

What happened in the Chestnut Fund last year?

Annual Report 2021/22



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 Chestnut Fund. We're proud of the work we do to help drive productivity, profitability, and demand for chestnut growers and the horticulture sector.

Read on for an overview of what Hort Innovation delivered in the Chestnut Fund during the year.

We also encourage you to download a copy of the overarching Hort Innovation Annual Report 2021/22 at www.horticulture.com.au/annual-report-portal to see how Hort Innovation worked to benefit the horticulture sector during the year.

In this report...

Chestnut Fund snapshot 1

Some of things delivered for you during the year 2

Here's how your R&D levy was invested over the year 3

Investments 4

Financial operating statement 5

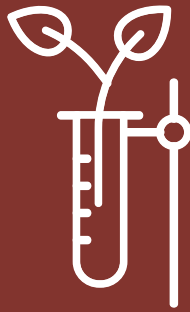
Fund management 6

Marketing spotlight 7

Minor use permits 9

Appendix: How strategic levy investments are made 10





\$30,376

invested in R&D



\$40,950

invested in marketing



\$101,627

in levies collected

by the Government and passed on to
Hort Innovation for investment

Industry facts



1,100t

Australia's chestnut production volume has remained steady over the five years to 2020/21, with an average of 1,100 tonnes produced a year and a peak of 1,300 tonnes in 2016/17



\$9.3M

The value of chestnut production in 2020/21 was \$9.3 million



70%

Victoria is responsible for 70 per cent of Australia's total chestnut production, followed by New South Wales (15 per cent) with the remainder of the crop (10%) shared across South Australia, Tasmania 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. 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



A domestic marketing campaign – read more on p8



Access to consumer insights through multi-industry investments to understand consumer behaviours, attitudes and purchase intentions – see www.horticulture.com.au/chestnut



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*

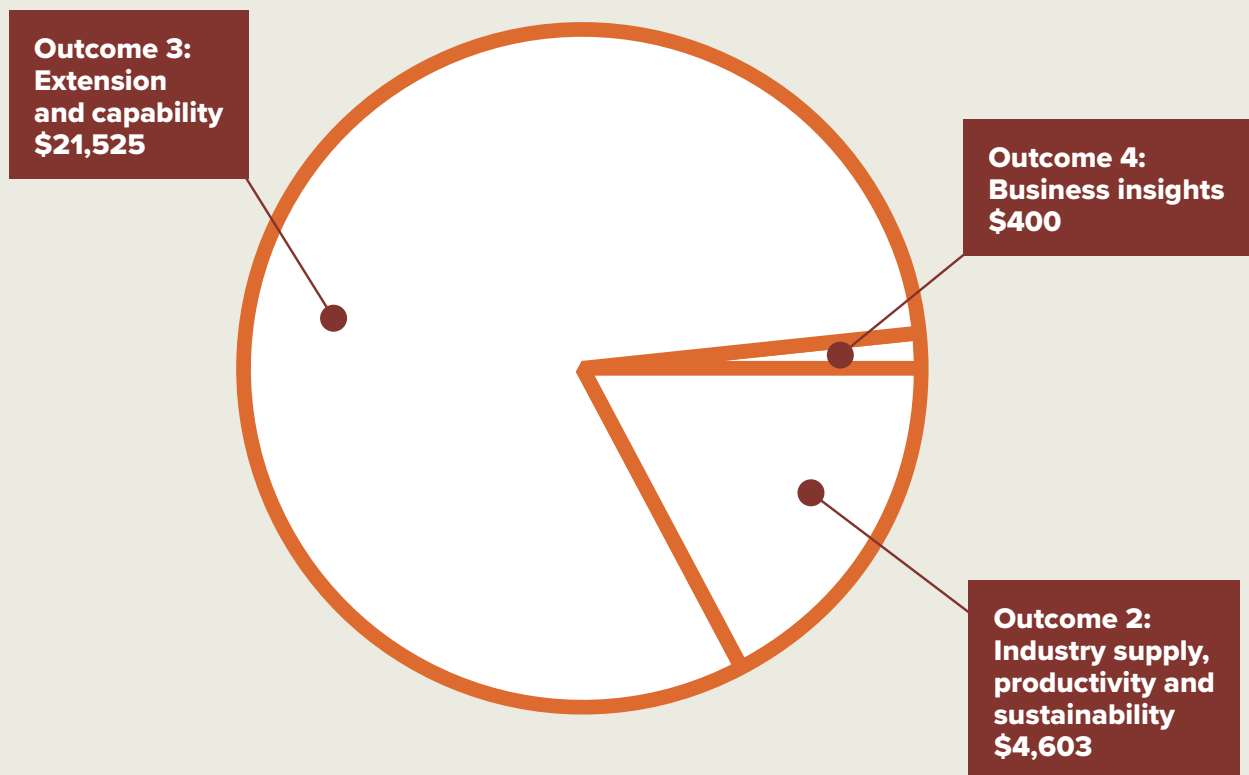


Projects supported by grants secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2021/22 for more details*

You can visit www.horticulture.com.au/chestnut at any time to access information on new, ongoing and completed projects, and to download resources produced by your levy investments.

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

Here's how your R&D levy was invested over the year



The chestnut Strategic Investment Plan (SIP) guides investments specific to the Hort Innovation Chestnut Fund. The SIP features priority outcome areas identified and agreed upon by the industry. Hort Innovation works to invest in R&D and marketing initiatives aligned to these.

The above chart shows how project expenditure in the Chestnut Fund during 2021/22 was aligned to the SIP. We have allocated each project to a SIP outcome based on its primary objective.

Which projects were in each of the SIP outcome areas?

Outcome 1: Demand creation

Demand creation supports the Australian chestnut industry to expand the domestic market.

Marketing activities during 2021/22 contributed towards the demand creation outcome. You can read more about this year's chestnut marketing campaign on [p8](#).

Outcome 2: Industry supply, productivity and profitability

The Australian chestnut industry has increased profitability, efficiency and sustainability through innovative R&D and sustainable BMPs.

Project title and code	2021/22 investment	Status	More information
Chestnut industry minor use permit program (CH16001)	\$1,050	Ongoing	hortinn.com/ch16001
Plant Biosecurity Research Initiative – Phase 2 (HA19007)	\$54	Ongoing	
Regulatory support and coordination (pesticides) (MT20007)	\$249	Ongoing	hortinn.com/mt20007
Strategic Agrichemical Review Process (SARP) – Updates (MT21005)	\$3,250	Ongoing	hortinn.com/mt21005

Outcome 3: Extension and capability

Improved capability and an innovative culture in the Australian chestnut industry maximises investments in productivity and demand.

Project title and code	2021/22 investment	Status	More information
Chestnut industry communications program (CH18000)	\$21,525	Completed	hortinn.com/ch18000

Outcome 4: Business insights

The Australian chestnut industry is more profitable through informed decision-making using consumer knowledge and tracking, and independent reviews.

Project title and code	2021/22 investment	Status	More information
Consumer demand spaces for horticulture (MT21003)	\$193	Ongoing	hortinn.com/mt21003
Pilot program: Consumer usage, attitude and brand tracking (MT21201)	\$47	Completed	hortinn.com/mt21201
Consumer usage and attitude tracking 2022/23 (MT21202)	\$161	Ongoing	hortinn.com/mt21202

Financial operating statement

Chestnut Fund Financial operating statement 2021/22

	R&D (\$)	Marketing (\$)	Total (\$)
	2021/22 July – June	2021/22 July – June	2021/22 July – June
OPENING BALANCE	51,118	39,435	90,552
Levies from growers	49,801	51,826	101,627
Australian Government money	17,912	–	17,912
Other income*	137	75	212
TOTAL INCOME	67,849	51,901	119,750
Project funding	30,376	40,950	71,326
Consultation with and advice from growers	74	36	110
Service delivery	5,373	9,884	15,258
TOTAL EXPENDITURE	35,823	50,870	86,694
CLOSING BALANCE	80,505	37,717	118,222
Levy collection costs	2,638	2,749	5,387

* 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 Chestnut Fund's focus over the next five years?



Hort Innovation developed the chestnut Strategic Investment Plan (SIP) in 2021 to reflect current priorities for the chestnut industry, involving extensive consultation with chestnut growers and industry stakeholders, including Chestnuts Australia. The SIP is the roadmap that helps guide Hort Innovation's oversight and management of individual levy industry investment programs.

The chestnut SIP lays the foundation for decision-making in levy investments and represents the balanced interests of the chestnut industry. The most important function of the SIP is to make sure that levy investment decisions align with industry priorities.

The chestnut SIP identifies four outcome areas that will contribute to the productivity and profitability of the 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 chestnut Annual Investment Plan (AIP) 2022/23 details how Hort Innovation spends levy funds over 12 months. The chestnut industry SIP guides investment decisions, and our consultation process prioritises investments based on potential impact and levy fund availability.

Hort Innovation publishes Annual Investment Plans each year over the lifespan of the SIP and advises industry stakeholders via various communication channels.

Hort Innovation will continue to report on fund performance regularly, focusing on outcomes and the impact of investments.



Visit www.horticulture.com.au/chestnut-fund-management to view both documents and better understand how Hort Innovation invests your levy.

Consumers encouraged to enjoy cool chestnuts

Hort Innovation is responsible for investing the chestnut marketing levy into a range of activities to drive awareness and consideration. Here's a quick look at some of the activities and achievements in 2021/22.

The Australian Chestnuts marketing program was designed to generate awareness about chestnuts through using seasonal consumer and retailer communications and compelling content on social media.

The key messaging for the 2021/22 campaign was 'keep 'em in the fridge', aimed to educate consumers and retailers about the importance of keeping chestnuts cool to maintain optimal freshness.

Social media and influencer campaign

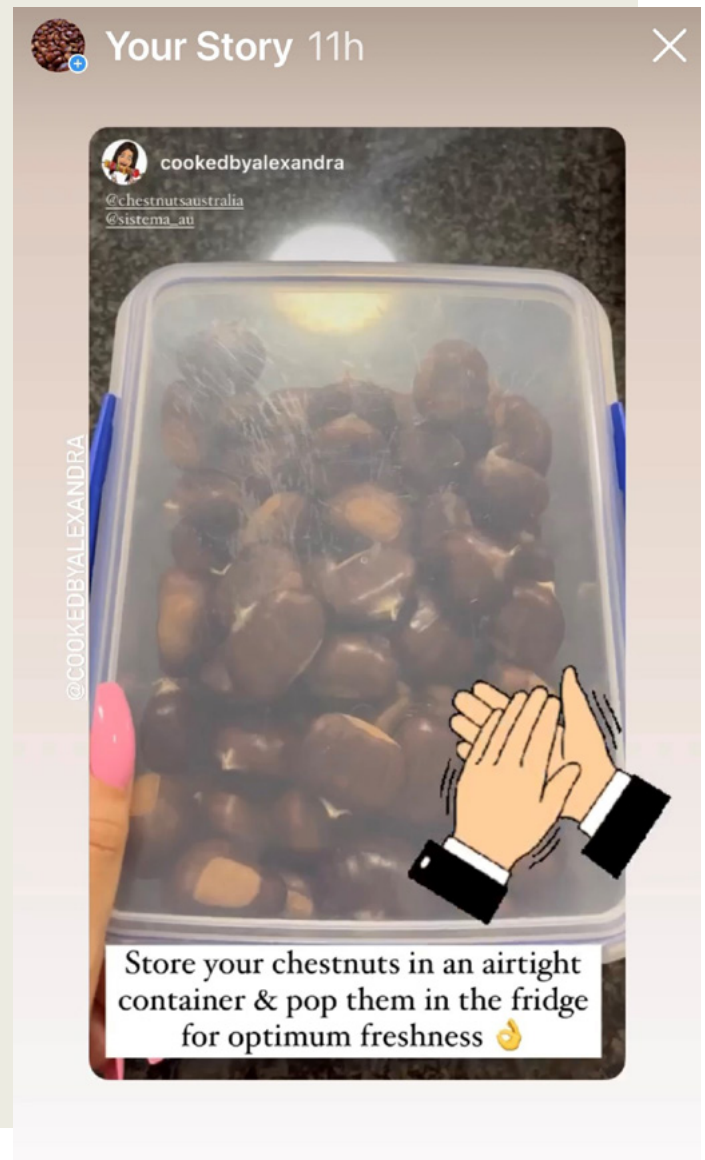
This year, the target audience shifted from plant-based consumers and vegan influencers who were the key audience in previous years to home cooks and influential food bloggers.

The campaign included an influencer outreach pack with a 'chestnut arancini' recipe, fresh chestnuts, a chestnut knife, a branded wooden spoon and a magnet. Influencers were asked to showcase the nuts, spreading the message about keeping chestnuts refrigerated to optimise taste. A group of 20 influencers were utilised to showcase the campaign, with a combined following of 240k (240,000) followers.

The Chestnuts Australia Instagram has a following of 2000 chestnut lovers, an increase of 253 followers from last year. The Facebook page is small but growing steadily with 395 followers.

Consumer events

Two promotional consumer events were held to increase awareness and consideration of chestnuts. In May 2022, the La Fiera Food & Wine Festival in Myrtleford and accredited Meracato Farmers Market Myrtleford were held to connect with consumers. Some 950kg of chestnuts, cooked and fresh, were sold during the events.



Marketing spotlight

Content

Four new recipes were created, showcasing ways to use chestnuts in everyday meals on Hort Innovation's website and social media channels. High-profile chef, Chef Luca Ciano, with an audience of 27,000 followers, produced a video showing scoring and cooking techniques. Additional video content was created by The Fruit Nerd, Create Cook Share and The Delightful Cook.

Retailer Competition

'Keep 'em in the fridge' retailer packs were sent to 1050 retailers, both directly and through wholesalers. The packs included a shelf wobblers, magnets with the same message and a back-of-house poster educating retailers about correct chestnut storage.

Retailers were incentivised to display the wobblers with a competition, where they could 'Win \$1000' for posting the season's best image or video of the wobblers on display. Entry into the competition also required retailers to complete a survey about chestnut storage practices, allowing them to gain a better understanding of the current practices related to storage, display and their impact on shelf-life.

E-newsletter, website and brochures

An electronic newsletter was distributed four times throughout the season to an audience of 269 subscribers. The content was relevant to both consumers and retailers, and messaging covered essential topics such as selecting, storing, preparing, cooking and freezing chestnuts.

The website was updated regularly during the season with refreshed messaging, events and recipes.

In 2021/22 the Hort Innovation Marketing function underwent a significant shift in their approach to investing marketing levies. You can read more about this in the 2021/22 Hort Innovation Company Annual Report at www.horticulture.com.au/annual-report-portal.



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 to manage pests, weeds and diseases.

For full details on these activities and links to relevant information, visit hortinn.com/chestnut-minor-use.

Current permits

Below is a list of minor use permits for the chestnut industry, current as of 15 August 2022.

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 Please note: Stem injection use pattern for Phytophthora now covered by the Agri-Fos 600 Label with a 28-day WHP	27-Feb-15	30-Apr-25	Hort Innovation
PER91058 (Replaces PER12507)	Peroxyacetic acid + hydrogen peroxide (Tsunami or Adoxysan) / Chestnuts (postharvest spray or dipping treatment only) / Surface moulds	30-Jun-21	30-Jun-26	Hort Innovation
PER13640 Version 2	Sodium hypochlorite / Chestnut / Surface moulds	01-Nov-12	31-Oct-22	Chestnuts Australia Incorporated
PER13642 Version 2	Chlorpyrifos and Maldison / Tree nuts / Australian plague locust	01-Sep-12	30-Jun-25	Australian Nut Industry Council C/Hort Innovation
PER83636 Version 2	Iprodione (Rovral) / Chestnuts / Suppression of surface moulds and fungal rots	31-Mar-17	31-Mar-27	Hort Innovation
PER89353 Version 2	Chlorantraniliprole (Coragen) / Tree nuts (except almonds) / Fall armyworm (<i>Spodoptera frugiperda</i>)	05-May-20	31-May-23	Hort Innovation
PER90388	Metalaxyl-M (Ridomil Gold 480 SL) / Chestnuts / Root and collar rot	08-Jun-21	30-Jun-24	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.

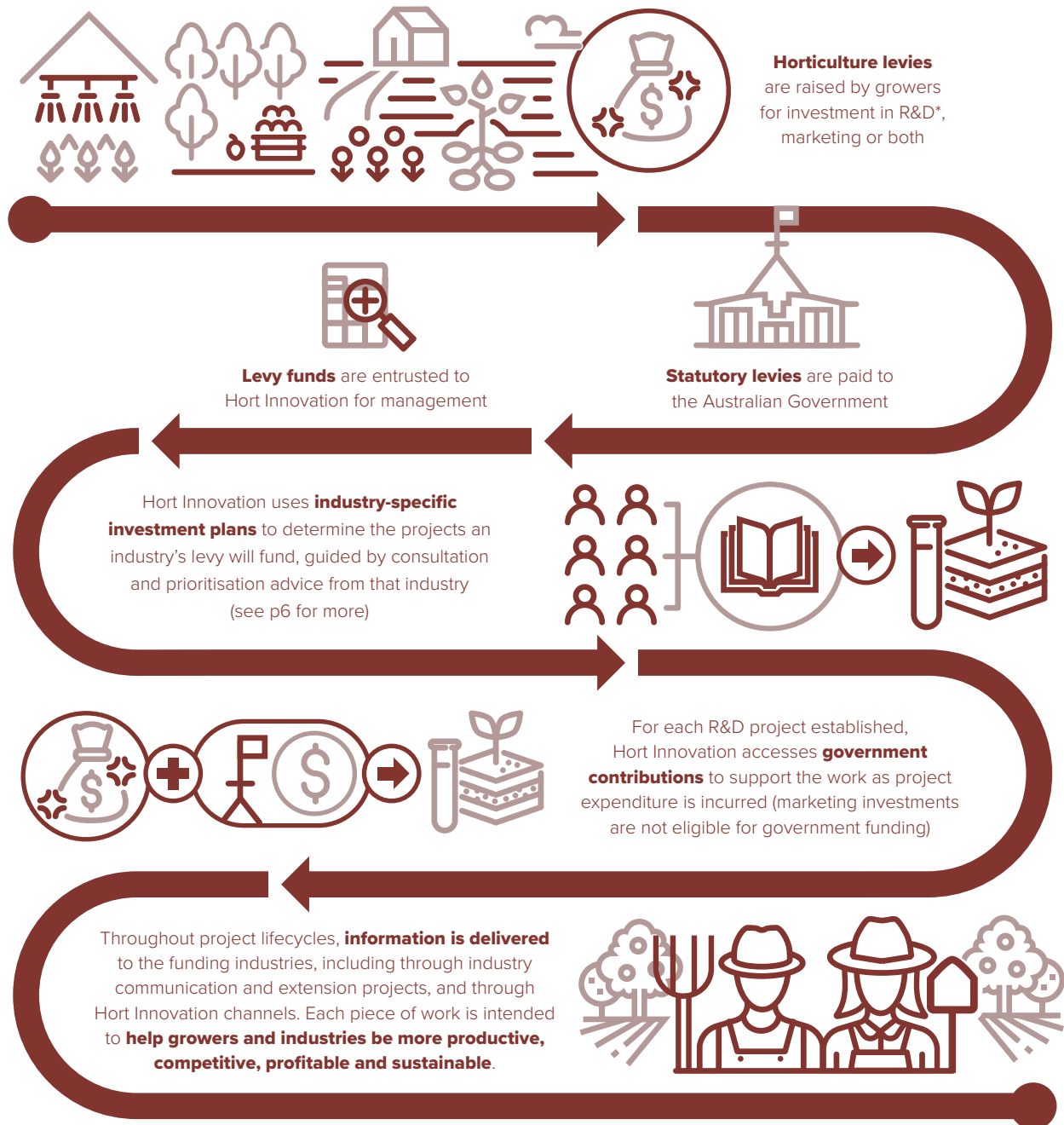
Keep up to date!

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 Chestnut Fund

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 2022-2026 and advice from the industry's investment advisory panel.



* Encapsulating extension and international trade

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 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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