

What happened in the Table Grape Fund last year?

Annual Report 2020/21



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

Throughout another challenging year for the horticulture sector, activity in the Table 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.

In this report...

Table Grape Fund snapshot 2020/21 1

Just some of the things delivered for you during the year 2

Here's what your fund invested in over the year 3

Making investments in 2020/21 4

Financial operating statement 6

What will be the fund's focus over the next five years? 7

R&D case study 8

Trade case study 10

Marketing case study 11

Minor use permits 13

Appendix: How strategic levy investments are made 15



\$1.55M

invested in R&D



\$908,150

invested in marketing



25

active R&D investments



\$1.93M

in levies collected

by the Government and passed on to Hort Innovation for investment



13.4%

The Australian table grape industry's production value grew at an average annual rate of 13.4 per cent over the five years to 2019/20



2x

Table grape exports more than doubled in value in recent years, growing from \$240 million in 2014/15 to \$623 million in 2019/20



71%

The majority of Australia's table grapes are grown in Victoria (71 per cent), with smaller amounts grown in New South Wales, Queensland, South Australia and Western Australia

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



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



The industry communications program, delivering *The Vine* magazine, regular e-newsletters, events and the industry website, www.australiangrapes.com.au



A host of biosecurity work, including projects related to *Xylella fastidiosa* and Queensland fruit fly – see www.horticulture.com/table-grape



A new industry extension program to support the adoption of industry best practice and new technologies for table grape growers



The table grape Harvest to Home dashboard providing regular household purchase data and insight reporting, at www.harvesttohome.net.au



Domestic and international marketing campaigns 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*

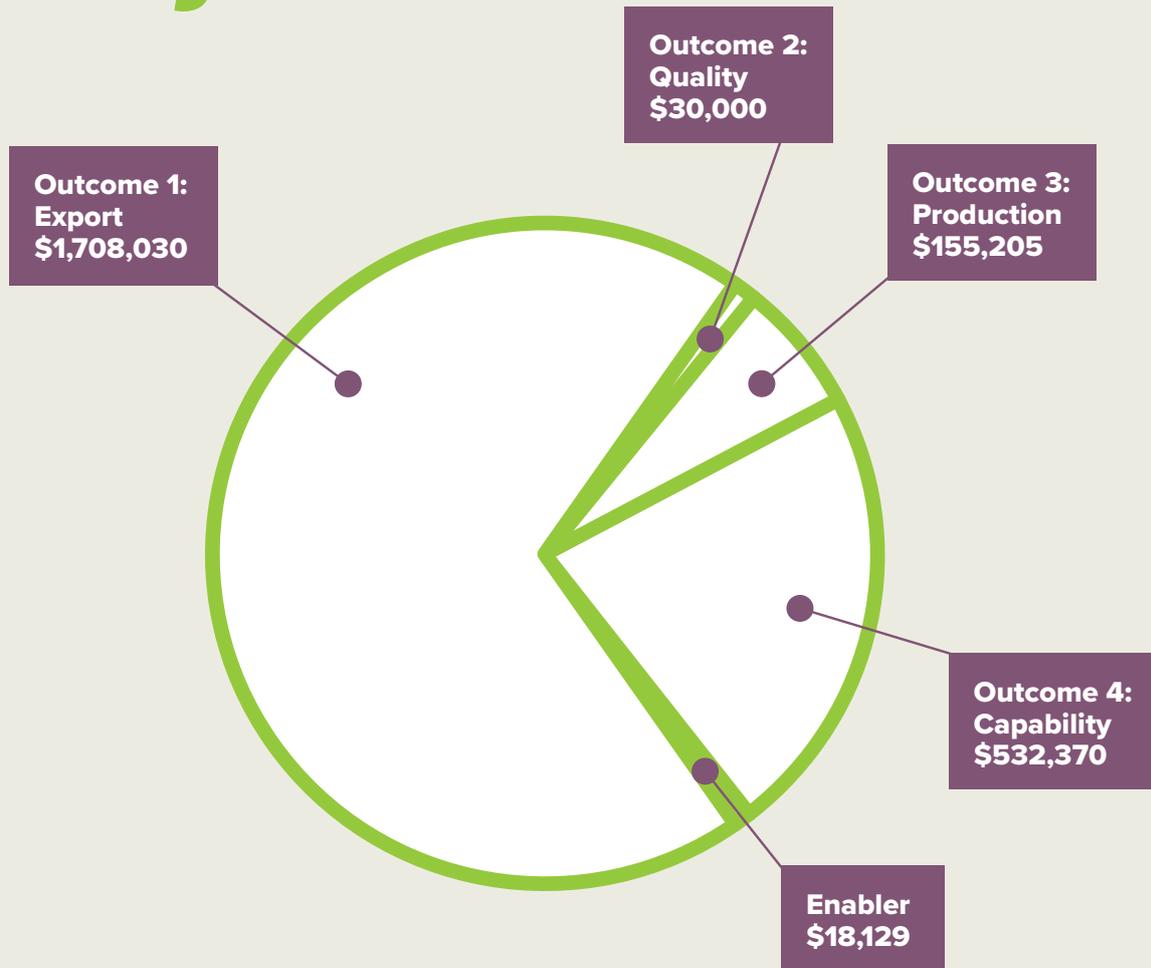


Projects supported by grants secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2020/21 for more*

You can visit www.horticulture.com.au/table-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 Table 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 Table Grape Fund are guided by the table 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 Table 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: Export

Increased demand for Australian table grapes by strengthening and developing domestic and export market opportunities that will improve industry viability and sustainability

Marketing activities during 2020/21 contributed to demand-related outcomes in the SIP. You can read more about the table grape marketing campaign on p11.

Project title and code	2020/21 investment	Status	More information
Developing a national systems approach for meeting biosecurity requirements to access key Asian markets (AM17001)	\$35,000	Ongoing	hortinn.com/am17001
SITplus: Port Augusta Qfly SIT factory pilot operation (FF18003)	\$71,429	Ongoing	hortinn.com/ff18003
Essential market access data packages (MT14052)	\$23,609	Ongoing	hortinn.com/mt14052
Taste Australia retail program (MT18017)	\$23,673	Ongoing	hortinn.com/mt18017
Horticulture trade data (MT19005)	\$5,821	Ongoing	hortinn.com/mt19005
Table grape export readiness and market access (TG17000)	\$150,564	Ongoing	hortinn.com/tg17000
Strategic export plan renewal for Australian table grapes (TG19002)	\$141,795	Ongoing	hortinn.com/tg19002
Table grape consumer acceptance and attitudes (TG19003)	\$73,371	Ongoing	hortinn.com/tg19003
Table grape market access and trade development (TG20000)	\$274,618	Ongoing	hortinn.com/tg20000

Outcome 2: Quality

Demand-building strategies and increased prices for Australian table grapes supported by improvements in product quality.

Project title and code	2020/21 investment	Status	More information
Improving plant industry access to new genetics through faster and more accurate diagnostics using next generation sequencing (MT18005)	\$30,000	Ongoing	hortinn.com/mt18005

Investments

Outcome 3: Production

Production efficiency improved and biosecurity threats mitigated by growers applying knowledge, skills, and tools.

Project title and code	2020/21 investment	Status	More information
Improving preparedness of the Australian horticultural sector to the threat potentially posed by <i>Xylella fastidiosa</i> (a severe biosecurity risk) (MT17006)	\$33,186	Ongoing	hortinn.com/mt17006
Parasitoids for the management of fruit flies in Australia (MT19003)	\$30,000	Ongoing	hortinn.com/mt19003
Xylella insect vectors (ST19018)	\$20,000	Ongoing	hortinn.com/st19018
Table grape industry minor use program (TG16000)	\$350	Ongoing	hortinn.com/tg16000
Review of the biosecurity plan and manual for the viticulture industry (TG18000)	\$11,669	Ongoing	hortinn.com/tg18000
Trapping efficacy in table grape vineyards for area wide management of Queensland fruit fly (TG19001)	\$60,000	Ongoing	hortinn.com/tg19001

Outcome 4: Capability

Improved capability across the industry to implement improvements in supply and quality.

Project title and code	2020/21 investment	Status	More information
Consumer behavioural and retail data for fresh produce (MT17015)	\$33,167	Ongoing	hortinn.com/mt17015-tablegrape
Table grape industry communications program (TG18004)	\$232,124	Ongoing	hortinn.com/tg18004
Extension of technologies and best management practice to the Australian table grape industry (TG19000)	\$20,231	Ongoing	hortinn.com/tg19000
Minimum maturity standards adoption across the table grape supply chain (TG19004)	\$225,928	Ongoing	hortinn.com/tg19004
Independent M&E planning and evaluation of TG19000 (TG19005)	\$20,920	Completed	hortinn.com/tg19000

Financial operating statement

Table 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	809,353	3,187,647	3,997,000
Levies from growers (net of collection costs)	962,038	966,788	1,928,826
Australian Government money	896,260	–	896,260
Other income*	3,471	320,905	324,376
TOTAL INCOME	1,861,769	1,287,693	3,149,462
Project funding	1,546,397	908,150	2,454,547
Consultation with and advice from growers	2,340	1,196	3,536
Service delivery	243,783	171,407	415,190
TOTAL EXPENDITURE	1,792,520	1,080,753	2,873,273
Levy contribution to across-industry activity	–	–	–
CLOSING BALANCE	878,602	3,394,587	4,273,189
Levy collection costs	29,909	25,158	55,067

* 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 Table Grape Fund's focus over the next five years?



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

The table 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 table grape SIP identifies four outcome areas that will contribute to the productivity and profitability of the table 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 table 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 the Australian Table Grape Association.

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/table-grape-fund-management to view both documents and get a full picture of how your levy will be invested over the next five years.

Minimum maturity standards give grape growers the sweet taste of supermarket success

This project ensures the vast majority of Australian table grapes bought from major retailers are fresh and sweet, satisfying tastebuds and growers alike.

The challenge

To ensure new minimum maturity standards for table grapes are fully adopted across the supply chain from the 20/21 season onwards, improving customer satisfaction and sales.



Glenn Pearmine, Gleniecy Farm owner

Meet Glenn

Gleniecy Farm owner Glenn Pearmine has long understood the link between ripe grapes and satisfied repeat customers. “There’s a strong need in the market for quality, sweet fruit,” says Glenn. “If sour, immature fruit comes into the market, customers simply don’t come back to buy more.”

It’s no surprise then that Glenn was eager for his farm to adopt minimum maturity standards for table grapes, and he actively encourages others to do the same.

“Thanks to this program, sweeter fruit goes to the market. There’s a minimum of 16 Brix consistently across the crop before picking commences. When maturity testing information is passed on to the markets and buying chains, like Coles and Woolworths, there’s a much better result for our business. Consumer demand is much higher because the quality is better. Maturity testing allows us to put premium fruit into the market. The profits are up on mature fruit simply because of consumer demand. All growers should be on board. When mass amounts of immature fruit enters the early market, it kills the prices for the season and all growers suffer.”

Information collected via the program is also shared with growers – something which is of great benefit, according to Glenn. “Data received from maturity testing gives growers another tool for vineyard management, for instance, irrigation and fertiliser application



The approach

In October 2018 the Australian table grape industry collectively agreed to develop minimum maturity standards (MMS) that are well-aligned with consumer taste expectations, and extensive consultation was carried out with major retailers, suppliers, and individual growers.

The Australian Table Grape Association (ATGA) applied the MMS in October 2019 to coincide with the 2019/20 harvest and it is now the aim of this current program to ensure those standards are adopted across the entire supply chain from the 2020/21 season onwards.

To do that, a pre-season Stakeholder Working Group workshop was formed including the five largest growers, suppliers, and aggregators and the three major retailers in efforts to align key stakeholders and refine activities across the life of the project.

In addition, 2020/21 pre-season grower roadshows were held online to highlight the importance of consistent fruit quality for consumers and improve how retailers manage the grape category.

On-farm MMS monitoring has so far been conducted in the Emerald region. This data was collected with sampling and measurement for eight weeks during the start of the season. Maturity information was provided to growers and retailers to advise them when early fruit is achieving the desired MMS.

Retail monitoring has also been conducted in Melbourne retail stores for white, red, and black grapes.

The impact

A weekly performance summary is being provided to each retailer, via secure online access platform ClickData, detailing individual retailer performance in meeting the MMS and how this compares to the industry average.

Over time, maturity monitoring results have, and will continue to improve as the project progresses and growers become increasingly aware of the importance of consistently supplying the market with mature, great-tasting fruit.

As a result, implementing MMS has successfully increased purchase frequency and grower returns.

For more information, visit hortinn.com/tg19004

Project details

Minimum maturity standards adoption across the table grape supply chain (TG19004)

Key research provider: Australian Table Grape Association

Start date: October 2020

Expected end date: October 2023

Estimated value for life of project: \$847,226

Growing Australia's table grape exports

Beginning in 2018, this investment is one of the table grape industry's priority projects, building on the success of previous market access and trade development programs.

The challenge

Help the industry increase overseas market demand by ensuring growers have the right information, skills and support to export.

Meet Dominic

Victorian table grape grower, Dominic Sergi, owner of Sergi Fresh, believes initiatives, like the table grape export readiness and market access program, have helped expand our export market options, at a time when international freight and supply chains are disrupted.

"We have benefited from new market access and the relaxing of protocols across a number of markets," says Dominic. "Every little bit, no matter how small, helps in the long term. Exports are extremely important, not only to our business, but our industry as a whole."

This program is helping growers like Dominic mitigate this by increasing access to new markets and ensuring they meet overseas consumer and regulatory standards.

According to Dominic, "You can never have too many markets, and making them easier to send to always helps. We've seen a rise in demand for our fruit thanks to greater market access to countries such as Japan. Market access has given us confidence to grow our business, as it has for a large portion of our industry."

The approach

Through this initiative the teams has worked with growers and exporters to help them develop export strategies, as well as maintain online training for crop monitors. It also assisted the development of Export Quality Standards and continually provides a point-of-contact services for growers.

The impact

While ongoing disruptions to exports during the COVID-19 pandemic, created difficulties for producers during 2020/21, demand has remained strong for Australian table grapes, with farmers successfully able to access new markets and diversify their production base.

“

"We have benefited from new market access and the relaxing of protocols across a number of markets,"

Dominic Sergi, table grape grower, Victoria



For more information, visit hortinn.com/tg17000

Project details

Table grape export readiness and market access (TG17000)

Key research provider: Australian Table Grape Association

Start date: December 2017

Expected end date: December 2020

Estimated value for life of project: \$942,438

Growing demand for Aussie grapes at home and abroad

The aim of the 2020/21 marketing strategy was to increase consumer awareness and engagement of Australian table grapes, driving demand in Australia and overseas.

The opportunity

Domestically, the campaign aimed to reposition Australian Table Grapes as a healthy and fun fruit to be enjoyed on any occasion as ‘little moments of joy’, while export marketing highlighted the product’s high quality, cleanliness, and safety.

The approach

Overseas, the Taste Australia consumer retail marketing program ran from early April to mid-June 2021 in Japan, Korea, Vietnam, Thailand, Indonesia China and the Philippines.

Due to the challenges of COVID-19, growing conditions and supply chain disruptions, the campaign had to adapt as the season progressed.

The program was initially designed with a full suite of marketing activities in most markets, however in February the scope was significantly reduced to facilitate a simpler retail program.

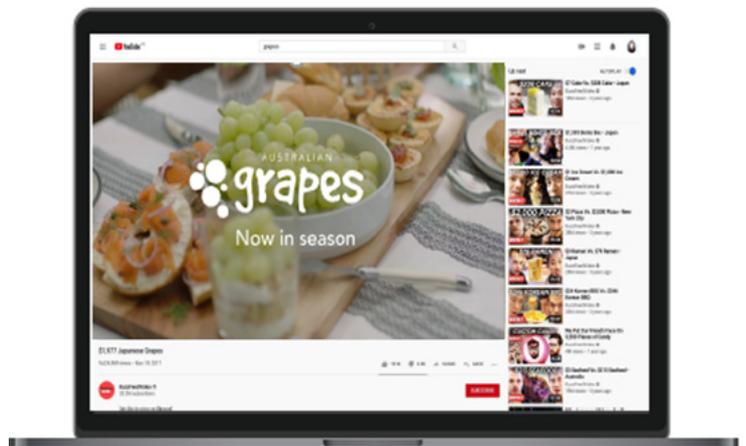
The delivered activities focused on providing clear support to trade partners while also investing in e-commerce and digital marketing.

Additional funding was secured from the Victorian State Government’s Export Recovery Program, which was used to implement additional e-commerce and digital marketing activities.

In Japan, promotions ran across 344 stores, with data from participating outlets showing a 388 per cent year-on-year sales increase off the back of the campaign.

In South Korea, the campaign included a combination of in-store, digital marketing, and e-commerce. Promotions ran across 51 retail stores, with sampling sessions alone generating almost \$50,000 in sales. The digital component resulted in total sales of 36,500kg of Australian table grapes.

Giveaways, prizes, retail promotions and social media were the focus of activities in Vietnam, which all performed well.



Continued



“

“Now, more than ever, marketing and promotion of Australian table grapes is absolutely crucial. I’ve seen much of what the team do, especially the stuff with Taste Australia, which is so important to tap into those overseas markets. In this environment, every dollar we can spend to help our industry is helpful.”

Domenic Sergi, table grape grower, Victoria

Online e-commerce promotions in China saw sales on participating platforms increase almost 34 per cent from the previous year and an influencer social media campaign resulted in more than 8.72 million impressions.

In store promotions in The Philippines between May and June 2021 saw sales increase 157 per cent during that period, and in Thailand, a strong digital campaign reached 1.26 million people.

In Indonesia, major retailers AEON and Hypermart ran Taste Australia content across their digital properties. In AEON, sales of Australian table grapes increased by 315 per cent year-on-year.

Closer to home, Australian social media promotions reached 1.6 million people and generated 9.9 million impressions, with another two million in WA alone.

Throughout the season, short clips promoting Australian table grapes also ran across YouTube, generating more than 2.3 million impressions.

The outcome

Despite the challenges of COVID, marketing activities adapted quickly, especially in Asia. As a result, there were large increases in promotion-related sales, with product awareness at an all-time high. The large increase in newly engaged consumers, both at home and abroad, suggests a growing demand for healthy, delicious Australian table grapes in the years ahead.

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

Project details

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

Minor use permits

The Hort Innovation Table Grape 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 hortinn.com/table-grape-minor-use.

Permits in 2020/21

During the 2020/21 financial year, a successful renewal for PER12439 was prepared by Hort Innovation and submitted to the APVMA, facilitated through the *Table grape industry minor use program* (TG16000). Further permit renewals, PER13378 and PER14492, were also approved in 2020/21, with the applications submitted in the previous financial year.

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, emergency permit PER89870 was issued by Hort Innovation in 2020/21 to acquire crop protection chemicals for the table grape industry.

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



Minor use permits

Current permits

Below is a list of minor use permits for the table grape industry, current as of 27 August 2021.

Permit ID	Description	Date issued	Expiry date	Permit holder
PER14868 Version 3	Chlorpyrifos / Grapevines / European earwig (Pending APVMA Review)	01-Oct-14	31-Oct-21	CCW Co-op
PER11748 Version 2	Sodium metabisulfite / Table grapes (packaged) / Phylloxera	17-Sep-09	31-Oct-24	Australian Table Grape Association (ATGA) C/Hort Innovation
PER12439 Version 5	Trichlorfon / Table grapes / Queensland fruit fly and Mediterranean fruit fly	30-Aug-11	31-Mar-26	Hort Innovation
PER12770 Version 2	Glyphosate / Grapevine removal/destruction / Phylloxera	12-Oct-11	31-Dec-26	ATGA C/Hort Innovation
PER13378 Version 4	Fenbutatin-oxide (Torque Miticide) / Table grapes / Rust mite and two-spotted mite	09-Nov-12	31-Jul-25	Hort Innovation
PER14492 Version 3	Bifenazate (Acramite) / Table grapes / Two-spotted mite	12-Nov-13	31-Aug-25	Hort Innovation
PER13859	Dimethoate / Orchard cleanup – fruit fly host crops following harvest / Fruit fly	09-Feb-15	31-Jul-24	Growcom
PER85499	Sulphur dioxide and carbon dioxide / Table grapes (for export to New Zealand) / Red back spiders	28-Nov-17	30-Nov-22	ATGA C/Hort Innovation
PER85594	Methomyl / Table grapes / Redback spider All States except NSW and WA	19-Feb-18	28-Feb-23	Vitor Marketing Pty Ltd
PER89241	Spinetoram / Various including grapes / Fall armyworm	06-Mar-20	31-Mar-23	Hort Innovation
PER89259	Chlorantraniliprole (Coragen, Altacor and Altacor Hort Insecticide) / Table grapes / Fall armyworm	06-Mar-20	31-Mar-23	Hort Innovation
PER89263	Emamectin (Proclaim Opti Insecticide) / Grapes (except grapes grown for dried fruit production) / Fall armyworm (<i>Spodoptera frugiperda</i>)	10-Mar-20	31-Mar-23	Hort Innovation
PER89278	Indoxacarb (Avatar Insecticide) / Grapes / Fall armyworm (<i>Spodoptera frugiperda</i>)	13-Mar-20	31-Mar-23	Hort Innovation
PER89293	Methomyl / Grapes / Fall armyworm (<i>Spodoptera frugiperda</i>)	10-Apr-20	30-Apr-23	Hort Innovation
PER89870	Spinosad (Entrust Organic) / Various including grapes / Fall armyworm	21-Jul-20	31-Jul-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.

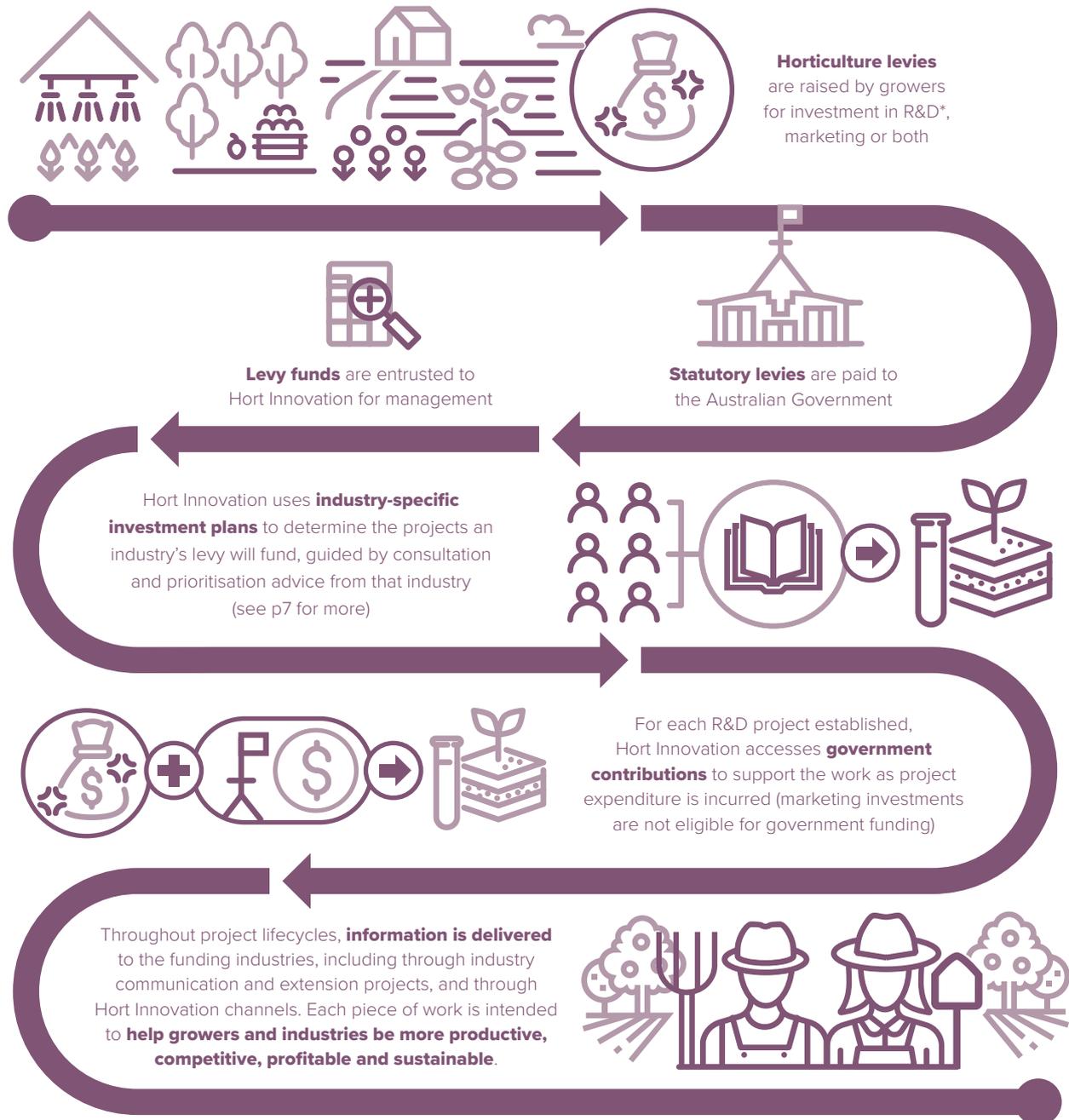
Keep up to date!

Find monthly minor use permit updates in our *Growing Innovation* e-newsletter.

Sign up for free at www.horticulture.com.au/sign-up.

How strategic levy investments are made in the Table Grape Fund

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The table grape R&D and marketing levies were invested this way during the year, guided by the table 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 Table Grape Fund, visit www.horticulture.com.au/table-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

© Copyright 2021 Hort Innovation. All rights reserved.