

A close-up photograph of chestnut burrs and nuts. The burrs are covered in sharp, light-colored spines. The nuts are dark brown and glossy. The background is a soft-focus green, suggesting foliage.

Chestnut Fund

Annual Report 2019/20

Contents

- About Hort Innovation and the Chestnut Fund 1
- About the year 1
- 2019/20 Chestnut Fund snapshot 2
- Did you know? 2
- Just some of the things delivered for you during the year 3
- Making investments in 2019/20 4
- Investment planning and performance 5
- R&D project list 2019/20 6
- R&D report 7
- Minor use permits 8
- Marketing report 9
- Financial statement 11

About Hort Innovation and the Chestnut Fund

Hort Innovation is the grower-owned, not-for-profit research and development corporation for Australia’s horticulture sector. We work closely with industry to invest the chestnut R&D and marketing levies, together with Australian Government contributions, into key initiatives for growers, through the Hort Innovation Chestnut Fund. We’re extremely proud of the work we do to help drive productivity, profitability and demand for chestnut growers, and for the horticulture sector at large.

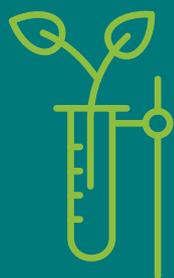
About the year

An intense and unpredictable year, 2019/20 certainly dealt challenges for the world, for Australian horticulture, and for Hort Innovation. There was ongoing drought, a devastating bushfire season, intense floods, the biosecurity threat of fall armyworm and, of course, the global and ongoing COVID-19 pandemic.

We encourage you to download a copy of the overarching Hort Innovation Annual Report 2019/20 at www.horticulture.com.au/annual-report-portal to better understand Hort Innovation’s responses to these events, and how the company was able to change its plans and priorities to best serve the sector.

Through it all, though, activity in the Hort Innovation Chestnut Fund remained strong. While some activities inevitably changed under COVID-19, it was still a solid year of investment. There was some \$52,000 invested in R&D for the industry, plus another \$31,000 in marketing. Read on for an overview of what was delivered.

2019/20 Chestnut Fund snapshot



\$52,000

invested in R&D



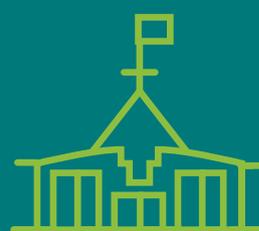
\$31,000

invested in marketing



5

active R&D
investments



\$61,000

in levies collected
by the government and passed
on to Hort Innovation for investment

Did you know?



1000

Australia's chestnut production volume remained steady over the five years to 2018/19, with an average of 1000 tonnes produced per year



70%

Victoria is the main producer of chestnuts in Australia, delivering some 70 per cent of production volume in 2018/19

These facts and more can be found in the Australian Horticulture Statistics Handbook, which is delivered by Hort Innovation each year. The handbook is packed with horticulture statistical information and analysis for some 75 categories, for use by individual industries and the wider sector. The 2018/19 edition was released in early 2020 and, for the first time, features an interactive dashboard format for desktop users. See www.horticulture.com.au/horticulture-statistics-handbook.



Just some of the things delivered for you during the year:

- ✓ **The industry's communication program**, delivering the *Chestnut Industry News* publication, quarterly updates via the *Australian Nutgrower* magazine, industry events, and the www.chestnutsaustraliainc.com.au website
- ✓ **Information and data to assist through COVID-19**, including the new *Hort Innovation Insights* podcast (www.horticulture.com.au/webinars) and regular consumer attitude and behaviour information (www.horticulture.com.au/impact-monitor)*
- ✓ **Preparation support for fall armyworm**, including emergency minor use permits and an educational podcast series, www.bit.ly/armyworm-podcast *
- ✓ **A domestic marketing campaign** and, launched during COVID-19, **The Good Mood Food** across-horticulture campaign* (www.horticulture.com.au/the-good-mood-food)
- ✓ **Investments in the Hort Frontiers strategic partnership initiative** to address longer-term and often complex issues and opportunities critical to the future of Australian horticulture – see www.horticulture.com.au/hort-frontiers *
- ✓ **Projects supported by grants** secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2019/20 for more*

*These initiatives were delivered outside of the Hort Innovation Chestnut Fund and, in most instances, did not involve the industry levy

Making investments in 2019/20

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The chestnut R&D and marketing levies were invested this way during the year, guided by the Chestnut Strategic Investment Plan and advice from the industry’s investment advisory panel.



To learn more about funding specific to the Hort Innovation Chestnut Fund, visit www.horticulture.com.au/chestnut. During the year, other sources of funding were also used to support activities for the benefit of Australian horticulture, including grant funding secured by Hort Innovation, co-investment dollars brokered through our Hort Frontiers initiative and centralised strategic levy reserves.

Investment planning and performance

During 2019/20, Hort Innovation continued to track investment expenditure against the Chestnut Strategic Investment Plan, while looking towards new developments in 2021. Access an at-a-glance copy of the current investment plan at www.bit.ly/sip-chestnut.

A performance analysis is coming

The industry's investment plan outlines key goals and outcomes for levy investment. With the plan due for renewal in 2021, Hort Innovation is undertaking a performance analysis to see how the industry has progressed against the current plan's ambitions. This will also help guide ongoing priorities for investment. Look for information to be published at www.horticulture.com.au/chestnut in 2021.

See how your levy investments align to the industry's current plan

You can see how investment expenditure in the Hort Innovation Chestnut Fund aligns to the industry's current strategic investment plan with the interactive analysis information available from www.bit.ly/chestnut-investment. The analysis shows the allocation of funding against each of the chestnut plan's outcomes, and gives an indication of the projects that are aligned to each outcome.

New ways of obtaining advice and setting priorities

In 2020/21, Hort Innovation will be implementing new ways of obtaining advice and setting priorities for industry investments. Renewed industry investment plans, plus new yearly (or as needed) program plans and new ways of consulting more broadly will mean more efficient investment and better outcomes for industry. Watch this space.





R&D project list 2019/20

NEW INVESTMENTS IN 2019/20

CH18000 Chestnut industry communications program

ONGOING INVESTMENTS IN 2019/20

CH16001 Chestnut industry minor use program

MT18011 Ex-post impact assessment*

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

* This multi-industry project was a key monitoring and evaluation investment during 2019/20 – we encourage you to find the full details at www.horticulture.com.au/mt18011

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

INVESTMENTS COMPLETED IN 2019/20

CH16000 Communication and adoption program for the Australian chestnut industry

ST16008 AgVet collaborative forum

R&D report

Take a closer look at a couple of the key investments in the Hort Innovation Chestnut Fund during 2019/20. You can also visit www.horticulture.com.au/chestnut at any time to access information on new, ongoing and completed projects, and to download resources produced by levy investments, such as fact sheets and guides.

Chestnut industry communications program (CH18000)

NEW IN 2019/20

Key research provider: Chestnuts Australia Inc

Following earlier industry communications investment **Communication and adoption program for the Australian chestnut industry (CH16000)**, which drew to a close in 2019/20, this latest iteration of the program continues to deliver strong communication and technical support to the chestnut industry. To assist informed decision making, particularly in the face of future challenges and opportunities, its activities include, but aren't limited to:

- » Production of industry newsletter *Chestnut Industry News*, which is published in print and online twice a year and available via the Chestnuts Australia's levy payers' website at www.chestnutsaustraliainc.com.au/levy-payers-login (if you don't have a login, you can register your details with Chestnuts Australia by contacting admin@chestnutsaustralia.com.au)
- » Quarterly industry updates via *Australian Nutgrower* magazine
- » The running of industry farm walks and workshops with details provided via industry communication channels
- » Maintenance and updating of the Chestnuts Australia Inc website (www.chestnutsaustraliainc.com.au) as well as social media, including Instagram ([@chestnutsaustralia](https://www.instagram.com/chestnutsaustralia))
- » Delivery of 'email blasts' – mini e-newsletters sent in between the months that *Chestnut Industry News* is distributed, which you can sign up for on the industry website
- » Collection, collation and dissemination of industry statistics, detailing national planting and production information for the industry, with this information available in a new section in the levy payers' area of the industry website.

For a summary of previous project CH16000's activities, and to access the project's resources and final research report, visit www.bit.ly/ch16000.

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 also searchable at portal.apvma.gov.au/permits, while permit updates are 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.

This project, which uses grant funding from the Australian Government's Access to Industry Priority Uses of AgVet Chemicals program, is generating the data required for a range of registration and minor use applications across a variety of horticulture crops, including chestnuts.

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.

Permits in 2019/20

During the 2019/20 financial year, a successful renewal for PER15259 was prepared by Hort Innovation and submitted to the APVMA, facilitated through the **Chestnut industry minor use program (CH16001)**.

Meanwhile, fall armyworm – an incredibly destructive exotic pest – was detected on Australian shores for the first time in 2020. To support readiness and protect the horticulture sector, Hort Innovation was involved in securing emergency permits for crop protection chemicals, with all horticulture industries having at least one effective option available to them by the end of 2019/20. For the chestnut industry, PER89353 was obtained for this reason.

Details for these and all other permits can be found in the following table.

Current permits

Below is a list of minor use permits for the chestnut industry, current as of 21 September 2020.

PERMIT ID	DESCRIPTION	DATE ISSUED	EXPIRY DATE	PERMIT HOLDER
PER15259 Version 2	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-Apr-25	Hort Innovation
PER12507 Version 3	Peroxyacetic acid + hydrogen peroxide (Tsunami or Adoxysan) / Chestnuts (postharvest spray or dipping treatment only) / Surface moulds	16-Mar-11	16-Mar-11	Chestnuts Australia Incorporated (CAI)
PER84607	Copper present as cupric hydroxide / Chestnuts / Chestnut blight	15-May-17	31-Mar-22	CAI
PER13640 Version 2	Sodium hypochlorite / Chestnuts / Surface moulds	01-Nov-12	31-Oct-22	CAI
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	CAI
PER89353 Version 2	Chlorantraniliprole (Altacor Hort Insecticide / Coragen) / Tree nuts (except almonds) / Fall armyworm	05-May-20	31-May-23	Hort Innovation

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.

Keep up to date! Find monthly minor use permit updates in our *Growing Innovation* e-newsletter. 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 of chestnuts, under the Hort Innovation Chestnut Fund. Read on for a snapshot of activities and results from the 2019/20 marketing program.

Social media

With many families in isolation due to COVID-19, consumers turned to cooking to provide entertainment, making the most of the opportunity to experiment with different foods they perhaps would not have the time or inclination to try otherwise. The chestnut marketing program acted swiftly to make the most of this opportunity, creating a dedicated social media campaign across Instagram (@chestnutsaustralia) and Facebook (www.facebook.com/australianchestnuts), encouraging families to 'give Aussie chestnuts a go!'

Ten family-oriented influencers agreed to be involved in the campaign and were posted a 2.5kg pack of chestnuts, a printed apron, specialty cutting knife, and a collection of recipe brochures and nutritional information. The influencers took up the challenge, posting mouth-watering content such as chestnut-focused social stories, photos, and recipes, engaging with over 70,000 combined followers. The campaign was

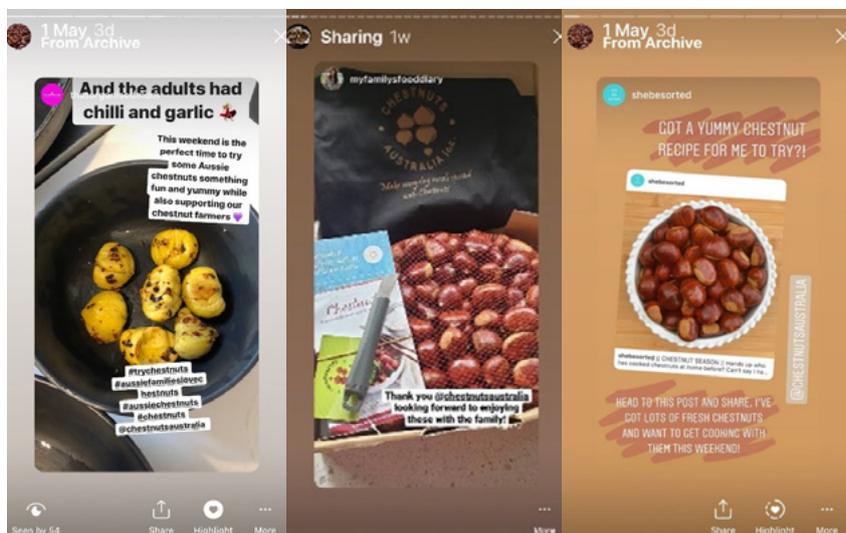
also supported with selected hashtags to promote chestnuts during this period.

The Chestnuts Australia Instagram account was updated with one to two photos with captions each week during the season. A new feature to the program this year was the introduction of Instagram stories which were followed regularly, with over 60 people per day viewing the content. The page now has 1,092 followers, up from 789 followers at the end of last financial year. Content is resonating with followers, with the posts regularly receiving 40 to 90+ engagements.

Two videos were produced this year and leveraged across Instagram. These videos demonstrated just how easy it is to prepare, cook and incorporate chestnuts into everyday meals, such as a delicious chestnut, pumpkin and pancetta soup.

Public relations

The campaign used new and existing content created by Emma Bickley from Photo Before We Eat, to distribute to five retailer newsletters and green



grocers to provide useful information such as seasonal information, in-store tips and chestnut promotional posters for use in-store. The program was also complemented by media releases during the season, to encourage incremental chestnut opportunities within digital and traditional media.

Point of sale

Point-of-sale recipe brochures were a key component of the marketing program in 2019/20 to inspire and educate consumers on how they can cook with chestnuts. There were two brochures (one reprinted and one new) in the series, themed 'making everyday meals special with chestnuts'. These were sent out at the start of the season with 100,000 distributed through the major wholesale markets and to growers across Australia. The industry also distributed 3,000 brochures on request from growers, additional wholesalers and retail outlets.



THE GOOD MOOD FOOD

THE GOOD MOOD FOOD

In 2019/20, Hort Innovation created The Good Mood Food campaign to deliver an immediate and enduring behaviour-change message to motivate more Australians to eat more fruit, vegetables and nuts.

With the central message that these Aussie horticulture products are natural mood boosters, the campaign was developed to support the sector through the impacts of recent challenges including bushfires, drought, floods and of course COVID-19 – the effects of which continue to be felt in consumer spending and purchasing behaviour.

Initially running between May and November 2020, The Good Mood Food has been seen across the country on TV; in newspapers; on radio and music streaming services; online (including on YouTube and TV catch-up services); on social media; and via retail partnerships and advertising screens near supermarkets.

In July, 56 per cent of surveyed consumers said The Good Mood Food had positively influenced their shopping habits, and by the end of campaign's run, 98 per cent of all Australians were expected to be reached.

Learn more at www.horticulture.com.au/the-good-mood-food.

Financial statement

Financial operating statement 2019/20

	R&D (\$)	MARKETING (\$)	TOTAL (\$)
	2019/20 July – June	2019/20 July – June	2019/20 July – June
OPENING BALANCE	1,414	11,323	12,737
Levies from growers (net of collection costs)	29,854	31,304	61,158
Australian Government money	31,723	–	31,723
Other income*	147	195	342
TOTAL INCOME	61,724	31,499	93,222
Project funding	52,319	30,743	83,062
Consultation with and advice from growers	98	48	147
Service delivery – base	2,474	1,585	4,060
Service delivery – shared	3,553	2,277	5,830
Service delivery – fund specific	5,000	6,000	11,000
TOTAL EXPENDITURE	63,445	40,653	104,098
Levy contribution to across-industry activity	–	–	–
CLOSING BALANCE	(308)	2,169	1,861
Levy collection costs	5,345	5,921	11,265

* Interest, royalties

Horticulture Innovation Australia Limited (Hort Innovation) makes no representations and expressly disclaims all warranties (to the extent permitted by law) about the accuracy, completeness, or currency of information in the *Chestnut Fund Annual Report 2019/20*. Reliance on any information provided by Hort Innovation is entirely at your own risk. Hort Innovation is not responsible for, and will not be liable for, any loss, damage, claim, expense, cost (including legal costs) or other liability arising in any way, including from any Hort Innovation or other person's negligence or otherwise from your use or non-use of the *Chestnut Fund Annual Report 2019/20*, or from reliance on information contained in the material or that Hort Innovation provides to you by any other means.

© 2020 Horticulture Innovation Australia Limited.

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.

Hort Innovation

Horticulture Innovation Australia Limited
ACN 602 100 149

Level 7, 141 Walker Street
North Sydney NSW 2060 Australia

02 8295 2300 | communications@horticulture.com.au

www.horticulture.com.au