Summerfruit

Horticulture Innovation Australia

STRATEGIC INVESTMENT PLAN 2017-2021 AT A GLANCE

POTENTIAL IMPACT OF THIS PLAN

$26.4 Million

Based on an estimated investment of $6.40 million over the next five years

Major opportunities

- Growing demand in Asian markets
- Close proximity and good connectivity to Asian growth markets with a southern hemisphere seasonal advantage
- Potential to leverage the recently granted workable protocol for nectarines into China for other summerfruit
- To grow skills within the industry
- To value-add through varieties, packaging, branding and marketing
- To leverage Australia's reputation for safe food and supply chain integrity
- Recognised pest-free/fruit fly-free status in some growing regions.

Major challenges

- Climate variability and more frequent and more damaging adverse climatic events
- Potential pest and disease outbreaks compromising market access
- Higher input costs relative to international competitors
- Increasing competition from other southern hemisphere producers
- Lack of workable market access for all summerfruit into the higher returning export markets
- Flat domestic consumption
- Supply is subject to a seasonal flush that puts downward pressure on prices.

OUTCOMES	STRATEGIES
Industry has developed a diversified export market portfolio to absorb growing production volumes	Develop a five-year holistic and diversified export market development plan
	Develop and agree a market access pathway plan and business cases
	Continue to invest in export readiness and capability focusing on high-priority markets
	Conduct R&D on variety selection to ensure the fruit meets the preferences and expectations of overseas customers
The value of fruit sold on the domestic market is increased to restore grower margins	Develop a domestic marketing strategy with a focus on building consumer engagement through product differentiation and usage information
	Engage with supermarkets on category management to improve the consumer experience and reduce wastage
	Conduct supply chain efficiency R&D to improve both the eating experience and pack-out rates
	Implement a domestic product food safety and traceability program with a view to then applying it to export supply chains
	Scope out a new generation of processed products and opportunities to use processing-grade fruit

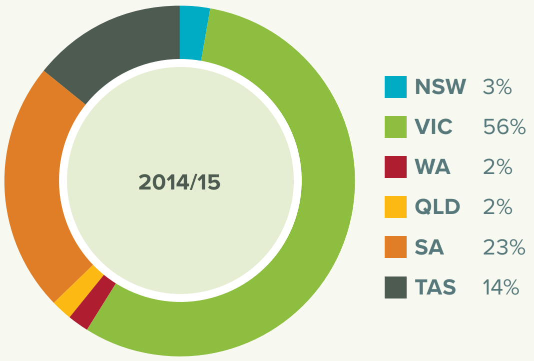
Summerfruit

STRATEGIC INVESTMENT PLAN 2017-2021 AT A GLANCE

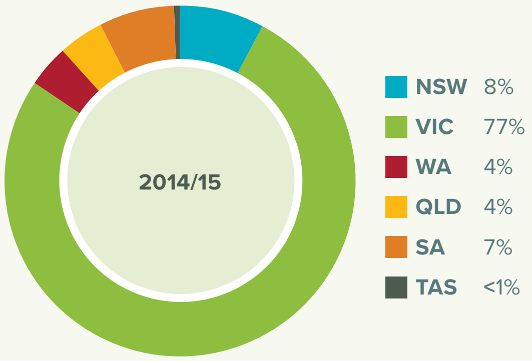
OUTCOMES	STRATEGIES
Costs have reduced at every level of the supply chain to grow industry profitability	Develop industry financial management skills to enable better understanding of costs and profitability drivers
	Continue with a prioritised R&D program to manage pest and disease challenges and threats
	Raise orchard and pack house management skills by introducing a Future Orchards®-type extension program based on the model used by the apple and pear industry
	Encourage development of regional orchard improvement groups by producing a guide to establishing one
	Develop a program to improve pack house efficiency

OUTCOMES	STRATEGIES
An industry culture of continuous improvement has been embedded to support long-term economic sustainability	Introduce a workable production and crop forecasting system (potentially in collaboration with cherries)
	Provide a scholarship for participation by industry leaders in industry management and governance development programs (Pool 2)
	Introduce a young leaders overseas studies program
	Introduce short course leadership training modules for orchard and pack house supervisors/managers (Pool 2)

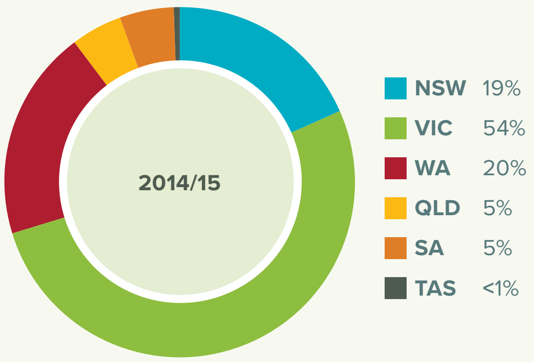
Apricot industry size and production distribution



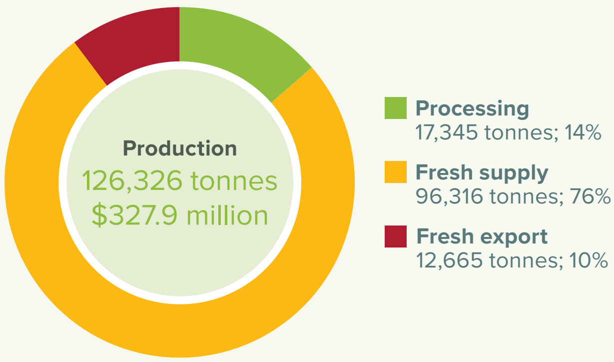
Nectarine/peach industry size and production distribution



Plum industry size and production distribution



Summerfruit supply chain and value 2014/15



2015/16 Approximately 1,200 growers