



Chestnut Fund

Annual Report 2018/19

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The projects in this report have been funded by Hort Innovation using sources including the chestnut levy, Australian Government contributions and, in some instances, co-contributions from a variety of sources.

Welcome

Hort Innovation is the grower-owned, not-for-profit research and development corporation (RDC) for Australia's horticulture sector. It's our job to work with industry to invest the chestnut R&D and marketing levies, as well as Australian Government contributions, into key initiatives for growers.

In another year of growing better, together, the 2018/19 financial year saw the Hort Innovation Chestnut Fund continuing to support communication and best practice adoption work. There were also ongoing efforts in the minor use permit space – including data generation supported fully by government grant funding, secured by Hort Innovation on behalf of industry.

In addition to more than \$46,000 invested into R&D, in marketing the Chestnut Fund saw some \$38,000 invested into a range of activities to raise the profile and consumption of Australian chestnuts.

Read on to learn more, and remember to take advantage of the Hort Innovation website at www.horticulture.com.au/chestnut, where you can search and find information relating to investments, past and present, at any time. The new site and its Chestnut Fund section were launched in 2018/19.

Finally, during the year there were many opportunities for Hort Innovation to connect with you, the growers. A big thank you in particular to everyone who came to our early-2019 regional roadshows to feed into the development of the new Hort Innovation Strategy 2019-2023 (read more at www.horticulture.com.au/strategy-2019-2023).

You can reach out to us at any time to learn more about our work, to submit ideas for investments, or to simply have a chat about your industry. You'll find details of specific staff at www.horticulture.com.au/get-in-touch, or can otherwise email communications@horticulture.com.au or call our general line on 02 8295 2300.



Additional value in the year

During 2018/19, Hort Innovation was proud to deliver extra value to the chestnut industry, outside of levy-funded initiatives within the Chestnut Fund. Here's a quick look at just some examples.



The new Hort Innovation website, with dedicated Chestnut Fund section

You can now visit www.horticulture.com.au/chestnut to quickly search and find chestnut investment information and updates, project resources, and growing tips and advice from Hort Innovation's R&D work. You can also download full final research reports direct from the site, access key contact information, share your ideas and feedback, and so much more.



The Australian Horticulture Statistics Handbook

Each year Hort Innovation delivers an *Australian Horticulture Statistics Handbook* packed with horticulture statistical information and analysis for use by specific industries and the wider sector. The handbook combines all available data on production, international trade, processing volumes and fresh market distribution for some 75 categories. The 2017/18 edition, released in early 2019, is available from www.horticulture.com.au/horticulture-statistics-handbook.



Hort Frontiers projects

With seven investment areas, Hort Innovation's Hort Frontiers strategic partnership initiative is about collaborative, cross-industry work to address longer-term, complex issues and opportunities identified as critical for the future of Australian horticulture. While industry levies can be invested into Hort Frontiers projects upon the advice of the relevant Strategic Investment Advisory Panels, the bulk of funding comes from broad-reaching funding relationships that are secured by Hort Innovation, plus support from the Australian Government. Learn about all of the projects and what they're delivering for you at www.horticulture.com.au/hort-frontiers.



Grant funding

In 2018/19, Hort Innovation delivered \$6.7 million worth of investments involving grant funding across the horticulture sector. To do so, we applied for and secured a range of competitive grants on behalf of industry, including through the Australian Government's Rural R&D for Profit program, Improved Access to AgVet Chemicals initiative, and Agricultural Competitiveness White Paper. With projects across everything from biosecurity to pollination, there's plenty in there to directly and indirectly benefit the chestnut industry.

Making investments in 2018/19

Hort Innovation is dedicated to making the right investments at the right time and in the right areas, in line with identified priorities for the industry.

Where the funding comes from

The chestnut industry's grower-raised statutory R&D and marketing levies are collected by the Australian Government and entrusted to Hort Innovation as the RDC for Australian horticulture. It's then our responsibility to work with the industry to invest these levies – together with Australian Government contributions in the case of R&D – into strategic initiatives for the benefit of growers.

Additional funding streams can also come into play, such as co-investment dollars from sources including project partners, and grant funding that Hort Innovation secures on behalf of industry.

How decisions are made

Investment decisions in the Hort Innovation Chestnut Fund are guided by the industry's Strategic Investment Plan (SIP). This document was developed through close consultation with growers and other industry stakeholders, and outlines specific investment priorities, strategies and themes. An at-a-glance version can be found at www.bit.ly/sip-chestnut, or find the full version at www.horticulture.com.au/chestnut.

The SIP is currently used like a 'roadmap' by the chestnut Strategic Investment Advisory Panel (SIAP) – a panel made up of growers and other industry representatives that's tasked with providing advice to Hort Innovation on potential levy investments.

Turning ideas into investments

Great investments start with great ideas, and Hort Innovation encourages all growers and other industry participants to share their thoughts and suggestions for the work they want to see. Ideas can be submitted any time via Hort Innovation's investment idea form at www.bit.ly/concept-form.

Ideas that are selected for investment are worked into project proposals by Hort Innovation. These are then made public for potential delivery partners to submit responses. Current opportunities are always listed at www.horticulture.com.au/delivery-partners.

Responses are assessed, often with the assistance of industry, and the best delivery partner for the work is chosen. A contract is then issued and the work begins.

Keeping track of investments

All investments in the Hort Innovation Chestnut Fund are detailed on the 'Your investments' page at www.horticulture.com.au/chestnut. We also send news and alerts to Hort Innovation members and contacts – if you haven't already, you can sign up for free at www.horticulture.com.au/sign-up.

Importantly, the industry's levy-funded communication and adoption program is tasked with providing growers with regular information on levy-related activity. See p6 for more.



New investment analysis

You can now clearly see how investments in the Hort Innovation Chestnut Fund align to the industry's SIP, with new and interactive investment analysis information available from www.bit.ly/chestnut-investment. The analysis currently shows the allocation of funding against each of the chestnut SIP outcomes from the start of the SIP (2016/17) up to the end of 2018/19, and gives an indication of the projects that are aligned to each outcome.

R&D project list 2018/19

NEW INVESTMENTS IN 2018/19

MT18011 Ex-post impact assessment*

* This multi-industry project was a key monitoring and evaluation investment during 2018/19 – we encourage you to find the full details at www.horticulture.com.au/mt18011

ONGOING INVESTMENTS IN 2018/19

CH16000 Communication and adoption program for the Australian chestnut industry

CH16001 Chestnut industry minor use program

ST16008 AgVet collaborative forum

ST17000 Generation of data for pesticide applications in horticulture crops 2018^

^ Activities for the chestnut industry under this investment are funded wholly through the government's AgVet grant program

During the 2018/19 financial year, all levy paying horticulture industries also contributed to a small selection of across-industry projects addressing issues that affect horticulture as a whole. Details of all investments that Hort Innovation manages can be found at www.horticulture.com.au.



But wait, there's more. To see what Hort Innovation delivered across the entire horticulture sector in 2018/19, download the full Hort Innovation Annual Report 2018/19 from www.horticulture.com.au/annual-report-portal.



R&D report

Take a closer look at some of the key investments in the Hort Innovation Chestnut Fund during 2018/19. Any resources from these and other levy-funded projects – such as fact sheets, guides and more – are published on your grower page at www.horticulture.com.au/chestnut as they become available.

Communication and adoption program for the Australian chestnut industry (CH16000)

Key research provider: Chestnuts Australia Inc

Strong communication and technical support assists chestnut growers and other industry participants to be able to make informed decisions when facing future challenges and opportunities. This project keeps the industry up-to-date with the latest news, R&D outputs and other key information through a variety of channels.

Activities of this program during 2018/19 included, but weren't limited to:

- » Production of industry newsletter *Nuts & Burrs*, published three times a year in print and digital form and available via the levy payers' area on the Chestnuts Australia website (www.chestnutsaustraliainc.com.au/levy-payers-login)
- » Quarterly industry updates via the *Australian Nutgrower* magazine
- » The running of industry field days, farm walks, regional grower meetings, workshops and other meetings as required, with details provided via industry communication channels
- » Maintenance and updating of the Chestnuts Australia website, www.chestnutsaustraliainc.com.au, as well as social media, including Instagram (@chestnutsaustralia)
- » Delivery of 'email blasts' – mini e-newsletters sent in between the months that *Nuts & Burrs* is distributed
- » Collection, collation and dissemination of industry statistics, detailing national planting and production information for the industry, with this information available in the levy payers' area of the industry website
- » Production of technical fact sheets and newsletters, available from Chestnuts Australia's levy payers' area.

Chestnut industry minor use program (CH16001)

Key research provider: Hort Innovation

Through this project, levy funds and Australian Government contributions are used to submit renewals and applications for minor use permits for the chestnut industry as required. These submissions are prepared and submitted to the Australian Pesticides and Veterinary Medicines Authority (APVMA).

For more on minor use permits, including a list of permits, see p8.

All current minor use permits for the industry are searchable at portal.apvma.gov.au/permits. Permit updates are also circulated in Hort Innovation's *Growing Innovation* e-newsletter, which you can sign up for at www.horticulture.com.au/sign-up.





Generation of data for pesticide applications in horticulture crops 2018 (ST17000)

Key research provider: Eurofins

The generation of pesticide residue, efficacy and crop safety data is required to support label registration and minor use permit applications made to the APVMA which, when approved, provide access to safe and effective chemicals for the management of pests, weeds and diseases.

In 2018, Hort Innovation secured more than \$1 million in assistance grants \$1 million chemical grants boost for industry under the Australian Government's Access to Industry Uses of Agricultural and Veterinary (AgVet) Chemicals program. This funding is being used to generate the data required for a range of registration and minor use applications across a variety of horticulture crops.

For the chestnut industry, this investment will support a Syngenta label registration application for Ridomil Gold (Metalaxyl-M), for the control of Phytophthora root and trunk rot.



To keep up to date with the latest information on new, ongoing and recently completed R&D investments throughout the year – and to search and find resources and reports from these investments – visit www.horticulture.com.au/chestnut.

Minor use permits

The Hort Innovation Chestnut Fund supports the submission of applications for new and renewed minor use permits for the industry, as well as data generation activities to support chemical permits and registrations, and strategic agrichemical reviews.

Together these efforts provide industry access to safe, relevant and effective chemicals for the management of pests, weeds and diseases.

For full details on these activities and links to relevant information, visit www.bit.ly/minor-use-chestnut.

Current permits

Below is a list of minor use permits for the chestnut industry, current as of 19 September 2019.

PERMIT ID	DESCRIPTION	DATE ISSUED	EXPIRY DATE	PERMIT HOLDER
PER15259	Phosphorous acid / Chestnuts / Suppression of Phomopsis nut rot and Phytophthora trunk and root canker <i>Please note: Stem injection only for Phytophthora is now covered by the Agri-Fos 600 Label with a 28-day WHP. Other uses on the permit are not supported on the label extension</i>	27-Feb-15	30-Jun-20	Chestnuts Australia
PER12507 Version 3	Peroxyacetic acid + hydrogen peroxide (Tsunami or Adoxysan) / Chestnuts (postharvest spray or dipping treatment only) / Surface moulds	16-Mar-11	31-Oct-21	Chestnuts Australia
PER84607	Copper present as cupric hydroxide / Chestnuts / Chestnut blight	15-May-17	31-Mar-22	Chestnuts Australia
PER83635	Fludioxonil (Scholar) / Chestnuts / suppression of surface mould and fungal rots	17-Mar-17	31-Mar-22	Chestnuts Australia
PER13640 Version 2	Sodium hypochlorite / Chestnuts / Surface moulds	01-Nov-12	31-Oct-22	Chestnuts Australia
PER13642 Version 2	Chlorpyrifos and Maldison / Tree nuts / Australian plague locust	01-Sep-12	30-Jun-25	Australian Nut Industry Council (ANIC) C/Hort Innovation
PER83636	Iprodione (Rovral) / Chestnuts /Suppression of surface moulds and fungal rots	31-Mar-17	31-Mar-22	Chestnuts Australia

All efforts have been made to provide the most current, complete and accurate information on these permits, however you should always confirm all details on the APVMA website at portal.apvma.gov.au/permits. Details of the conditions of use associated with these permits can also be found on the APVMA site.

Minor use permit updates are circulated in Hort Innovation's e-newsletter, *Growing Innovation*. Don't yet receive it? Sign up for free at www.horticulture.com.au/sign-up.

Marketing report

Hort Innovation is responsible for investing the Chestnut marketing levy into a range of activities to drive awareness and consumption, under the Hort Innovation Chestnut Fund. Read on for a snapshot of activities and results from 2018/19.

Consumer marketing

Public relations (PR)

As part of pre-season outreach to media and influencers, a chestnut information flyer was produced and sent to an extensive range of contacts in late January 2019. It aimed to keep the Australian chestnut season top of mind as editorial teams began content planning for the year.

Meanwhile, a greengrocer/chestnut retailer education and chestnut advocate program began in February. Some 250 greengrocers across New South Wales, the Australian Capital Territory, Victoria, Western Australia, South Australia and Queensland were contacted with a revised version of the chestnut season information. A4 sized (portrait and landscape) chestnut merchandising point-of-sale material was downloadable from the chestnut website for display in store.

An email campaign was also sent to greengrocers with content resources to share on social media. This aimed to educate greengrocers and offer them ongoing marketing support in the form of free, shareable chestnut content.

To reach the food service industry, an email campaign was trialled to target

fresh produce providers located in New South Wales, the Australian Capital Territory, Victoria and South Australia, as most providers produce a weekly newsletter that they distribute to their food service customers.

Events

To engage consumers directly, the marketing program took Australian Chestnuts to two Victorian events during the 2019 season – the Village Bonfire as part of the Bright Autumn Festival and the La Fiera Italian Festival in Myrtleford.

The Bright Autumn festival in early May attracts thousands of visitors each year from all over Australia. This is the second time that a promotion was undertaken at this event. It was a success, with an eager target audience ready to taste and be educated in all things chestnut. Some 160kg of fresh and roasted chestnuts were sold over the course of the day, which is 60kg more than in 2018. Industry-produced recipe brochures were given out to consumers eager to learn more.

La Fiera was also held in May, with the chestnut industry having a significant presence. It was the biggest marketing promotion for the industry to date, with some 600kg of chestnuts roasted and sold fresh during the day.



As part of the marketing program, there was also a dedicated chestnut masterclass at the event run by growers themselves. A good turnout of approximately 35 people attended. Three recipes were featured: Spicy Chestnut and Pumpkin Soup, Chestnut Maple Butter and Chestnuts and Brussel Sprouts. Attendees were able to taste the finished products and reported that they were impressed with the results.

Social media

The Chestnuts Australia Instagram account (@chestnutsaustralia) was updated with one to two photos with captions each week during the season, with all industry events being featured as well as any promotions. This was a visual way to engage consumers with chestnuts, chestnut recipes, and the industry itself. During 2018/19, followers on the page increased from 381 to 789. Regularly, the posts received between 40 to 70+ 'likes' and one photo during the harvest attracted 106 likes. New followers were added each week during the season.

Point of sale recipe brochures

Point-of-sale recipe brochures were the main marketing strategy for 2019 to inspire consumers to purchase chestnuts. Two new brochures in the series 'Make everyday meals special with chestnuts' were produced, featuring new recipe content to keep them fresh and engaging for consumers. These were distributed at the start of the season (February) with 50,000 supplied throughout the major wholesale markets and to growers across Australia from a distribution list. There were a further 30,000 copies distributed on request to growers, other wholesalers and retail outlets. For more information, contact marketing@horticulture.com.au.



Financial statement

Financial operating statement 2018/19

	R&D (\$)	MARKETING (\$)	TOTAL (\$)
	2018/19 July – June	2018/19 July – June	2018/19 July – June
OPENING BALANCE	-11,046	19,822	8,776
Levies from growers (net of collection costs)	41,057	42,746	83,803
Australian Government money	27,491	–	27,491
Other income*	153	513	666
TOTAL INCOME	68,701	43,259	111,960
Project funding	46,244	38,336	84,580
Consultation with and advice from growers	1,261	608	1,869
Service delivery – base	1,924	1,812	3,736
Service delivery – shared	3,189	3,002	6,191
Service delivery – fund specific	2,364	8,000	10,364
TOTAL EXPENDITURE	54,982	51,758	106,740
Levy contribution to across-industry activity	1,259	–	1,259
CLOSING BALANCE	1,414	11,323	12,737
Levy collection costs	3,207	3,543	6,750

* Interest, royalties



Connect with your levy!

**Visit www.horticulture.com.au/sign-up
to sign up for free Hort Innovation communications,
including industry-specific alerts, opportunities
and general horticulture news**

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