

Cherry

STRATEGIC INVESTMENT PLAN 2017-2021 AT A GLANCE

POTENTIAL IMPACT OF THIS PLAN



Based on an estimated investment of \$8.43 million over the next five years.

OUTCOMES	STRATEGIES
Increase the unit value of fruit sold onto the domestic market to improve industry economic sustainability	Develop a domestic marketing strategy focused on extending the seasonal demand into the new year and repositioning cherries as a luxury and gift fruit
	Engage with supermarkets to improve category management
	Conduct R&D and industry training on packaging technology and messaging
	Scope out opportunities to develop profitable markets for secondary quality fruit for value-adding
	Improve marketable yield while still delivering on consumer eating experience
	Initiate program to identify nutritional attributes of cherries to support marketable health claims
	Build industry capability in agritourism and other direct-to-consumer marketing models

OUTCOMES	STRATEGIES
Grow export markets to leverage the forecast increase in production over the next five years	Develop a five-year integrated export market development plan
	Gain industry agreement on the workable market access protocols into priority markets and complete required business cases (airfreight protocols is a priority)
	Build export readiness and capability
	Introduce electronic export registration system
	Establish effective market intelligence channels in target export markets
Reduce costs at every level of the supply chain to improve global competitiveness	Support wider Queensland fruit fly (Qfly) agenda across all horticulture industries and state governments
	Link in with Hort Innovation automation/robotics programs to develop cherry specific technology
	Manage pest and disease challenges/risk through maintaining biosecurity manual and on-farm practice
	Improve soil health to maximise yield
	Elevate orchard management skills by introducing a low cost local 'orchard improvement group' program with benchmarking component
	Investigate opportunities to improve pack house efficiency
	Facilitate industry adoption of improved cultivars and rootstocks
Equip industry to understand and respond to the impact of environmental change on both production and marketing	

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OUTCOMES	STRATEGIES
A culture of continuous improvement has been embedded, improving industry professionalism and profitability	Introduce a production and harvest forecasting system to improve industry data
	Introduce business basics program with short courses specifically tailored to orchard businesses and supply chains (cross-funded with other temperate fruit industries)
	Encourage and mentor young industry leaders to apply for travel scholarships, such as Nuffield, and grants for overseas study/observation
	Promote and encourage industry attendance at Hort Innovation Global Masterclass course in horticultural business (Pool 2)
	Drive industry awareness of the need for food safety, traceability and product integrity systems
	Introduce voluntary grading standards for export and domestic markets

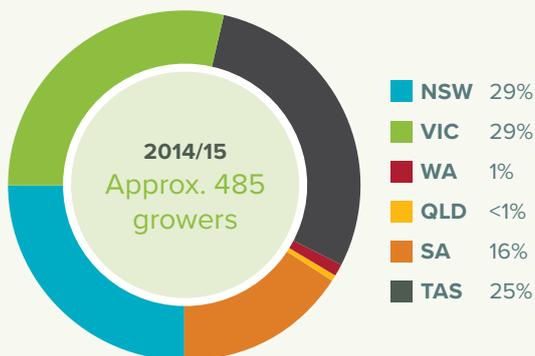
Major opportunities

- To take advantage of the growing demand from the Asian markets
- Improve price competitiveness driven by the recent signing of free trade agreements (FTAs) in China, South Korea and Japan
- To de-commoditise and reposition cherries in the domestic market as a luxury item, such as New Year gift giving.

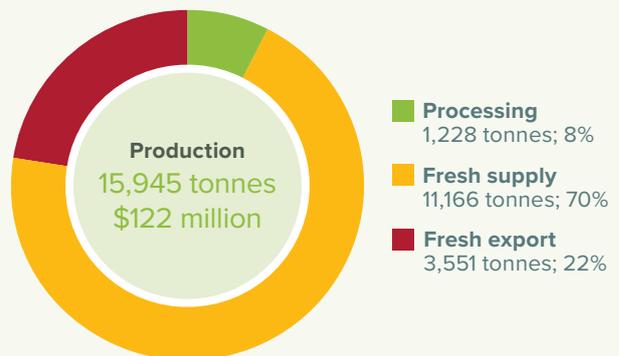
Major challenges

- More frequent and more damaging adverse climatic events due to climate change
- Appreciation of the Australian dollar which impacts on price competitiveness in the more price sensitive markets
- Increasing competition from other Southern hemisphere producers particularly Chile
- Abrupt disruption to the China market and deterioration of market access conditions in key markets
- Food safety, particularly with respect to maximum residue levels (MRLs)
- Higher input costs relative to competing countries, particularly in labour
- Lack of workable market access into the higher returning markets for mainland fruit.

Industry size and production distribution



Cherry supply chain and value 2014/15



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