

Table grape

Strategic Investment Plan

2022-2026



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EXECUTIVE SUMMARY

The overarching strategic intent of this Strategic Investment Plan (SIP) is to optimise profitability and sustainability of the Australian table grape industry through development of export markets, improving production efficiency and supplying consistent, high-quality fruit.

The table grape SIP 2022-2026 provides a roadmap to guide Hort Innovation's investment of table grape industry levies and Australian Government contributions, ensuring investment decisions are aligned with industry priorities.

The Australian table grape industry situation in 2019/20 is described on **page 4** with further information provided in **Appendix 1**. There are approximately 1,000 table grape growers in Australia, with the majority being small to medium-sized family-owned enterprises, and a few large growers. Australia has one of the highest levels of consumption of table grapes per capita in the world outside of South America. Production has almost doubled from 72,409 tonnes in 2012/13 to 152,180 tonnes in 2019/20, with the value more than doubling from \$285 million in 2012/13 to \$750 million in 2019/20.

The strategic intent of the table grape SIP provides a summary of how the industry will drive change over the life of the SIP. This will ultimately come about by growers having access to the tools required to improve production efficiency and supply consistent, high quality fruit to meet the demands of consumers in both domestic and export markets.

The financial estimates give an indicative overview of the funding available for the period of FY2022-FY2026. Research and development (R&D) and marketing funds are currently available for further investments for the table grape industry and will require careful prioritisation.

The four outcome areas of this SIP cover the significant themes under which programs and investments will be focused. These are listed in priority order for the table grape industry. Consumer demand is the key focus for the industry, particularly in developing access to new export markets and maintaining access to current export markets. Supply and productivity is the next priority, with a focus on improving labour efficiencies and responding to environmental change and climate variability, with the ultimate goal of maintaining consistent or improved yields and high quality fruit in a changing environment with fewer inputs.

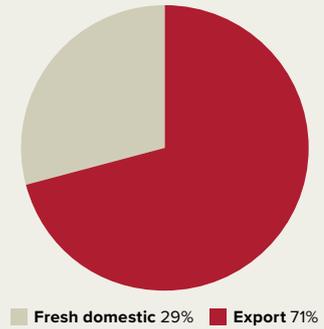
The key performance indicators (KPIs) detail how the impact of each strategy will be measured, for example, identifying new approaches to improve labour use efficiency by investigating and assessing current and alternative practices and technologies.



PRODUCTION REGIONS:



EXPORT/FRESH DOMESTIC:



GROWTH TRENDS:

SINCE 2012/13...



Since 2012/13, volume of exports has increased by 779,771 tonnes (110%), with corresponding value increase of \$442.7 million (246%)

PRODUCTION WINDOW:



Nov-May

NUMBER OF GROWERS:



>1000

PER CAPITA CONSUMPTION:



3.1 kg

in 2019/20

PRODUCTION VOLUMES:



214,660 tonnes

in 2019/20

FARMGATE VALUE OF PRODUCT:



\$750 million

in 2019/20

VARIETIES:



Green
(Menindee and Thompson)

38%

Red
(Crimson Seedless, Flame and Globe)

30%

THE TABLE GRAPE STRATEGIC INVESTMENT PLAN

This SIP is the roadmap that will guide Hort Innovation's oversight and management of the table grape industry's investment programs. It lays the foundation for decision-making in investments and represents the balanced interest of the whole industry. The important function of the SIP is to ensure that the investment decisions align with table grape industry priorities.

Hort Innovation has led the process for preparing the refresh of the table grape SIP, listening and engaging with levy payers and key stakeholders including industry representative bodies (IRBs) and expertise available through advisory mechanisms and delivery partners. The refresh process involved consultation with and input from a wide range of levy payers, objective analysis of performance and learning from the previous SIP, as well as environmental scanning to identify emergent trends and issues that could impact on industry profitability and sustainability.

Hort Innovation has valued the support, advice, time, and commitment of all stakeholders that contributed to producing this SIP, especially table grape growers.

The whole-of-company approach taken by Hort Innovation to produce this SIP has harnessed existing external and internal knowledge, learning, partnerships and relationships. The output is a tailored plan with which the table grape industry can be confident of its strategic intent, including visibility on how investment impacts will be identified. Specific investments to address the SIP strategies and align with industry strategic priorities will be outlined in detail via the table grape Annual Investment Plan (AIP). The AIP will be published each year over the lifespan of the SIP and will detail the investments that will be prioritised based on potential industry impact, as well as the availability of levy funds. Hort Innovation will advise industry stakeholders when the AIP has been published via established communication channels each year. The AIP will be developed with input from the table grape Strategic Investment Advisory Panel (SIAP), IRBs and other key stakeholders.

Producers in the table grape industry pay levies to the Department of Agriculture, Water and the Environment, which is responsible for the collection, administration and disbursement of levies and charges on behalf of Australian agricultural industries.

Agricultural levies and charges are imposed on primary producers by government at the request of industry to collectively fund R&D, marketing, biosecurity and residue testing programs.

Levy is payable on table grapes that are produced in Australia and either sold by the producer or used by the producer in the production of other goods. The table grape R&D levy and marketing levy are each set at 0.5 cents per kilogram.

Hort Innovation has developed this SIP for the table grape industry to strategically invest the collected table grape levy funds into the priority areas identified and agreed by the table grape industry.

This SIP represents the Australian table grape industry's collective view of its R&D and marketing needs over the next five years (2022-2026). Learning, achievements and analysis of the previous SIP, consultation with Australian table grape levy payers, and synthesis of various strategic documents have been incorporated into the development of this SIP.

Appendix 3 acknowledges the people who were consulted in the preparation and validation of this SIP. Statistics and data within this publication are sourced from the Australian Horticulture Statistic Handbook 2019/20 and other documents unless stated otherwise and are listed in **Appendix 4**. A list of acronyms used within the document is available in **Appendix 5**.



Financial estimates

The annual revenue from levy income and Australian Government contributions for eligible R&D set the overall budget parameters for the table grape SIP. Importantly, a portion of these funds is already committed, as the industry has current multi-year projects for R&D and marketing activities. In addition, the levy income from year to year will vary due to changes in seasonal and market conditions.

The indicative financial estimates used for the purposes of developing this SIP are presented in **Table 1** below. These figures are regularly reviewed to reflect the latest information and statistics for the industry and any changes in investment priority. Further details will be available in the AIP each year.

TABLE 1. Indicative financial estimates for the table grape SIP over the life of the SIP

| | 2022 \$ | 2023 \$ | 2024 \$ | 2025 \$ | 2026 \$ |
|------------------------------------|------------------|------------------|------------------|------------------|----------------|
| R&D | | | | | |
| Balance end FY2021 | 878,603 | | | | |
| Estimated levy funds (growers) | 1,000,000 | 950,000 | 950,000 | 950,000 | 950,000 |
| Australian Government contribution | 1,221,578 | 1,110,789 | 1,095,824 | 873,318 | 871,230 |
| Current investments | 1,906,000 | 1,715,000 | 1,289,200 | 5,600 | 2,000 |
| New investments | 200,000 | 200,000 | 600,000 | 1,500,000 | 1,500,000 |
| Total project investments | 2,106,000 | 1,915,000 | 1,889,200 | 1,505,600 | 1,502,000 |
| CCR | 337,155 | 306,578 | 302,447 | 241,036 | 240,459 |
| Projected end balance | 661,400 | 504,300 | 362,300 | 442,400 | 524,700 |
| MARKETING | | | | | |
| Balance end FY2021 | 3,394,587 | | | | |
| Estimated levy funds (growers) | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Current investments | 1,400,000 | – | – | – | – |
| New investments | – | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 |
| Total project investments | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 |
| CCR | 264,685 | 264,685 | 264,685 | 264,685 | 264,685 |
| Projected end balance | 3,064,400 | 2,733,800 | 2,403,400 | 2,072,800 | 310,000 |

Disclaimer: All figures are indicative only and may change depending on actual income and expenditure.

Balance end FY2021 – The closing balance of the fund as at 30 June 2021

Estimated levy funds – Net levy income/revenue that is generated and collected by levy revenue services (LRS)

Australian Government contribution – Amount of contribution from the Australian Government on R&D levy-funded expenditure

Current investments – Current estimated value of contracted projects

New investments – The estimated dollar value that is available for potential new investments for industry subject to industry advice

CCR – Corporate cost recovery: the cost to implement and manage R&D and marketing investment programs for each industry

Projected end balance – Forecast of the anticipated final position of the fund



TABLE GRAPE INDUSTRY OUTCOMES

The overarching strategic intent of this SIP is to optimise profitability and sustainability of the Australian table grape industry through development of export markets, improving production efficiency and supply of consistent, high-quality fruit.

Industry outcomes

Outcome statements as identified and prioritised by the table grape industry have been prepared under four key outcome areas: demand creation; industry supply, productivity and sustainability; extension and capability; and business insights.

OUTCOME 1: Demand creation

Contribute to increasing consumer knowledge, positive attitude, and purchase intent to drive volume growth.

Demand creation will support industry to develop existing and new domestic and international markets. This will contribute to improved consumer knowledge and positive attitudes to encouraging purchase intent.

The strategic intent of this outcome is to maintain and strengthen local and overseas demand as the foundation for sustainable expansion of production and consumption in domestic and export markets. It means the industry is investing to:

- Develop access to new export markets and maintain access to current export markets
- Broaden consumer awareness so that Australian table grapes are more top of mind and purchased more frequently
- Build a strong brand by improving awareness, consideration, attitudes toward and knowledge of Australian table grapes
- Develop strong relationships across the supply chain with the shared goal to grow the category
- Raise awareness of opportunities and pathways for businesses to be involved in meeting demand in new export markets.

“The important function of the SIP is to ensure that the investment decisions align with table grape industry priorities.”

OUTCOME 2: Industry supply, productivity and sustainability

Improve industry productivity (inputs/outputs) to maintain local and international competitiveness, while maintaining viability and sustainability of supply and production systems.

Supply and productivity will be supported through improvements to production efficiencies, which will drive profitability while ensuring long-term sustainability outcomes.

The strategic intent of this outcome is to accelerate the application of production practices that optimise returns and reduce risk to growers. Achieving the outcome will involve:

- Improving labour efficiencies
- Responding to environmental change and climate variability
- Proactively monitoring potential crop protection regulatory threats and having access to a broader suite of effective, socially acceptable and environmentally sound crop protection solutions.
- Improve industry preparedness and resilience to biosecurity threats, reducing the impact of potential exotic threats such as *Xylella fastidiosa* (Pierce's disease) and Oriental fruit fly, as well as endemic pests such as *Phylloxera* and Queensland fruit fly (Qfly)
- Proactively monitoring potential crop protection regulatory threats and having access to a broader suite of effective, socially acceptable and environmentally sound crop protection solutions.

OUTCOME 3: Extension and capability

Building capability and an innovative culture.

Building capability and an innovative culture will support industry cohesion and increase the use of investment outputs across the supply and demand initiatives to better manage risk and create positive change.

The strategic intent of this outcome is to manage knowledge, relationships, systems, and processes required to engage effectively with internal and external stakeholders. Achieving the outcome will involve:

- Increasing knowledge, attitude, skills, aspiration (KASA) and practice change for grower and industry profitability and sustainability through use of best practices and innovating
- Growers, value chain, media and governments being well informed of industry initiatives and achievements contributing to regional communities and economies
- Improved networks and cross-industry collaboration to increase use of R&D outputs to build a stronger, more resilient industry
- Proactive strategic and evidence-based decision-making in businesses and by the industry in regard to priorities, risk management and investment.

OUTCOME 4: Business insights

Measure industry supply (production) and demand (consumer behaviour) data and insights to inform decision-making.

Business insights will support the industry to remain aware of market and industry trends to drive informed decision-making.

The strategic intent of this outcome is to deliver data and insights which is foundational to achieving success in the other three outcome areas of demand creation; supply, productivity and sustainability; and extension and capability.

Achieving the outcome will involve reliable baseline data and analyses to understand current and emerging trends. Key investments will support the provision of consumer knowledge and tracking, trade data, production statistics, forecasting and independent reviews to enable better decision-making process at business and industry levels.

These investments underpin and are complementary to delivery of the other outcome areas.



TABLE GRAPE INDUSTRY STRATEGIES

Strategies to address industry investment priorities

The tables below describe the strategies and identified impacts for each of the key outcome areas. The highest priority investments lay the foundation for the SIP and its implementation will require a balanced approach to ensure the industry has a high likelihood of success over the short (0-3 years), medium (3-5 years) and long term (5-10 years).

The ability to deliver on these strategies (and subsequent investments) will be determined by the ability of the statutory levy to provide the resources to do so. Further resources and efficiencies may potentially become available through alternative funding sources by way of Hort Frontiers strategic partnership initiative, external grants and/or cross-industry initiatives.

OUTCOME 1: Demand creation

Demand creation supports the Australian table grape industry to develop existing and future domestic and international markets.

| STRATEGIES | POTENTIAL BENEFIT OR IMPACT |
|--|--|
| 1. Improve existing markets and establish new market access protocols to ensure commercially-viable export pathways | <ul style="list-style-type: none"> Increased trade and diversification of export market opportunities Pathways for exporting are commercially viable |
| 2. Build international consumer awareness of and preference for fresh, quality Australian table grapes by improving knowledge, attitudes and purchase intent | <ul style="list-style-type: none"> Increased consumer preference for Australian table grapes |
| 3. Maintain and improve trade through business-to-business engagement activities and in-market representation in mature and emerging trade markets | <ul style="list-style-type: none"> Increased trade and export volume and value Stronger in-market relationships with trading partners |
| 4. Build domestic consumer demand for fresh, quality Australian table grapes through knowledge, attitudes and purchase intent | <ul style="list-style-type: none"> Increased consumer demand for Australian table grapes |



OUTCOME 2: Industry supply, productivity and sustainability

The Australian table grape industry has increased production efficiency, sustainability and profitability through innovative R&D, robust biosecurity systems and consistent high-quality fruit.

| STRATEGIES | POTENTIAL BENEFIT OR IMPACT |
|---|--|
| 1. Design and trial innovative production technologies to drive improvements in productivity, input use efficiency and system resilience in existing production regions | <ul style="list-style-type: none"> • Consistent or improved yields in changing environments with fewer inputs • Improved ability to manage production risks and optimise enterprise performance • Improved understanding of environmental factors influencing productivity, climate variability/adaptability, integrated disease and pest management (IPDM) and water access/water-use efficiency |
| 2. Prioritise the major crop protection gaps through a Strategic Agrichemical Review Process (SARP)* | <ul style="list-style-type: none"> • Evaluation of available registered or permitted pesticides for overall efficacy against major diseases, insect pests and weed threats, and gaps in pest/disease/weed control identified and need for solutions flagged |
| 3. Identify technologies and approaches to improve labour use efficiency by investigating alternative practices relative to current practices | <ul style="list-style-type: none"> • Reduction in labour costs per unit output |
| 4. Generate residue, efficacy and crop safety data to support applications to the Australian Pesticides and Veterinary Medicines Authority (APVMA) to gain, maintain or broaden access to priority uses for label registrations and/or minor use permits for crop protection needs* | <ul style="list-style-type: none"> • Crop protection solutions meet industry priority needs as identified in the industry SARP or biosecurity plan |
| 5. Establish best practices to maintain product quality throughout the supply chain | <ul style="list-style-type: none"> • Growth in consumer preference and demand • Continual product quality improvement at out-turn as new information made available to producers and implemented |
| 6. Provide regulatory support and co-ordination for crop protection regulatory activities with the potential to impact plant protection product access, both in Australia and internationally* | <ul style="list-style-type: none"> • Regulatory Risk Assessments have informed proactive strategic priority-setting to avoid reduced pest/disease/weed management options in the event access or use is further restricted |
| 7. Reduce the impact of endemic pests and diseases and the potential impact of an exotic pest/disease incursion by improving industry preparedness and resilience to biosecurity threats | <ul style="list-style-type: none"> • Reduction in the impact of endemic fruit fly • Improved industry biosecurity preparedness for exotic plant pests, such as Pierce's disease and Oriental fruit fly, to reduce their potential impact in the event of an incursion |
| 8. Develop production strategies for new and developing production regions (e.g., northern Australia) | <ul style="list-style-type: none"> • Diverse production regions that spread production risks and broaden the industry's domestic and overseas supply windows |



OUTCOME 3: Extension and capability

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

| STRATEGIES | POTENTIAL BENEFIT OR IMPACT |
|---|--|
| 1. Create positive change in the priority areas, high-quality production, biosecurity/plant protection, climate variability and exports through delivery of communications and extension capability | <ul style="list-style-type: none"> A change in KASA and practice underpinning use of best practice and adoption of technical and business innovations (e.g., export readiness/capability programs) by producers driving industry profitability and sustainability Broad awareness of industry initiatives and achievements as a vital part of regional communities and economies |
| 2. Provide the opportunity for engagement between industry, producers and relevant stakeholders | <ul style="list-style-type: none"> Improved networks and cross-industry collaboration to increase use of R&D outputs to force efficiencies and to build a stronger, more resilient industry |
| 3. Strengthen table grape industry leadership through initiatives and training | <ul style="list-style-type: none"> Proactive strategic and evidence-based decision-making in businesses and for industry on priorities, risk management and investment Improved industry cohesiveness along supply chains |

OUTCOME 4: Business insights

The Australian table grape industry is more profitable through informed decision-making using consumer knowledge and tracking, trade data, production statistics and forecasting, and independent reviews.

| STRATEGIES | POTENTIAL BENEFIT OR IMPACT |
|--|---|
| 1. Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights* | <ul style="list-style-type: none"> Provision of business insights to deliver against demand, supply and extension outcomes |
| 2. Use trade data to guide ongoing development of new and existing export markets* | <ul style="list-style-type: none"> Increased market intelligence |
| 3. Use production forecasts to inform long-term and/or in-season market planning and supply strategies | <ul style="list-style-type: none"> Provision of information on supply to further enhance marketing strategies and timing |

* Foundational investments provide data and information that underpin the delivery of other SIP outcome areas and will be aligned to this strategy. Foundational investment areas include:

- Consumer behavioural data
- Consumer usage and attitudes, and brand health tracking data
- Impact assessments
- Trade data
- Crop protectant data.





TABLE GRAPE SIP MONITORING AND EVALUATION

The table grape SIP Monitoring and Evaluation (M&E) Framework development has been informed by Hort Innovation’s Organisational Evaluation Framework.

Progress against the SIP will be reported in Hort Innovation publications and through industry communication channels. The SIP outcomes and strategies are used to inform KPIs that in turn drive the investments and individual projects to deliver on the SIP. Projects responsible for delivering the strategy aligned with each KPI will collect the data.

An M&E and reporting framework is shown below. The framework shows what will be measured to demonstrate progress against the SIP and how metrics will be tracked. Reporting on KPIs will be processed through various formal channels to inform industry and government investors of progress, performance, and impact. Data sources to support M&E will be identified and collected as part of the requirements for each levy investment.

Hort Innovation will facilitate the regular review of the SIP to ensure it remains relevant to industry.

Table grape SIP Monitoring and Evaluation Framework

The table grape SIP M&E Framework is shown below. It includes KPIs and data collection methods both at a macro/industry (trend) level and at more specific SIP strategic level/s.

| OUTCOME | STRATEGIES | KPIs |
|--|---|--|
| Demand creation | | |
| Outcome 1: Demand creation supports the Australian table grape industry to develop existing and future domestic and international markets. | 1. Improve existing market and establish new market access protocols to ensure commercially viable export pathways | <ul style="list-style-type: none"> Support for technical access to selected export markets (e.g., case studies) Exporter satisfaction with progress on agreed market access priorities (e.g., case studies) |
| | 2. Build international consumer awareness and preference of fresh, quality Australian table grapes through improving knowledge, attitudes and purchase intent | <ul style="list-style-type: none"> Positive influence on consumer preference Positive shifts in brand tracking |
| | 3. Maintain and improve trade through business-to-business engagement activities and in-market representation in mature and emerging trade markets | <ul style="list-style-type: none"> Support for technical access to selected export markets (e.g., case studies) Development of export strategies for new markets in collaboration with producers Collaboration with other industries for in-market representation |
| | 4. Build domestic consumer demand for fresh, quality Australian table grapes through knowledge, attitudes and purchase intent | <ul style="list-style-type: none"> Positive influence on consumer preference Positive shifts in brand tracking |

| OUTCOME | STRATEGIES | KPIs |
|---|---|---|
| Industry supply, productivity and sustainability | | |
| <p>Outcome 2: The Australian table grape industry has increased production efficiency, sustainability, and profitability through innovative R&D, robust biosecurity systems and consistent high-quality fruit.</p> | <ol style="list-style-type: none"> 1. Design and trial innovative production technologies to drive improvements in productivity, input use efficiency and system resilience in existing production regions 2. Prioritise the major crop protection gaps through a SARP* 3. Identify technologies and approaches to improve labour use efficiency by investigating alternative practices relative to current practices 4. Generate residue, efficacy and crop safety data to support applications to the APVMA that seeks to gain, maintain or broaden access to priority uses for label registrations and/or minor use permits for crop protection needs* 5. Establish best practices to maintain product quality throughout the supply chain 6. Provide regulatory support and co-ordination for crop protection regulatory activities with the potential to impact plant protection product access, both in Australia and internationally* 7. Reduce the impact of endemic pests and diseases and the potential impact of an exotic pest/disease incursion and the by improving industry preparedness and resilience to biosecurity threats 8. Develop production strategies for new and developing production regions (e.g., northern Australia) | <ul style="list-style-type: none"> • New knowledge developed in collaboration with producers and other stakeholders contributing to sustainable and resilient production systems • Coordinated industry priority setting with a clear outlook of gaps and risks in existing pest control options. • Industry priority needs published and shared with stakeholders, including registrants • Identification of technologies and approaches to improve labour efficiency and shared with producers • Data to support applications to the APVMA and the establishment of Maximum Residue Limits (MRLs) • Improved product quality management across table grape supply chains • Regulatory Risk Assessments maintained • Maintenance/tracking of the implementation of an industry biosecurity plan, including threats to tropical regions (e.g., Oriental fruit fly and grapevine leaf rust) • Maintenance/tracking of the implementation of surveillance plans for high priority pests (e.g., Pierce’s disease and its insect vectors, and Oriental fruit fly) • Development of new knowledge in collaboration with producers, new investors and other stakeholders in new and developing production regions |



| OUTCOME | STRATEGIES | KPIs |
|---|---|--|
| Extension and capability | | |
| Outcome 3: Improved capability and an innovative culture in the Australian table grape industry maximises investments in productivity and demand. | 1. Create positive change in the priority areas, high-quality production, biosecurity/plant protection, climate variability and exports through delivery of communications and extension capability | <ul style="list-style-type: none"> Establishment of a baseline and tracking of industry acreage managed with positive KASA concerning targeted high priority areas (e.g., meeting quality standards, export skills) Establishment of a baseline and tracking of industry acreage managed to implement targeted high priority areas (e.g., export capability) |
| | 2. Provide opportunity for engagement between industry, producers and relevant stakeholders | <ul style="list-style-type: none"> Producers' satisfaction with growth in co-operation within industry, across industries and with other stakeholders leading to business and industry innovations (i.e., survey data) |
| | 3. Strengthen table grape industry leadership through initiatives and training | <ul style="list-style-type: none"> Increased participation in industry leadership initiatives |
| Business insights | | |
| Outcome 4: The Australian table grape industry is more profitable through informed decision-making using consumer knowledge and tracking of trade data, production statistics and forecasting, and independent reviews. | 1. Consumer insights drive industry alignment with quality and brand-positioning opportunities | <ul style="list-style-type: none"> Evidence that consumer insights inform strategic market engagement (e.g., case studies) |
| | 2. Use trade data to guide ongoing development of new and existing export markets* | <ul style="list-style-type: none"> Trade data maintained and data outputs supplied to meet stakeholders' needs |
| | 3. Use production forecasts to inform long-term and/or in-season market planning and supply strategies | <ul style="list-style-type: none"> Production forecast available Evidence that production forecasts support production, marketing and trade decisions |

* Foundational investments provide data and information that underpin the delivery of other SIP outcome areas and will be aligned to this strategy. Foundational investment areas include:

- Consumer behavioural data
- Consumer usage and attitudes, and brand health tracking data
- Impact assessments
- Trade data
- Crop protectant data.



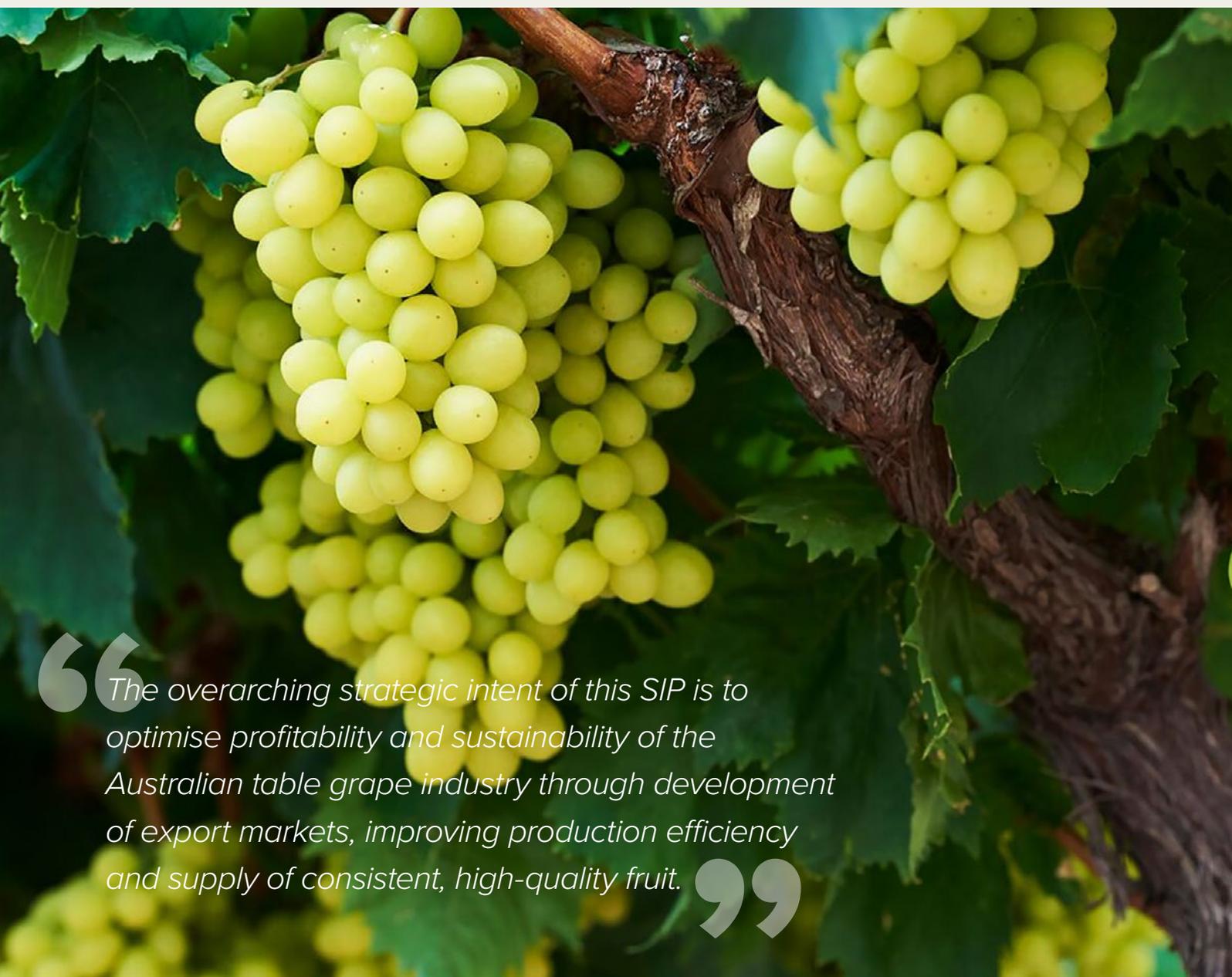
Reporting framework

Hort Innovation will use dynamic reporting aligned to the Organisational Evaluation Framework to report regularly on progress and performance. Reporting will be processed through formal channels to inform industry and government investors.

A review of investment performance against the respective industry outcome and/or strategy-level KPIs for the table grape SIP will be completed annually as the primary reporting mechanism. The SIP performance report will provide:

- Evidence of progress towards achieving the industry-specific outcomes and strategies through an assessment of the KPIs identified in the SIP
- Evidence of progress towards cross-industry investment strategies and outcomes. It will involve Hort Innovation's whole-of-horticulture reporting obligations and corporate plan and involve annual reports and Hort Innovation's Annual Operating Plan.

SIP performance reports will also inform the Australian government of progress towards achieving government priorities. In particular, reporting will support Hort Innovation to meet the Performance Principles and requirements contained in the [Deed of Agreement 2020-2030](#).



“The overarching strategic intent of this SIP is to optimise profitability and sustainability of the Australian table grape industry through development of export markets, improving production efficiency and supply of consistent, high-quality fruit.”



COLLABORATION AND CROSS-INDUSTRY INVESTMENT

Based on advice from industry throughout the engagement process, Hort Innovation understands that Australian horticulture industries have common issues, and in turn have identified prospective areas for collaboration and cross-industry or regional investment.

These opportunities have been included as strategies across multiple industry SIPs where relevant and required. By delivering more multi-industry collaboration in research, development and extension (RD&E), marketing and international trade, Hort Innovation aims to support more effective and efficient outcomes for growers and the wider horticulture sector. This includes driving investment through the Hort Frontiers strategic partnership initiative. Importantly, while this approach acknowledges there is value in solving issues across industries and regions, it does not reduce the importance of industry-specific initiatives.

Cross-industry/regional R&D opportunities identified for the table grape industry include:

- Management of Pierce’s disease and its insect vectors in collaboration with Australian wine industry
- Climate variability and adaptability.

Cross-industry areas of collaboration for demand-driving outcomes provide the opportunity to advance the prosperity of the sector through gaining efficiencies in the delivery of the program and contributing to stronger overall outcomes. By collaborating as one sector to win the hearts and minds of the consumers, in addition to individual demand-driving programs, there is the potential to enhance the total category value proposition, contributing to driving returns for Australian growers.

Areas of consideration for collaboration for demand-driving outcomes across the lifespan of the table grape SIP 2022-2026 include:

- All-of-horticulture consumer marketing campaigns designed to drive awareness, consideration, and purchase behaviour change
- Communications to bring horticulture to top of mind (saliency) and reposition the benefits they provide to Australian and international consumers

- Retail partnerships to advance total category and shopper demand-driving programs
- A global brand platform to reinforce the unique selling proposition of Australian-grown horticultural produce and drive preference with international consumers.

Strategic science and research focus

The table grape SIP takes into consideration the research priorities of various industry stakeholders including the Australian Table Grape Association Inc. (ATGA) and Australian Fresh Produce Alliance (AFPA), and acknowledges the representation of these organisations. In developing the strategies presented within the table grape SIP, **Table 2** lists the strategic research areas that were considered.

TABLE 2. Table grape research priorities

| ATGA priorities | AFPA strategic priority areas |
|--|--|
| Industry sustainability | Sustainability (climate change, water, packaging and shelf life) |
| Improving productivity and profitability | Trade (market access, industry capability development, technical exchange with export markets) |
| Maintaining and strengthening market access | Biosecurity (managing pest and disease, integrated pest management (IPM), chemistry) |
| Investing in research, technology and marketing | Food safety (systems and technology) |
| Sharing knowledge | Pollination (bees and flies, alternate pollinators, pollination in production systems) |
| Connecting producers nationwide | |
| Communicating with industry, government and stakeholders | |

Collaboration across the agriculture research community is also essential, including with organisations such as universities, private enterprise and state government agencies. Hort Innovation is a member of the National Horticulture Research Network (NHRN) together with other senior horticultural R&D representatives from state and Australian Government agricultural agencies. The NHRN is responsible for the development and implementation of the broader Horticulture RD&E Strategy under the National Primary Industries RD&E Framework.

During the engagement process, key delivery partners were contacted including lead agencies within the NHRN Framework as well as specific delivery partners for each industry. The lead agency involved with the table grape industry investment program, CSIRO, was engaged during the development of this SIP to ensure consideration and strategically aligned priorities for the table grape industry. In addition, priorities and opportunities identified within the strategic plans of national and state agencies and research organisations have been considered in the development of Hort Innovations SIPs where applicable.

TABLE 3. Government and key agency priorities

| CSIRO priorities | Rural RD&E for Profit priorities | Australian Government Science and Research priorities |
|---|--|---|
| Extension of best practice | Advanced technology | Food |
| Market access and fruit fly management | Biosecurity | Soil and water |
| Physiology research including climate change adaptation | Soil, water and managing natural resources | Advanced manufacturing |
| Biosecurity and IDPM | Adoption of R&D | Environmental change |
| Varieties and rootstocks | | Health |
| Development of northern Australian production regions | | |

This SIP has been developed alongside the government and key agency priorities listed in **Table 3**, with consideration of issues faced by the table grape industry. These strategic areas further emphasise the opportunity and importance of cross-industry and regional collaboration. All the priority areas are of importance to Australian horticulture, and these will play a role in driving the efficiency and effectiveness of investment across the sector.

Annual investment planning

Specific investments to address the SIP strategies and align with industry strategic priorities will be outlined in detail each year via the table grape AIP. Investment decisions are guided by the SIP and prioritised based on potential industry impact, as well as the availability of levy funds each year. The AIP will be developed with input from the table grape SIAP, which is made up of growers and other industry representatives as well as IRBs and other key stakeholders. Wherever possible, investments will be aligned to form multi-industry projects to increase the efficiency of funding availability. Details of the SIAP can be found on the Hort Innovation website [here](#), and the AIP will be published on the same page each year.



Investment opportunities through Hort Frontiers

Innovation is key to the future success of Australian horticulture. The next evolution of the long-range, higher risk and transformational R&D that has the potential to make a significant impact will be possible through Hort Innovation's Hort Frontiers program strategic partnership initiative.

Hort Frontiers is a strategic partnership initiative that facilitates collaborative, cross-industry investments focused on the longer term and more complex themes identified as critical for Australian horticulture by 2030. The partnership framework is currently being established and will include a number of key investment themes for potential investment to guide the initiative and drive transformational R&D across horticulture. Key investment themes will include:

- Environmental sustainability (water, soil and climate)
- Pollination
- Green cities
- Biosecurity
- Health, nutrition and food safety
- Advanced production systems
- International markets
- Leadership
- Novel food and alternate uses (waste reduction).

The development of these areas for investment will benefit all of horticulture, with support from partners with aligned priorities to co-invest in deliverables identified that require alternative funds available outside the levy. Hort Frontiers is being developed to align with the Australian-grown Horticulture Sustainability Framework and to invest in specific impact areas to drive innovation and sustainability initiatives.

The table grape industry views a number of these investment areas as opportunities for success into the future, including:

- Environmental sustainability (water, soil and climate)
- Pollination
- Biosecurity
- International markets
- Advanced production systems
- Leadership.

Partnering with Hort Frontiers on these areas would provide the table grape industry with opportunities for access to world-class research, specialised project management teams and large-scale R&D.



Australian-grown Horticulture Sustainability Framework

Hort Innovation has developed the Australian-grown Horticulture Sustainability Framework report, aiming to strengthen the horticulture industry’s sustainability to meet the changing expectations and needs of growers, consumers, the community, investors and governments. The report applies across the whole of Australian horticulture, including fruits, vegetables, nuts and nursery stock. Through widespread consultation with industry and external groups, proposed sustainability goals and indicators were identified and are detailed within the framework. The framework is aligned to the UN Sustainable Development Goals.

Four key pillars were identified in the framework (*Figure 1*).



The framework should be cross-referenced when undertaking prioritisation of investments. At the time of publication, Hort Innovation is working with industry groups regarding the overall responsibility for the framework, setting and reporting progress against the framework targets and performance measures.

View the Australian-grown Horticulture Sustainability Framework on the Hort Innovation website [here](#).

Table 4 provides an example of a table grape SIP strategy that illustrates how the industry is already aligning to the framework.

TABLE 4. A table grape SIP strategy example showing how the industry is already aligning to the Australian-grown Horticulture Sustainability Framework

| STRATEGY | IMPACT | SUSTAINABILITY GOAL |
|---|---|---|
| Develop production strategies for new and developing production regions | <ul style="list-style-type: none"> Diverse production regions that spread production risks and broaden the industry’s domestic and overseas supply windows | Planet & Resources People & Enterprise |

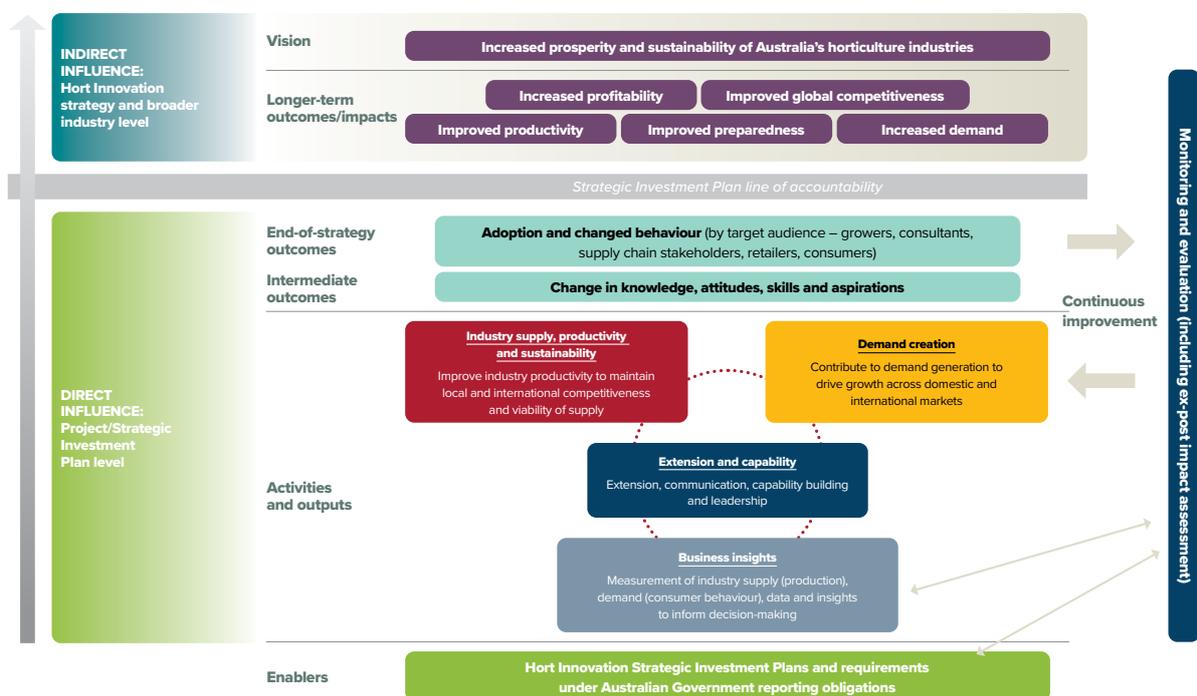
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Strategic Investment Plan logic

The SIP logic (**Figure 2**) identifies how investment activities and outputs (delivered through each SIP outcome area) will support changes in industry KASA, which drive adoption and behaviour change. Beyond the SIP, investment will contribute to driving longer-term impacts for the sector like increased preparedness, demand, productivity, global competitiveness and profitability. Realising these impacts will support Hort Innovation’s vision of increased prosperity and sustainability of Australia’s horticulture industries.

FIGURE 2. SIP Strategic Investment Plan logic



Aligning to Hort Innovation investment priorities

Hort Innovation is committed to sustainable growth in horticulture, with the overarching aim of increasing the sector’s value to \$20 billion by 2030. We will do this through implementing the SIP and investments against the three core pillars, committed to:

1. Drive knowledge and innovation into horticulture industries
2. Deliver the highest value R&D, marketing and international trade investments across industries now and into the future
3. Enable activities that drive all strategic imperatives.

Hort Innovation is governed by a Deed of Agreement with the Australian Government, which allows for the transfer and

investment of levies and Australian Government contributions. As a Research and Development Corporation (RDC), Hort Innovation is able to leverage industry levy investments in research, development and extension (RD&E) with Government funds up to a value of 0.5% of the industry’s gross value of production. All investments made by Hort Innovation are thoroughly considered to ensure they contribute to the guiding performance principles:

- Productivity
- Profitability
- Preparedness for future opportunities and challenges
- Competitiveness
- Demand: demonstrates how productivity, preparedness and demand lead to profitability and competitiveness and sustainability.



APPENDICES

APPENDIX 1: Industry context

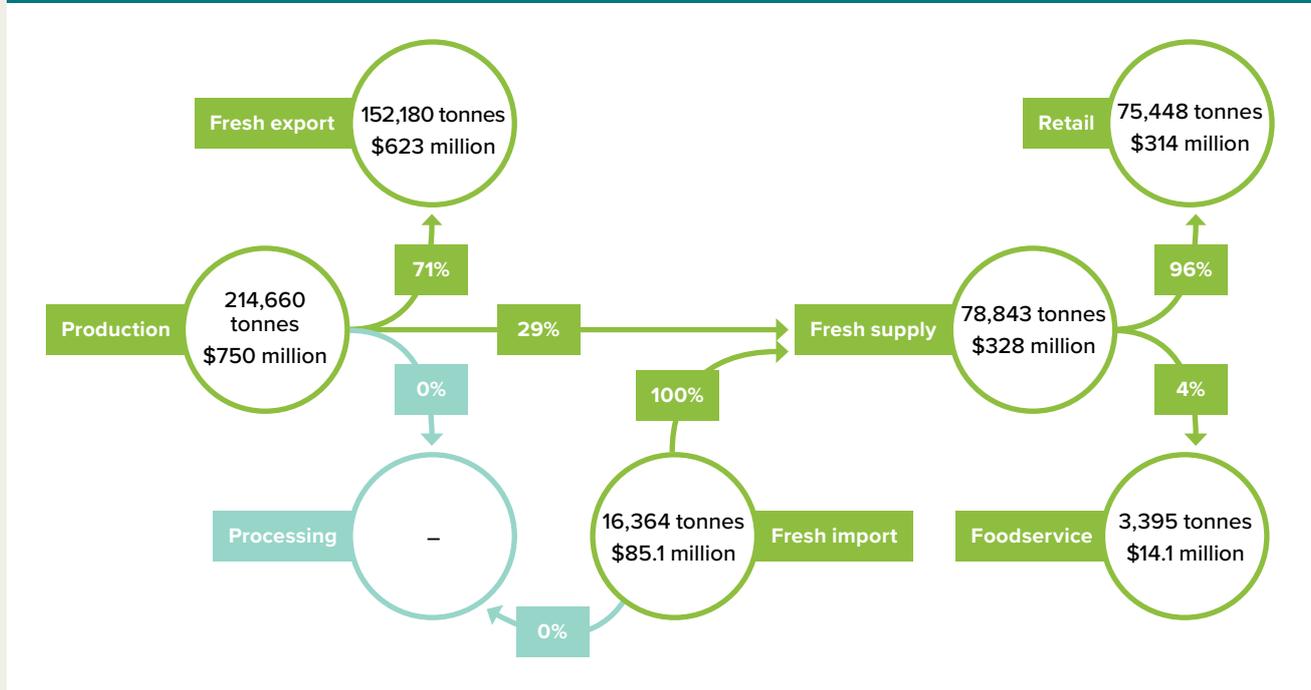
Industry supply chain

There are an estimated 1,000 table grape growers in Australia, with the majority being small to medium-sized family-owned enterprises, and a few large growers. Sunraysia is Australia's largest table grape growing region, producing an estimated 80% of total production. With one exception, all large table grape producers have a presence in Sunraysia. Yields per vine vary depending on the growing region. In Sunraysia, producers harvest an average yield of 20 to 25 kilograms per vine, while Queensland has a yield of 5 to 10 kilograms, and Western Australia, 20 kilograms.

There are an estimated 80 producers in Western Australia and 20 in Queensland. Two of the seven major producers have a table grape property near Emerald, Queensland.

Large retail chains are the main outlets for Australian table grapes. Major supermarkets account for 76% of the dollar share of trade while non-supermarkets (e.g., greengrocers) and other supermarkets account for, 14% and 10% respectively. The larger producers supply the major retail chains. With the wholesale and independent retail market rapidly losing market share, small producers are increasingly dependent on their larger counterparts to sell their fruit. The dominance of a handful of large retail chains in the domestic market allows them to set pre-harvest requirements, quality standards, packaging requirements and price. Producers have identified bunch bag packaging, farm identification codes for traceability and on-farm chemical treatment for various pests such as spiders as additional costs they have had to absorb in supplying the domestic market.

FIGURE 3. Table grape supply chain, 2019/20



Source: Australian Horticulture Statistics Handbook (2019/20)

Table grape production is split exclusively between the domestic and export markets. Table grapes are the most exported fresh fruit product in terms of the proportion of production (71%) exported. Imports are counter-seasonal to Australian production during the winter months, amounting to 21% of the total amount of table grapes sold on the domestic market. The foodservice market for table grapes is small amounting to 4% of supply.

Domestic demand drivers

Australia is one of the highest per capita consumption markets in the world (outside South America), similar to that of the USA. Historically, the domestic market consumed as much as the industry supplied, though prices fluctuated significantly due to volume of supply.

Export markets

FIGURE 4. Table grape exports, 2012/13 to 2019/20



Source: Australian Horticulture Statistics Handbook (2019/20)

Growth in table grape tonnages and value thereof mirror trends in the industry's total production and value. Export tonnages have grown significantly over the past seven years, more than doubling from 72,409 tonnes in 2012/13 to 152,180 tonnes in 2019/20. Value growth has outpaced tonnage growth, more than tripling from \$180 million in 2012/13 to \$623 million in 2019/20 (**Figure 4**). The growth in value over and above the growth in tonnage indicates that prices for exported table grapes have continued to rise over this period.

The proportion of production sent to exports has increased, from 61% in 2012/13 to 71% in 2019/20. This shows that exports have traditionally underpinned the industry but are now even more important for industry performance.

Although the Crimson Seedless variety can be challenging to grow, Australia is better positioned among other producing countries to supply the best quality of this variety to export markets. This presented an opportunity that the industry took advantage of to expand its export business.

The industry has invested more in exports than any other area. This includes Hort Innovation projects in international marketing such as *Table Grape seminar Korea* (TG18511), in biosecurity for market access such as *Cold disinfestation verification trials for table grapes* (TG18003), in increasing the export capability of the industry such as *Table grape export readiness and market access* (TG17000) and in quality improvements such as *Australian table grape quality audit* (TG15502). This comprehensive program has contributed to the strong export growth and will be required to maintain export markets.



Industry production

FIGURE 5. Table grape production, 2012/13 to 2019/20



Source: Australian Horticulture Statistics Handbook (2019/20)

Production volume and value growth in table grapes mirrors that of exports, with volume almost doubling from 119,081 tonnes in 2012/13 to 214,660 tonnes in 2019/20, and value more than doubling from \$285 million in 2012/13 to \$750 million in 2019/20 (Figure 5).

The challenge of securing seasonal casual labour, in both quality and quantity, is a leading industry concern just as it is in numerous other horticulture industries. In Queensland, Emerald growers do not consider labour as a major issue while those from St George, Sunraysia and Western Australia do. Department of Agriculture and Fisheries, Queensland is encouraging St George farms to plant other fruits, such as blueberries and mandarins to have a wider harvest season. This will provide incentives for pickers to live locally and develop their skills. By having access to the same pickers each year, the quality (and surety) of labour would be improved.

TABLE 5. Fresh table grapes seasonality by state

| STATE | 19/20 TONNES | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---------------------|--------------|------|--------|--------|--------|--------|------|--------|--------|--------|--------|------|-----|
| New South Wales | 21,466 | | | | | | High | Medium | Medium | Medium | Medium | Low | |
| Victoria | 167,435 | | | | | High | High | Medium | Medium | Medium | Medium | Low | |
| Queensland | 10,733 | | | | | | High | Medium | Medium | Medium | Medium | Low | |
| Western Australia | 5,388 | | | | | | | High | Medium | Medium | Medium | Low | |
| South Australia | 8,586 | | | | | | | High | Medium | Medium | Medium | Low | |
| Northern Territory | 1,052 | | | | | | High | Medium | Medium | Medium | Medium | Low | |
| Imported | 16,364 | High | Medium | Medium | Medium | Medium | High | | | | | | |
| Availability legend | | High | | | Medium | | | Low | | | | None | |

Source: Australian Table Grape Association Inc.

APPENDIX 2: Table grape industry situation analysis

At the time of refreshing the SIP in 2021, the global coronavirus (COVID-19) pandemic continues to affect horticulture industries to varying degrees. Although the outcome and ultimate impact of the pandemic are unknown, areas of investment across horticulture that may be influenced over the period of this SIP include export and trade relationships, domestic and international demand, logistics and supply chain, labour supply – all having potential impacts on grower profitability.

Environmental, economic and social sustainability are vitally important to Australian horticultural growers and industries. Customers, consumers, and investors also seek information about the sustainability and ethics of how their food is produced. Sustainability is particularly crucial as topics such as climate variability, health and ethics continue to shape the social, environmental, and political landscape for agricultural industries. The impact of these issues may have influence on a whole range of investment areas for horticulture from production practices and land management, demand and reputation of products, quality expectations and cultural/community engagement.

Strengths, weaknesses, opportunities and threats

Table 6 has been used to analyse the table grape industry's strengths, weaknesses, opportunities, and threats (SWOT). The SWOT tool assists the industry to build on what works, observe what is lacking, minimise risks, and take the greatest possible advantage of chances for success.

TABLE 6. Table grape SWOT analysis

| The table grape industry | |
|--------------------------|--|
| Strengths | <ul style="list-style-type: none"> • Significant export markets and strong demand • Capacity to produce premium export-quality grapes exceeds international competitors • Strong international product recognition of 'Brand Australia' and Australian grapes (high quality, sweetness, 'clean and green', safe) • Strongly supported industry body with significant expertise in working collaboratively, especially in export market development • Broad range of communication and extension products to keep producers informed • 'Now! In season' marketing campaign • Industry works collaboratively with public (federal and state) organisations/agencies and other private bodies • A significant increase in the export focus of many producers who have undertaken 'export ready' training • Strong representation in monitoring and addressing market access/maintenance issues, including having proper scientific documentation for protocol requirements |



| The table grape industry | |
|--------------------------|---|
| Weaknesses | <ul style="list-style-type: none"> • Lack of industry cohesion: fragmented industry; no sharing of information among producers; lack of industry data restricts market development • Significant focus on a (relatively) small number of export markets • Industry production expansion heavily reliant on a single variety (Crimson Seedless) for a single market (China) • Complex protocols/MRLs difficult for producers to understand • Lack of alternative varieties that are better suited to markets, are indifferent to climatic challenges, are pest and disease tolerant/resistant, have superior quality and shelf life • Lack of data intelligence on production, capability, markets • Over-exuberance when seeking to secure/expand specific markets (e.g., Japan late-season quality) • High cost of production • High cost and lack of skilled labour at key times • Human error associated with manual picking, sorting and packing • Lack of national food standard for both domestic and export markets, that is, using internationally recognised product integrity standards – quality assurance, food safety • Potential oversupply at peak season in the domestic market • Inconsistent product quality, poor handling and display in large retail chains |
| Opportunities | <ul style="list-style-type: none"> • Increase demand for grapes in export markets where Australia has a competitive advantage due to proximity and other factors • Grow export markets further, especially by building on the strength of Australia's product position • Ability to collaborate with other Australian horticultural industries and organisations • Enhance, Simplify, Harmonise, import protocols in several markets, including China, Southeast Asia, the Middle East and North Asia • New registered (crop or pest) treatments • Enhanced quality focus domestically, especially early-season fruit • Develop the export capability of producers not currently exporting or exporting on a limited scale • Build on successful programs such as <i>InnoGrape</i> for the broader benefit of industry |
| Threats | <ul style="list-style-type: none"> • Loss of key export markets • Australia loses its premium position in export markets as other countries improve quality • Protectionist policies may increase in emerging markets • Biosecurity risks and the need for continued vigilance • Restrictions on agrichemical usage may affect market access – limited alternatives when addressing MRL compliance • Weather variability and long-term climate change • Insufficient water at critical times • Increasing supply of imported table grapes and other seasonal fruit (local or imported) • Further loss of Pest Free Area status in some areas |

APPENDIX 3: People consulted

The following people are acknowledged for their contribution to the table grape SIP development process.

| NAME | INDUSTRY ROLE | REGION |
|----------------|--|-----------------|
| Adam Knoll | Plant breeder | National |
| Claude Gauchat | Chair, Table grape SIAP | New South Wales |
| David Oag | Department of Agriculture and Fisheries, Queensland | Queensland |
| Elliot Jones | Table grape producer | Victoria |
| Mark Leng | Table grape producer; Marketer | National |
| Frank Caia | Table grape producer | Victoria |
| John Argiro | Table grape producer | Victoria |
| Charlie Costa | Table grape producer | New South Wales |
| Con Patsis | Table grape producer | South Australia |
| Michael Treeby | Table grape SIAP | Victoria |
| Jenny Treeby | Australian Table Grape Association Inc. | Victoria |
| Jeff Scott | CEO, Australian Table Grape Association Inc.; Table grape SIAP | Victoria |
| Brendan Larkin | Table grape SIAP | Victoria |
| Mark Kestic | Table grape SIAP | Victoria |

APPENDIX 4: Reference material

Australian Fresh Produce Alliance, 2019, Growing a Healthier Australia: The Fresh Produce Industry Roadmap From \$9 billion to \$20 billion in 2030, White Paper 2019

Australian Table Grape Association Inc., 2021, <https://www.australiangrapes.com.au/>

Horticulture Innovation Australia Limited, 2012, Table Grape Strategic Investment Plan 2012-17

Horticulture Innovation Australia Limited, 2019, Growing into the Future: Strategy 2019-2023

Horticulture Innovation Australia Limited, 2020, Australian Horticulture Statistics Handbook 2019/20

Horticulture Innovation Australia Limited, 2021, Australian-grown Horticulture Sustainability Framework

The Nielsen Company, 2021, Harvest to Home, Nielsen Homescan for the 52 weeks ending 21/03/2021 for the Australian market



APPENDIX 5: List of acronyms

| | |
|-----------------|--|
| AFPA | Australian Fresh Produce Alliance |
| AIP | Annual Investment Plan |
| ATGA | Australian Table Grape Association Inc. |
| APVMA | Australian Pesticides and Veterinary Medicines Authority |
| BMP | best management practice |
| CSIRO | Commonwealth Scientific and Industrial Research Organisation |
| FY | financial year |
| GI | glycemic index |
| IRB | Industry Representative Body |
| KASA | knowledge, attitudes, skills and aspirations |
| KPI | key performance indicator |
| M&E | monitoring and evaluation |
| MRL | Maximum Residue Limit |
| NHRN | National Horticulture Research Network |
| PHA | Plant Health Australia |
| R&D | research and development |
| RDC | Research and Development Corporation |
| RD&E | research, development and extension |
| SARP | Strategic Agrichemical Review Process |
| SIAP | Strategic Investment Advisory Panel |
| SIP | Strategic Investment Plan |
| SWOT | strengths, weaknesses, opportunities and threats |



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