

What happened in the **Dried Grape Fund** last year?

Annual Report 2020/21



About Hort Innovation and the Dried Grape 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 dried grape R&D and marketing levies, together with Australian Government contributions, into key initiatives for growers, through the Dried Grape Fund. We're extremely proud of the work we do to help drive productivity, profitability and demand for dried grape growers, and for the horticulture sector at large.

Throughout another challenging year for the horticulture sector, activity in the Dried Grape Fund remained strong. Read on for an overview of what was delivered.

We also encourage you to download a copy of the overarching Hort Innovation Annual Report 2020/21 at www.horticulture.com.au/annual-report-portal to better understand how Hort Innovation worked for the benefit of the horticulture sector during the year.

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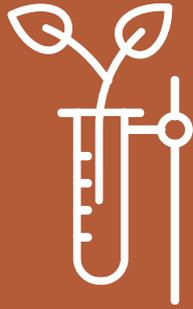
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\$188,176

invested in R&D



\$52,973

invested in marketing



6

active R&D investments



\$232,876

in levies collected

by the Government and passed on to Hort Innovation for investment



41%

Sultanas represent the majority of production at 41 per cent, followed by Sunmuscats at 36 per cent and currants and raisins at 23 per cent*



40%

In 2019/20, 40 per cent of Australia's dried grape production was exported



79%

79 per cent of Australia's dried grape production takes place in Victoria, with 17 per cent in New South Wales and three per cent in South Australia

* Sunrise Mapping 2018

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 2019/20 edition was released in early 2021 and 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



Industry communication and extension programs, delivering *The Vine* magazine, Dried Fruits Australia e-newsletters, events, plus content and learning resources for the industry's website, www.driedfruitsaustralia.org.au



Collaborative multi-industry biosecurity initiatives to help prepare for and protect against high-priority threats (see www.horticulture.com.au/dried-grape)



Preparation support for pest incursions such as fall armyworm and serpentine leafminer, including emergency minor use permits and longer-term investments to bolster the horticulture sector's response



Domestic and international marketing activities and **The Good Mood Food** across-horticulture campaign to support industries through the effects of another challenging year – see 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*

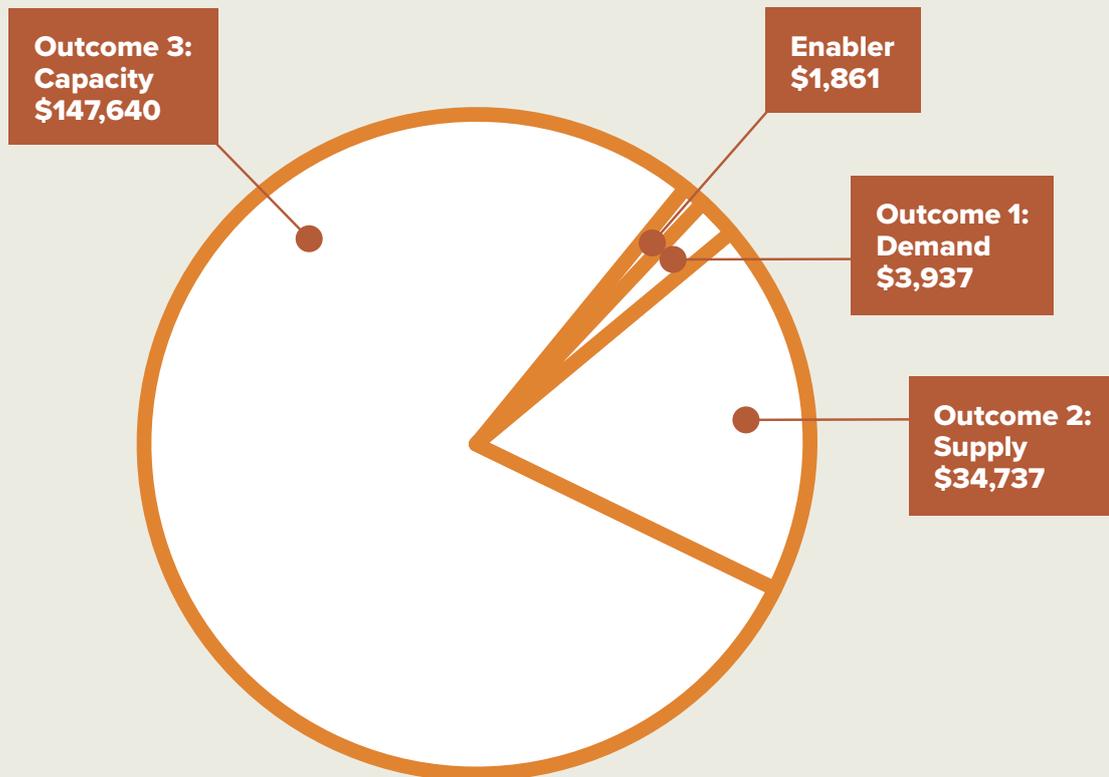


Projects supported by grants secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2020/21 for more*

You can visit www.horticulture.com.au/dried-grape 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.

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

Here's what your fund invested in over the year



Investments that are specific to the Hort Innovation Dried Grape Fund are guided by the dried grape Strategic Investment Plan (SIP). The SIP features priority outcome areas that have been identified and agreed upon by the industry, and Hort Innovation works to invest in R&D and marketing initiatives that are aligned to these.

In the above chart, you can see how project expenditure in the Dried Grape Fund during 2020/21 was aligned to the SIP. Each project has been allocated to a SIP outcome based on its primary objective.

Expenditure on projects classified as 'enabler' support the broader delivery of the industry's strategic investment plan, such as impact assessments.

Which projects were in each of the SIP outcome areas?

Outcome 1: Demand

Increased demand for Australian product in high-value markets

Marketing activities during 2020/21 contributed to demand-related outcomes in the SIP. You can read more about the dried grape marketing campaign on p9.

Project title and code	2020/21 investment	Status	More information
Horticulture trade data (MT19005)	\$3,937	Ongoing	hortinn.com/mt19005

Outcome 2: Supply

Increase the volume of high quality dried fruit produced

Project title and code	2020/21 investment	Status	More information
Dried grape scion and rootstock evaluation program (DG19000)	\$30,000	Ongoing	hortinn.com/dg19000
Improving preparedness of the Australian horticultural sector to the threat potentially posed by Xylella fastidiosa (a severe biosecurity risk) (MT17006)	\$4,737	Ongoing	hortinn.com/mt17006

Outcome 3: Capacity

The capacity of industry participants is increased

Project title and code	2020/21 investment	Status	More information
Dried grape production innovation and adoption program 2018-2021 (DG17001)	\$70,000	Ongoing	hortinn.com/dg17001
Dried grape industry communications program (DG18001)	\$77,640	Ongoing	hortinn.com/dg18001

Financial operating statement

Dried Grape Fund Financial operating statement 2020/21

	R&D (\$)	Marketing (\$)	Total (\$)
	2020/21 July – June	2020/21 July – June	2020/21 July – June
OPENING BALANCE	(191,214)	207,010	15,796
Levies from growers (net of collection costs)	132,828	100,048	232,876
Australian Government money	140,443	–	140,443
Other income*	(1,008)	604	(404)
TOTAL INCOME	272,263	100,652	372,915
Project funding	188,176	52,973	241,149
Consultation with and advice from growers	–	–	–
Service delivery	33,207	11,731	44,938
TOTAL EXPENDITURE	221,383	64,704	286,087
Levy contribution to across-industry activity	–	–	–
CLOSING BALANCE	(140,334)	242,958	102,624
Levy collection costs	6,032	556	6,588

* Interest, royalties

Levy collection costs – These are the costs associated with the collection of levies from industry charged by Levy Revenue Services (LRS)

Service delivery – Also known as Corporate Cost Recovery (CCR), this is the total cost of managing the investment portfolio charged by Hort Innovation

Making sure that levy investment decisions align with industry priorities

What will be the Dried Grape Fund's focus over the next five years?



The dried grape Strategic Investment Plan (SIP) was created in 2021 to reflect current priorities for the dried grape industry. This involved extensive consultation with dried grape growers and industry stakeholders, including Dried Fruits Australia. The SIP is the roadmap that helps guide Hort Innovation's oversight and management of individual levy industry investment programs.

The dried grape SIP lays the foundation for decision making in levy investments and represents the balanced interest of the particular industry from which the levy is collected. The most important function of the SIP is to make sure that levy investment decisions align with industry priorities.

The dried grape SIP identifies four outcome areas that will contribute to the productivity and profitability of the dried grape sector. They are:

- Industry supply, productivity and sustainability
- Demand creation
- Extension and capability
- Business insights.

What projects will the fund be investing in next year?

The dried grape Annual Investment Plan (AIP) 2021/22 will detail how levy funds will be spent over the 12-month period. Investment decisions will be guided by the industry SIP and prioritised based on potential industry impact, as well as availability of levy funds.

The AIP is developed by Hort Innovation, and is informed by the SIP and industry consultation, including collaboration with Dried Fruits Australia. The AIP is then discussed with the industry SIAP for feedback and prioritisation. All investments will need to link to the industry's SIP by addressing a minimum of one KPI against a strategy under one of the four outcomes.

Annual Investment Plans will be published each year over the lifespan of the SIP and industry stakeholders will be advised via established communication channels.

Hort Innovation will continue to report on fund performance regularly, with more focus on reporting on outcomes and the impact of investments.



When available, you can visit www.horticulture.com.au/dried-grape-fund-management to view both documents and get a full picture of how your levy will be invested over the next five years.

Growing the knowledge and skills needed to grow Australia's dried grape industry

Beginning in 2018, this investment helps producers access and share leading and emerging research and knowledge on production techniques to grow skills, improve productivity, and keep quality high.

The challenge

It's important to encourage knowledge sharing among Australian dried grape producers and keep them up to date with the latest research and production techniques. This will grow skills and improve productivity and quality.



Daryn Gardner (left) and David Lyons, dried grape growers, Victoria

Meet Daryn

Daryn Gardner is a dried grape grower in Victoria's Mallee region. He's been carrying out various trials on his property for many years and thanks to this program, he's able to share learnings from those trials with other dried grape growers through field days and workshops, which he often hosts at his farm.

"I've found this program to be really informative and it's consolidated some of my own ideas and practices," says Daryn.

"I've been happy to become more involved by hosting various field days on my property for two reasons. Firstly, because I feel it's good to be able to have peer review – have my own practices reviewed by someone who is an expert in their field – and this generally promotes plenty of discussion. Secondly, if I can help one person become more profitable in our industry it has been worthwhile."

"The program's helped growers with regards to information and knowledge sharing as it utilises various aspects, such as presenters, that are experts in the field, but also grassroots growers that other growers can relate to. It's also presented in a way that's easy to understand and questions are always welcomed."

Continued



Although program workshops and seminars have been scaled back due to COVID, they've been a significant part of the program, says Daryn. "These types of events are important and beneficial to my business because it brings larger groups of growers together and we're able to network with others who are striving for the same results, in the same industry."

Daryn is confident the program will become increasingly useful as the industry moves towards machinery and automation to help with production and efficiency. "The more knowledge and information we can access around this, the better. This area will improve our viability as it will hopefully decrease our reliance on our decreasing labour force and the increasing costs associated with labour."

The approach

The program, which began in 2018, includes workshops, seminars, field walks and focus groups for growers to ensure they're at the forefront of all aspects of the industry. These events typically run between April and January each season (in accordance with relevant COVID protocols) and are hosted on growers' properties in the Sunraysia, Riverland and Swan Hill regions, and at universities and research institutes.

The program is also delivering a wide range of learning materials for growers through the Dried Fruits Australia online learning platform, and has a benchmarking

component as well. This work provides the industry with benchmarks of production per hectare, production practices, prices received and input costs, and tracks overall industry productivity growth.

The impact

The team has continued to deliver their valuable outreach and extension events, including a series of workshops, which have been moved online due COVID-19. However, there were occasional opportunities for on-farm workshops.

In January 2021, a Research and Development Forum was held to determine and prioritise research areas for the dried grape industry going forward. Hort Innovation are now using this information to inform the new Dried Grape Strategic Investment Plan 2022-2026.

Benchmarking work is also continuing, and this information, along with other relevant communication material has been presented to growers via the online Annual Growers Forum, in *The Vine* magazine, and the fortnightly *Currant News*. Industry statistics continue to be maintained in terms of varieties, hectares, exports, and imports.

Research into increased machinery and automation practices on farm is also underway and The Best Practice Guide is regularly updated with the input of researchers, producers, and processors.

For more information, visit hortinn.com/dg17001

Project details

Dried grape production innovation and adoption program 2018-2021 (DG17001)

Key research provider: Dried Fruits Australia

Start date: January 2018

Expected end date: July 2021

Estimated value for life of project: \$257,313

Harnessing the health benefits and great reputation of Aussie dried grapes to grow exports

The 2020/21 marketing program focused on exports, maintaining demand for Australian dried grapes in high-value markets, while expanding into growth markets.

The opportunity

The taste and quality of Australian dried grapes are well known internationally, but their many health benefits are less well known. Research showed that Australian dried grapes are healthy and full of natural goodness – traits highly desired by overseas consumers and a highly marketable point of difference to leverage Australian exports.

The approach

Utilising evidence-based research, key messages were developed as part of a framework to communicate the health benefits of Australian dried grapes to export markets. These messages were used in promotional materials across a variety of channels, aimed primarily at China, Singapore, and Japan. Careful attention was paid to translation, ensuring key messaging and campaign themes resonated well with local consumers, regardless of language or cultural difference.

The development of a new, differentiated product and promotion for Australian Sunmuscats was also undertaken to grow take-up in the growing European and Asian snack markets.

“Australian Golden Sultanas” was also trademarked for future use in strategic Asian markets, primarily in China.

In Europe, activities included advertisements in the 2020 Bako diary and calendar – popular tools for German bakers. German bakeries pay a premium price for Australian dried grapes, with bakery outlets remaining the primary market for Australian dried grapes in Europe.

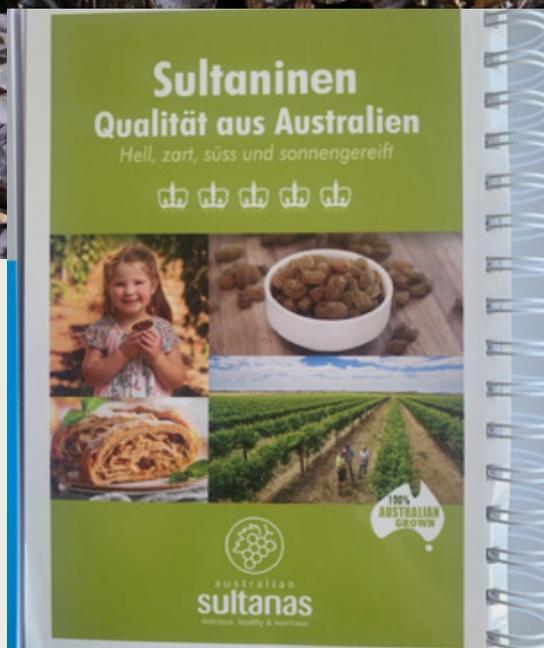


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The outcome

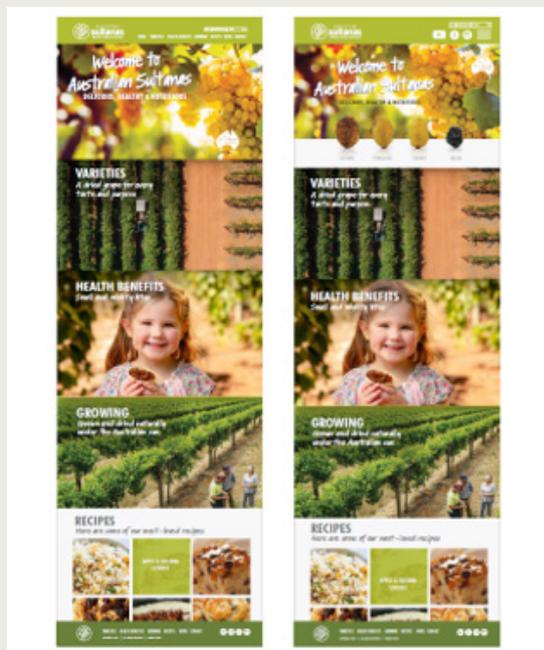
With the help of various marketing activities, the reputation and desirability of Australian dried grapes remains high. The industry is well poised for future export growth, backed by several key trade relationships, which strengthened considerably during 2020-21, especially among buyers, supermarkets, and snack market representatives in Asia and Europe.



“

We're told there is demand overseas, so we need to make sure we're a big part of filling that. We can get a premium for our fruit in those overseas markets, so it's good that the marketing message is getting out to those new markets in Asia. Australian horticulture has got a reputation for being clean and green and we need marketing like this to remind those new markets of that.”

Malcolm Bennett,
dried grape producer, Victoria



Read more about the campaign at hortinn.com/dried-grape-marketing-snapshot

Project details

These marketing activities are strategic levy investments in the Hort Innovation Dried Grape Fund

How strategic levy investments are made in the Dried Grape Fund

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The dried grape R&D and marketing levies were invested this way during the year, guided by the dried grape Strategic Investment Plan 2017-2021 and advice from the industry’s investment advisory panel.



* Encapsulating extension and international trade

To learn more about funding specific to the Hort Innovation Dried Grape Fund, visit www.horticulture.com.au/dried-grape. 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 reserve.

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

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