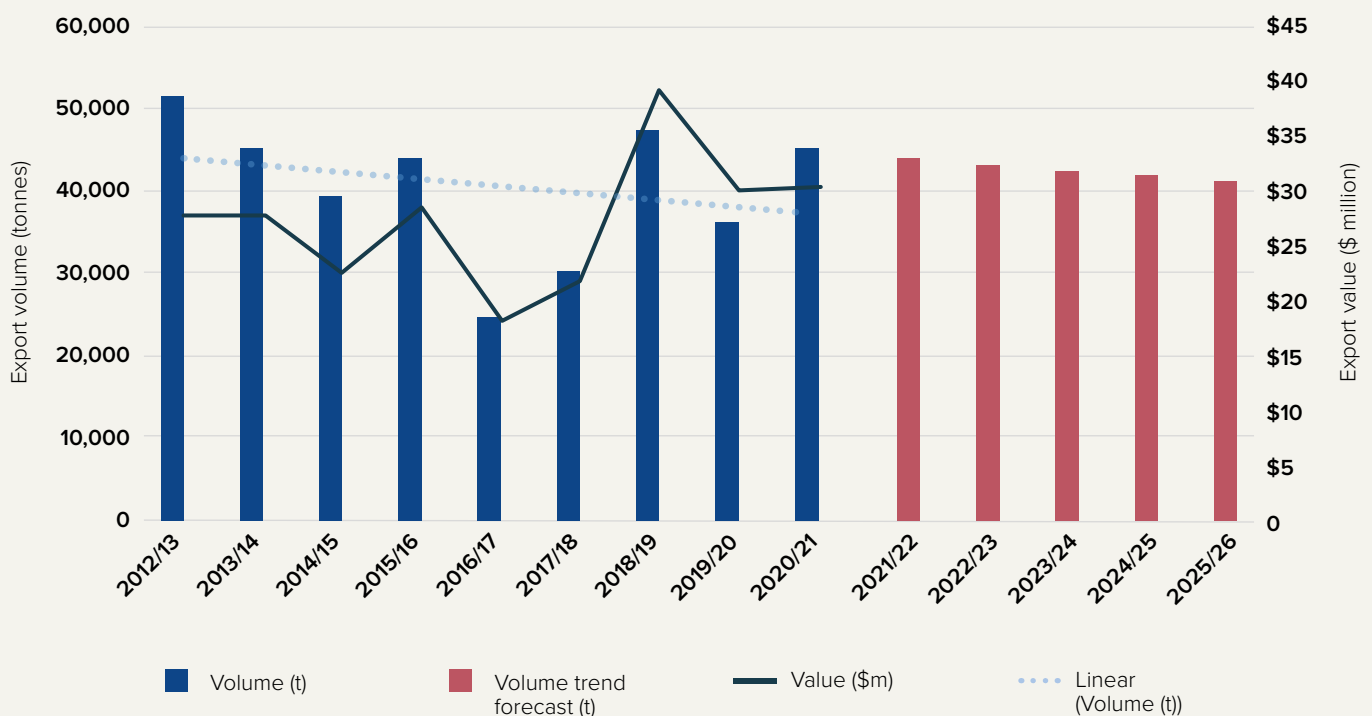
Production trends:

- 271,930 tonnes of onions were produced in 2020/21, with a farm gate value of \$203.2 million.

Onion exports

Onion industry export volume and export value from 2012/13 to 2025/26, showing expected exports over the next three years, is 130,068 tonnes, based on the eight-year CAGR.

FIGURE 2. ONION EXPORTS 2012/13 TO 2025/26



Source: Australian Horticulture Statistics Handbook for the year ending 30 June 2021, with predicted export based on the eight-year CAGR.

Export trends:

- Onions were Australia’s second largest vegetable export by volume after carrots in 2020/21, reporting an export volume of 44,885 tonnes with a value of \$30.4 million.

From this high-level analysis, the following insights have been made:

- Expanding high-value exports is critical to the long-term success of the Australian onion industry as production growth exceeds domestic consumption growth
- The Australian onion industry has an opportunity to capitalise on trade opportunities across premium market channels given potential competitive advantages in quality.

Investment advice and consultation

The onion Annual Investment Plan (AIP) 2022/23 was presented to the onion Strategic Investment Advisory Panel (SIAP) (**Table 1**) in October 2022. An initial ideation workshop was conducted with growers, Onions Australia and the onion SIAP in June, 2022.

TABLE 1. ONION SIAP

Name	Organisation
Peter Shadbolt	Onions Australia
Dr Richard Jones	Rathlyn Associates
Yvonne Smith	Bowhill Produce
Kees Versteeg	Qualipac
Steven Rathjen	Rivapak
Tim Groom	Onions Australia
Michael Rettke	Primary Industries and Regions South Australia (NHRN representative)

The investment process

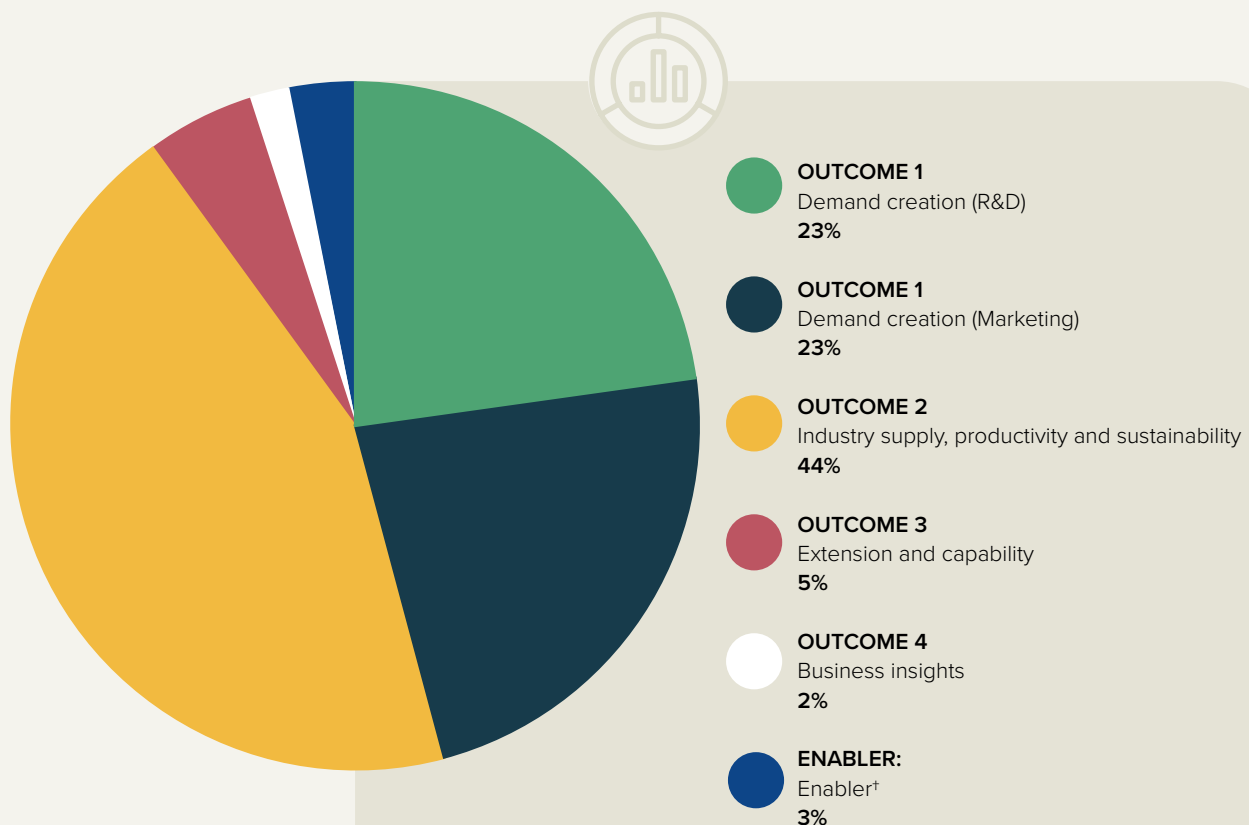
Investments specific to the Onion Fund are guided by the industry's SIP and AIP. The SIP provides an overarching roadmap for industry to follow, and the AIP details how levy dollars will be spent each year to achieve industry goals.

Learn about how Hort Innovation makes investment decisions, and the process for making investments on our website [here](#), or watch a video about how investment decisions are made at the onion 'fund management' page on our website [here](#).

Current investments

The onion SIP details the industry's strategic goals centered around four outcome areas: demand creation; industry supply, productivity and sustainability; extension and capability; and business insights. Under each of those outcomes are industry-specific strategies and key performance indicators (KPIs) that provide guidance on how the onion industry will work towards achieving the outcomes. **Figure 3** below identifies forecasted investment expenditure in each of the SIP outcome areas for 2022/23.

FIGURE 3. COMMITTED EXPENDITURE FOR ONION SIP INVESTMENTS 2022/23



* Enabler: projects that support the broader delivery of the industry's project investments. Examples of enabler projects include annual reporting and monitoring and evaluation capacity.

Table 2 indicates the current invested projects for 2022/23 that are aligned to the respective outcomes and strategies for the Onion Fund. More information is available on the Hort Innovation website about the projects that have a hyperlink (see below). A full report on the Onion Fund can be found in the onion Annual Report 2021/22 [here](#).

TABLE 2. CURRENT INVESTED PROJECTS IN THE ONION FUND

Outcome	Strategy	Project code	Project title	Delivery partner	Start date	End date	Life of project value
1. Demand creation	2. Consumer demand	VN20002	Onion nutrition education program for health professionals and the food service industry	Bite Communications	30/6/21	30/5/24	\$668,885
1. Demand creation	2. Consumer demand	VN21600 ^M	Onions media	Atomic Media	26/5/22	18/7/22	\$44,420
1. Demand creation	2. Consumer demand	VN21620 ^M	FY2022-FY2023 Onion marketing program	Bite Communications	19/12/21	31/1/23	\$322,500
1. Demand creation	3. Market access 4. Export readiness	MT21009	Multi-industry export program (vegetable, onion, melon)	AUSVEG	18/4/22	31/3/27	\$577,585
1. Demand creation	1. Export strategy 3. Market access 4. Export readiness	ST21007	Australian horticulture international demand creation	Kantar Insights Australia	3/6/22	31/3/23	\$9,750
2. Industry supply, productivity and sustainability	1. Integrated pest and disease management	VN20007	Optimising chemical and cultural control of onion white rot	Arvensis Research	28/6/21	1/6/26	\$658,300
2. Industry supply, productivity and sustainability	1. Integrated pest and disease management	VN20006	Epidemiology and management of fusarium basal rot in onions	University of Adelaide	29/6/21	30/8/24	\$986,273
2. Industry supply, productivity and sustainability	6 Regulatory support	MT20007	Regulatory support and response co-ordination (pesticides)	AKC Consultancy	2/8/21	1/7/24	\$17,680
2. Industry supply, productivity and sustainability	6. Regulatory support	VN16000	Onion industry minor use program	Hort Innovation	1/7/22	30/6/23	\$5,450
2. Industry supply, productivity and sustainability 3. Extension and capability	2. Biosecurity preparedness 1. Extension capability	MT20005	Management strategy for serpentine leafminer, <i>Liriomyza huidobrensis</i>	Department of Agriculture and Fisheries, Queensland	30/3/21	31/8/23	\$196,133
3. Extension and capability	1. Extension capability 2. Engagement to innovate	VN20001	Risk and crisis management planning for the onion industry	Porter Novelli Australia	15/6/21	31/10/22	\$84,500
4. Business insights	1. Consumer insights	MT21003	Consumer demand spaces for horticulture	Kantar Insights Australia	17/1/22	15/7/22	\$5,593

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CURRENT INVESTED PROJECTS (continued)

Outcome	Strategy	Project code	Project title	Delivery partner	Start date	End date	Life of project value
4. Business insights	1. Consumer insights	MT21004	Consumer behavioural data program	Nielsen Connect Australia	29/3/22	20/11/26	\$77,685
4. Business insights	4. Benchmarking	MT21010	Economic contribution of Australian horticulture	International economics unit trust	19/4/22	11/7/22	\$3,737
4. Business insights	1. Consumer insights	MT21201	Pilot program – Consumer usage, attitude and brand tracking	Fifty-five 5	22/4/22	31/7/22	\$890
4. Business insights	1. Consumer insights	MT21011	Foodservice foundational market insights	KPMG Australia	6/6/22	8/7/22	\$10,793
4. Business insights	4. Benchmarking	MT21007	Seasonal horticulture labour accommodation study	Strategic Project Partners	26/6/22	12/8/22	\$3,253
4. Business insights	1. Consumer insights	MT21202	Consumer usage and attitude tracking 2022/23	Fifty-five 5	30/6/22	31/7/23	\$4,618
Enabler [†]	Enabler [†]	MT21015	Horticulture impact assessment program 2020/21 to 2022/23	Ag Econ	6/5/22	30/11/24	\$7,295
Enabler [†]	Enabler [†]	MT21006	Australian Horticulture Statistics Handbook 2021-22 to 2023-24	Freshlogic	9/5/22	25/2/25	\$20,083
Enabler [†]	Enabler [†]	VN22910	Grower advice and consultation	Hort Innovation	1/7/22	30/6/23	\$20,000

[†] Enabler: projects that support the broader delivery of the industry's project investments. Examples of enabler projects include annual reporting and monitoring and evaluation capacity.

^m Indicates marketing levy investment.

Key for project codes:

Project codes starting with VN are funded by the onion levy only

Project codes starting with MT, AM and PH are funded by multiple industries, including with onion levy contribution

Project codes starting with ST are strategic co-investment, including with onion levy contribution

Financial statements

View the Onion Fund's most up-to-date financial operating statement [here](#) and the annual project summary [here](#) on the Hort Innovation website.

Recommended investments in 2022/23

The onion SIAP met in October 2022 to discuss, provide advice, and prioritise recommendations on investment for 2022/23. R&D investment recommendations are listed in priority in **Table 3**. Links to the meeting summaries can be found below. The onion SIAP is scheduled to meet in the first quarter of 2023 to confirm marketing investment recommendations.

SIAP meeting summaries:

Onion SIAP meeting on 10 March 2022 and 29 March 2022: [Download summary](#)

Onion SIAP meeting on 12 October 2022: [Download summary](#)

TABLE 3. ONION SIAP INVESTMENT RECOMMENDATIONS FOR 2022/23

Priority	Investment	Outcome	Strategy
1	Accelerating the adoption of best management practices in Australia's onion industry through integrated grower-led communications and extension	3. Extension and capability	1. Extension capability 2. Engagement to innovate 3. Leadership initiatives
1	National vegetable benchmarking program	2. Supply, productivity and sustainability 4. Business insights	4. Optimised inputs 4. Benchmarking
2	A step change in weed management for Australian horticulture (Hort Frontiers)	2. Supply, productivity and sustainability	3. Improve soil health, weed and soil-borne disease control
3	Onion international study tours – inbound and outbound	3. Extension and capability	2. Engagement to innovate 3. Leadership initiatives
3	Onion industry conference program 2023-2027	3. Extension and capability	2. Engagement to innovate
	Industry preparedness for exotic root knot nematode (<i>Meloidogyne enterolobii</i>)	2. Supply, productivity and sustainability	2. Biosecurity preparedness
	Enhancing the usability of onions	1. Demand creation	2. Consumer demand
	Understanding onion imports	4. Business insights	1. Consumer insights 2. Export development opportunities
	Education and tools for canteen managers to increase vegetables in primary school canteens and vegetable consumption among children	1. Demand creation	2. Consumer demand
	Systems approach to seed-borne pathogen and disease management	2. Supply, productivity and sustainability	1. Integrated pest and disease management
	Lean Leaders Program	3. Extension and capability	3. Leadership initiatives
	Understanding and managing the impacts of climate change on Australian onion production	2. Supply, productivity and sustainability	4. Optimised inputs

Note: Wherever possible, investments will be aligned to form multi-industry projects, 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 onion AIP 2023/24.

Find out more information on the Onion Fund at www.horticulture.com.au/onion