

Pineapple Fund

2017/18
ANNUAL REPORT



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SUMMARY BY
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We're for growers

At Hort Innovation it's our job to work with industry to invest the pineapple levy and Australian Government contributions into initiatives to help growers be as productive and profitable as possible – and 2017/18 was another good year of growing better, together.

With close to **\$140,000** invested by Hort Innovation into R&D for the pineapple industry during 2017/18, I'm happy to be able to share with you all the key insights in this Hort Innovation Pineapple Fund Annual Report.

You'll find a top-level list of all R&D investments from the year on **p3**, and can explore the research projects in more detail from **p4**. Just some of the highlights include new research to deliver important consumer data, plus new and ongoing work to secure access to safe and effective chemicals.

Meanwhile in marketing, the Pineapple Fund program saw more than **\$50,000** invested during the year to raise the profile and consumption of Australian pineapples year-round. Find an overview of this activity from **p8**.

On a personal note, thank you for welcoming me as your new Relationship Manager at the tail-end of the financial year. Both I and your previous contact, Astrid Hughes, enjoyed getting to connect with you about everything going on in the Pineapple Fund, to hear your thoughts, and to share ideas. During 2018/19 I'm looking forward to even more opportunities to connect in person, and I remind you that you can reach me any time at christian.patterson@horticulture.com.au or on 0433 896 753 if there's something you'd like to ask or discuss around levy investments.

I also encourage you to explore the easy ways you can stay close to all of the good things your levy is achieving throughout the year, including...

- » **Becoming a member.** Paying a levy doesn't automatically make you a Hort Innovation member, but signing up is free at www.horticulture.com.au/membership. As well as providing the opportunity for voting rights at the organisation's Annual General Meeting, Hort Innovation membership includes exclusive email alerts with industry-specific news and opportunities, direct invitations to explore investment updates and more.
- » **Checking out Hortlink.** This digital publication provides an update on all new, ongoing and recently completed investments in the Hort Innovation Pineapple Fund. The latest edition is always available from the Pineapple Fund page at www.horticulture.com.au/pineapple, while members have *Hortlink* sent straight to their inboxes.

Here's to another great year of investments and connection in 2018/19,

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Making levy investments

Discover how the pineapple levy and Australian Government contributions are invested through the Hort Innovation Pineapple Fund in this quick recap.

Where do investment ideas come from?

Great investments start with great ideas, and Hort Innovation encourages all growers and other industry participants to share their thoughts and suggestions for the research and marketing initiatives they want to see.

Ideas can be submitted any time via Hort Innovation's simple Concept Proposal Form. Visit www.horticulture.com.au/innovation-concept-pipeline.

Ideas can be for your specific industry – to be funded by the industry levy and, in the case of R&D, Australian Government contributions – or they can be for Hort Innovation's strategic partnership initiative, Hort Frontiers. Hort Frontiers projects address broader, longer-term and more complex issues facing Australian horticulture as a whole, and are funded through partnerships with co-investors. Visit www.hortfrontiers.com.au for more.

How are levy decisions made?

Let's talk 'SIPs' and 'SIAPs'!

Investments specific to the Hort Innovation Pineapple Fund are guided by the industry's Strategic Investment Plan (SIP), which was finalised by Hort Innovation in April 2017 after close consultation with growers and other industry stakeholders.

The SIP outlines key industry priorities for investment and can be found on the Pineapple Fund page at www.horticulture.com.au/pineapple.

The SIP document is used like a 'roadmap' by the pineapple Strategic Investment Advisory Panel (SIAP) – a panel made up of growers and other industry representatives, which has a key role to play in the investment process. The SIAP discusses investment ideas at consultation meetings, with the SIP guiding them, in order to provide advice to Hort Innovation on potential levy investments.

Details of the SIAP panellists and summaries of the SIAP's meetings can be found at www.horticulture.com.au/pineapple.

What happens next?

The SIAP's advice is used by Hort Innovation to work suitable ideas into project proposals. The proposals are then made public for potential delivery partners to submit responses. Current opportunities are always listed at www.horticulture.com.au/delivery-partners.

At the end of the process the 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.

How can I keep track of investments?

Newly contracted projects are announced in Hort Innovation's *Hortlink* publication, with the latest edition emailed directly to members three times a year and always available from the Pineapple Fund page at www.horticulture.com.au/pineapple. *Hortlink* also provides updates on ongoing and recently completed investments.



R&D project list 2017/18

NEW INVESTMENTS IN 2017/18

MT17012	Generation of residue data for permit applications 2017
MT17015	Consumer behavioural and retail data for fresh produce
ST16008	AgVet collaborative forum
ST17000	Generation of data for pesticide applications in horticulture crops 2018

ONGOING INVESTMENTS IN 2017/18

PI16000	Pineapple industry minor use program
ST15029	Crop protection replacement for diuron in pineapple industry

INVESTMENTS COMPLETED IN 2017/18

PI13012	DArT markers for resistance to natural initiation of flowering in pineapple*
PI15000	Facilitating the development of the Australian pineapple industry – stage 3
MT13061	Understanding the purchase behaviour of fresh produce consumers
MT15032	Monitoring and evaluation framework for the industry Strategic Investment Plan
MT15033	Strategic Investment Plan
MT16014	Passionfruit and pineapple consumer research



* This flagged project did not involve the industry levy, and was instead funded by Hort Innovation using voluntary contributions and Australian Government funding. It was carried over from the original Horticulture Australia Limited (HAL).

During the 2017/18 financial year, all Australian levy paying horticulture industries also contributed to across-industry projects addressing issues that affect horticulture as a whole. Visit www.horticulture.com.au/across-horticulture for financial documents and information on this program.

R&D report

Take a closer look at some of the key levy investments in the Hort Innovation Pineapple Fund during 2017/18. Any resources from levy-funded projects – such as fact sheets, guides and more – are published on your grower page at www.horticulture.com.au/pineapple as they become available.

Facilitating the development of the Australian pineapple industry – stage 3 (PI15000)

NOW COMPLETE

Key research provider: Growcom Australia

Beginning in late 2015 and concluding in 2018, this project was established to support the adoption of innovation and technology in the Australian pineapple industry to help growers remain resilient, viable and profitable. It supported the role of an industry development officer (IDO) to help build knowledge of R&D in the industry, facilitate opportunities for information exchange and learning among growers and with other stakeholders, and promote capacity building in the industry.

Activities of the IDO included...

- » Delivery of industry newsletter *The Pineapple Press*, with issues emailed to growers
- » Facilitation of annual Pineapple Field Days
- » Facilitation of grower study groups in Australia's different growing regions, and an annual Pineapple Study Group Tour
- » Involvement in relevant industry events and meetings as needed
- » Facilitation of regular meetings between major packhouses, grower representatives, and Hort Innovation representatives to discuss supply, quality and marketing activity to ensure alignment with crop supply peaks.

As the industry is aware, the project's original IDO, Georgie Townsend, left the role during the course of the project in 2017, with the position temporarily filled by Steve Tiley. After discussions and consensus with the pineapple industry's Strategic Investment Advisory Panel, the Australian Pineapple Leadership Group, and the project team, Hort Innovation concluded this investment early to establish new work in prioritised areas of R&D, with contracts beginning in the 2018/19 period.

Consumer behavioural and retail data for fresh produce (MT17015)

NEW IN 2017/18

Key research provider: Nielsen

Contracted in June 2018, this multi-industry investment is tasked with providing regular consumer behaviour data and insight reporting to a range of industries, including the pineapple industry. This information is intended to assist growers and supply chain partners in decision-making for their businesses and, for the wider industry, the data and insights will be available to support strategic activities, as well as Hort Innovation Pineapple Fund marketing plans.

At the time of writing, the data and insights were soon to be easily accessible via a new online dashboard – look for further information in industry and Hort Innovation channels as it becomes available.

This project represents an evolution of previous investment *Understanding the purchase behaviour of fresh produce consumers* (MT13061).

Want to keep up to date with the latest information on new, ongoing and recently completed R&D investments throughout the year? Check out Hort Innovation's **Hortlink** publication – the latest edition is always available from your grower page, www.horticulture.com.au/pineapple.



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

NEW IN 2017/18

Key research provider: Peracto

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

For the pineapple industry, this multi-industry investment is producing the data required to support a Bayer DC-163 label registration for the control of soil insects and white grubs.

Data generation for other applications relevant to the pineapple industry is also supported by the multi-industry project *Generation of residue data for permit applications 2017 (MT17012)*, new in 2017/18, along with the ongoing *Crop protection replacement for diuron in pineapple industry (ST15029)*. The latter project is responsible for conducting efficacy and residue trials in the investigation of weed control products to replace diuron.

Pineapple industry minor use program (PI16000)

Key research provider: Hort Innovation

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

For more on minor use permits, including a list of permits, see [p6](#).

All current permits for the industry remain searchable at portal.apvma.gov.au/permits, while permit updates are also circulated in Hort Innovation's *Growing Innovation* e-newsletter, which levy-paying members receive monthly. Not a member? Sign up to the Hort Innovation membership program for free at www.horticulture.com.au/membership.

Full details of completed research can be found in project final reports which, when finalised, are available to order at www.horticulture.com.au/final-report-order-form. Final reports are free to Australian horticulture levy payers, registered Hort Innovation members and industry representative bodies.

Minor use permits

Why minor use permits?

While the use of pesticides and other chemicals in the horticulture industry is being modified through the increasing uptake of integrated pest management approaches, there remains a need for the strategic use of specific chemicals.

Chemical companies submit use patterns for product label registrations to the Australian Pesticides and Veterinary Medicines Authority (APVMA), and the pineapple industry is generally provided with a number of label registrations because of its 'major' crop status in this area. However, there are instances where chemical companies consider the market size too small to generate adequate commercial returns, based on the R&D investment required. This is where minor use permits come into play. The APVMA's national permit system adds some flexibility to the approval process and provides a legal framework that can allow access to products for minor use purposes.

Permits in 2017/18

During the 2017/18 financial year, new permits PER83873 and PER84019 were issued, along with a renewal for PER10457. Applications for these permits had been prepared by Hort Innovation and submitted to the APVMA by Growcom during 2016/17, facilitated through the *Pineapple industry minor use program* (PI16000). See details of these and other permits in the following table.



Current permits

Below is a list of minor use permits for the pineapple industry, current as of September 1, 2018.

PERMIT ID	DESCRIPTION (CHEMICAL/CROP/PEST OR USE)	ORIGINAL DATE OF ISSUE	EXPIRY DATE	PERMIT HOLDER
PER10457 version 6	Dimethoate / Pineapple / Red mite and flat mite	30-Sep-11	06-Mar-19	Growcom
PER12450 version 6	Trichlorfon / Specified fruit crops / Fruit fly	06-Oct-11	31-Jan-21	Growcom
PER14953	Ethephon / Pineapple (fresh market) / Fruit ripening	18-Dec-14	25-Dec-24	Growcom
PER13859	Dimethoate / Orchard clean-up – fruit fly host crops following harvest / Fruit fly	09-Feb-15	31-Jul-24	Growcom
PER81856 version 2	Diuron / Pineapple / Weeds as per Diuron label	16-Jun-16	31-Mar-19	Growcom
PER81805	Abamectin / Pineapple / Pineapple flat mite	02-Aug-16	31-Jul-20	Growcom
PER81901	Sulfoxaflor (Transform) / Pineapple / Pineapple mealybug	24-Aug-16	30-Apr-19	Growcom
PER81900	Spirotetramat (Movento) / Pineapple / Pineapple mealybug suppression	17-Dec-16	30-Sep-19	Growcom
PER84019	Fludioxonil (Scholar) / Pineapple / Postharvest moulds (<i>Penicillium</i> spp.)	01-Sep-17	30-Sep-22	Growcom
PER83873	Phosphorous acid / Pineapple planting material (pre-plant dip) / <i>Phytophthora</i> heart and root rot	22-Feb-18	28-Feb-21	Growcom

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**, which levy-paying members receive monthly. Not a member? Sign up for free at www.horticulture.com.au/membership.

Marketing report

Hort Innovation is responsible for investing the pineapple marketing levy into a range of activities to drive awareness and consumption of the fruit, under the Hort Innovation Pineapple Fund.

The 2017/18 year was the second in a three-year marketing program for the industry. It continued to carry the 'Endless Aussie Summer' theme – reminding Australian consumers that Australian pineapples are available all year long and are ready to eat when they hit the stores, no matter their colour.

The marketing focus of the Endless Aussie Summer in 2017/18 was to...

- » Educate consumers to buy all year round and provide them with the knowledge to feel confident when purchasing
- » Inspire consumers by encouraging usage with delicious recipe ideas
- » Remind consumers about pineapples using consistent messaging in a tropical 'retro' theme with nostalgic and aspirational emotions.

Social media activity

Throughout the year, the marketing campaign had a strong focus on social media, through both the Australian Pineapples Facebook page (www.facebook.com/aussiepineapples) and Instagram account (@aussiepineapples).

The social channels shared the industry's recipes, stories, events and all things pineapple to an engaged community of pineapple fans. The campaign promoted the use of the social media hashtag '#EndlessAussieSummer', encouraging fans to share their own pineapple and endless-summer-themed content using the hashtag, to increase engagement and pineapple content across the social media landscape.

The Facebook content alone was viewed by more than 612,000 people, with the content generating plenty of engagement in the form of 'likes', comments and content sharing.



Events

At the very beginning of the financial period, in July 2017, an event was held to celebrate the year-round availability of Australian pineapples, with the industry partnering with the Bondi Farmers Market to host the 'Aussie Pineapples Endless Aussie Summer Extravaganza'.

Prior to the event a media release was circulated with all of the details,

encouraging Sydneysiders to attend and experience an endless taste of summer thanks to Australian Pineapples.

This was pitched to and chased with the 'what's on' sections of print and online publications, plus food and lifestyle media and bloggers.

The event was also promoted via the Australian Pineapples social media channels and an event Facebook page. Market-goers could watch two live cooking demonstrations, with ambassador Martyna Angell (author of *The Wholesome Cook* and foodie blogger) whipping up a Pineapple Gingerbread Crumble and a Hawaiian Pizza to generate buzz around the 'pineapple on pizza' debate.

Topless pineapples were also sold to market-goers, with all proceeds donated to the Bondi Beach Public School, while there were also free recipe samples, fresh pineapple chunks and recipe cards distributed to more than 2500 people.

Year three of the campaign

Looking ahead, momentum will gather for the 2018/19 financial year, where social media will continue to engage the community around pineapples, with the nostalgic look and feel carried through from years one and two. This theme will also flow through to a refreshed website, while there will also be further media activity, recipe development and the appointment of a new pineapple ambassador, chef Ben Milbourne, who has a strong following on social media and will help bolster key messages.



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Financial statement

Financial operating statement 2017/18

	R&D (\$)	MARKETING (\$)	TOTAL (\$)
	2017/18 July – June	2017/18 July – June	2017/18 July – June
OPENING BALANCE	148,935	41,755	190,690
Levies from growers (net of collection costs)	200,925	88,655	289,581
Australian Government money	96,067	–	96,067
Other income*	8,357	1,266	9,623
TOTAL INCOME	305,350	89,921	395,271
Project funding	139,842	50,556	190,398
Consultation with and advice from growers	19,028	7,408	26,437
Service delivery – Base	6,565	2,395	8,960
Service delivery – Shared	9,941	3,627	13,568
Service delivery – Fund specific	16,759	4,448	21,207
TOTAL EXPENDITURE	192,135	68,435	260,570
Levy contribution to across-industry activity	4,012	–	4,012
CLOSING BALANCE	258,137	63,241	321,379
Levy collection costs	11,746	6,496	18,241

At the end of 2016/17, the industry's pro rata share of levy funds were committed to strategic reserves (\$34,052 for R&D and \$16,675 for marketing), and so have been deducted from the 2017/18 opening balance.

* Interest, royalties

Service delivery costs explained

Base service delivery (flat rate) = keeping the lights on

This figure contributes to the standard fixed costs that are incurred with the running of the business (for example, costs relating to rent, utility bills, equipment). These costs are calculated on a monthly basis and are based on actual program expenditure.

Shared service delivery (flat rate) = related to program delivery

Shared costs are related to program delivery and include costs that are incurred in supporting activities relating to R&D and marketing programs that are not attributable to any one levy industry (for example, costs relating to procurement and information technology activities). These costs are calculated on a monthly basis and are based on actual program expenditure.

Fund specific service delivery (flat rate for 2017/18) = direct servicing costs

These are the actual costs for activities and services that are directly incurred in the administration of levy program expenditure, and which are identifiable and attributable to a specific levy investment fund (for example, costs around direct relationship, marketing and fund management, and logistical costs around industry advisory meetings and activities). From 2018/19 these costs will be charged at cost on a monthly basis.

For more information explaining the costs in the financial summary, visit www.bit.ly/2x7ERLC.

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