

FEBRUARY 2022

Dried grape

Strategic Investment Plan 2017-2021

PERFORMANCE REPORT



Dried grape SIP performance report

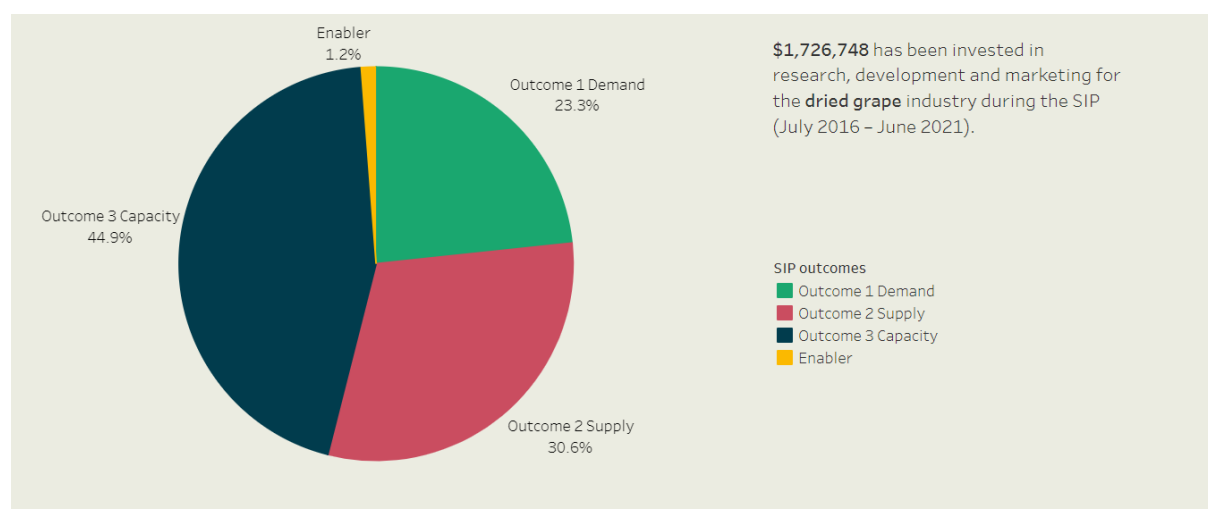
This performance report reviews the performance of levy investments delivered against the dried grape Strategic Investment Plan (SIP), which was active for the 5-year period from 2016/17 to 2020/21. The SIP was developed to strategically guide research and development (R&D) and marketing levy investment in accordance with core industry priorities. The SIP featured three outcome areas, 11 strategies and 13 key performance indicators (KPIs), summarised in Table 1. A total of \$1.7 million was invested into the dried grape Fund over the 5-year period of the SIP. The total investment expenditure allocated against each outcome is provided in Figure 1.

Table 1: Dried grape SIP outcomes

Outcome	Description	Expenditure allocation*
1. Demand	Increased demand for Australian product in high value markets	23.3%
2. Supply	Increased volume of high quality dried fruit produced to 20 to 30 kiloton for economies of scale and consistency of supply	30.6%
3. Capacity	The capacity of industry participants is increased	44.9%

*Total investment \$1.7 million as of June 2021. Balance of expenditure comprises of enabler investments, which includes expenditure to support the delivery of the SIP including advisory meeting and publication costs.

Figure 1: Dried grape SIP investment expenditure analysis



SIP performance analysis

This performance report reviews the investment achievements delivered within each outcome area that have generated impact for growers. The overall status of each strategic area was informed through an assessment of KPI performance is also provided. The evaluation status and criteria were:

Strategic area status	Criteria
Achieved	KPIs for this strategic area were met
In progress	Investment delivery remains ongoing
Not achieved	Investment was not prioritised in this strategic area

The results have been informed from evidence compiled through reviewing investment documentation and engagement with project managers. Outcomes generated through the investments are documented and brief case studies of flagship performance and impact for each outcome area are also provided.

Outcome 1: Demand – Increased demand for Australian product in high value markets

The dried grape SIP 2017-2021 noted the Australian industry was a relatively high-cost producer of dried grapes. Ensuring that dried grapes achieve a premium price is therefore required for growers and processors to remain profitable. The premium could be readily justified by the high quality of the Australian product, including physical attributes (flavour, size, colour, free from foreign material) and less tangible features such as being 'clean and green' and supported by rigorous food safety standards. 'Brand Australia' was identified as valuable in underpinning in these respects.

Summary of strategic area and achievement status:

The strategies in the SIP that were identified to support dried grape demand are listed below. An achievement status is provided based upon internal evaluation of project performances:

Strategic area	Status
Develop a domestic and export marketing strategy	Achieved
Undertake promotional activities as identified in the marketing strategy	Achieved
Undertake R&D or other activities as required to develop export markets	Achieved
Develop new or new uses for existing dried grape products	Not achieved

KPI callouts:

- The *Australian Horticulture Statistics Handbook* (HA18002) reported an average domestic supply of 1.24 kg/person over the 5-year period of the SIP, down from an average 1.54 kg/person prior to development of the SIP, and below the SIP target of 1.75 kg/person.
- HA18002 showed the average farmgate price over the SIP of \$1,930 per tonne, above the SIP target of \$1,900 per tonne.
- A range of domestic marketing initiatives have been supported through the SIP, supported through the Australian Sultanas website, and other social media channels.
- Through collaboration between major processors in late 2020, *Dried Grapes Export Marketing* (DG20500) promoted and sought new sales for quality conventional Australian sultanas and Sunmuscats within the Asian and European markets. A key activity was the updated Australian Sultanas website, with the intent to appeal directly to both buyers and consumers in key export markets.
- Trade promotion events to key export markets remained ongoing through the SIP, engaging buyers of both snack and bakery product.

Outcome 2: Supply – Increased volume of high quality dried fruit produced to 20 to 30 kiloton for economies of scale and consistency of supply

The dried grape SIP 2017-2021 identified increased productivity as a high priority for the industry to increase the profitability of the entire value chain. Limited availability of domestic volumes compelled processors to seek imported product to meet domestic demand, and limited their ability to market Australian product to domestic and overseas consumers because of concerns over continuity of supply.

Summary of strategic area and achievement status:

The strategies in the SIP that were identified to support dried grape supply are listed below. An achievement status is provided based upon internal evaluation of project performances:

Strategic area	Status
Conduct a production and financial benchmarking study of dried grape production (and the rest of the value chain?)	Achieved
Commercialise new varieties, starting with a review of existing variety evaluation programs	In progress
Undertake R&D to increase yield, increase quality and / or reduce cost of production (such as precision farming and mechanisation)	In progress
Undertake R&D and related activities to minimise production risks (such as pests and diseases and climate change)	Achieved

KPI callouts:

- The *Australian Horticulture Statistics Handbook* (HA18002) reported over the 5-year period of the SIP production averaged 14,700 dried tonnes, below the SIP target of 20,000 tonnes.
- Benchmarking conducted through the investment *Dried grape innovation and adoption program* (DG17001) identified an average varietal yield of 9.2 dried tonnes per hectare between 2018 and 2020.
- The dried grape variety evaluation programs *Evaluation of dried and table grape varieties* (MT15026) and *Dried grape scion and rootstock evaluation program* (DG19000) identified high yielding, rain-tolerant varieties that produce a premium light-colour, globally differentiated product to enhance value. The program is submitting plant breeders' rights (PBR) for commercial release to the industry.
- *Objective colour assessment options for the dried grape industry* (DG15001) developed and tested a number of objective colour assessment options to support increased product quality and marketability. The most viable option of capturing images of a bin sample using an office flatbed scanner, then analysing the images using a software program proved to be quick, cheap, easy for operators and consistently reliable. The method was successfully tested at Sunbeam's facility.
- Reduced production risk from pests and diseases were addressed through multi-industry projects *Improving the biosecurity preparedness of Australian horticulture for the exotic spotted wing drosophila (Drosophila suzukii)* (MT17005) and *xylella* (MT17006).

Case study: Evaluation of dried and table grape varieties (MT15026) and Dried grape scion and rootstock evaluation program (DG19000)

The table grape variety evaluation program aimed to minimise risks associated with dried grape production with the development and adoption of new, consistently high yielding, early ripening, rain and heat tolerant varieties targeted to produce a premium light coloured, globally differentiated product to enhance value. Rain tolerance would enable the industry to minimise yield and quality losses and address the issue of mould and *Ochratoxin A* development. Early ripening varieties would reduce risks associated with less favourable drying conditions at the end of the season, which particularly affected the dominant Sunmuscat and Sunglo varieties.

To achieve these goals, MT15026 (a collaborative project with the table grape industry) prioritised promising early ripening selections for future commercialisation, which were grafted on Ramsey rootstock and established on a swing-arm trellis to assess their performance under modern management practices. DG19000 continued to evaluate the new selections, with 15 high-yielding, early ripening, high quality selections retained for evaluation in 2022.

In addition, the program trialled new rootstocks that maintained productivity under deficit irrigation regimes and showed resistance to soil borne pathogens (*phylloxera* and *root knot nematodes*). Two of the rootstock selections identified in MT15026 and maintained in DG19000 demonstrated high potential warranting PBR submission and likely release for adoption by the dried grape industry. In addition, a third selection showed considerable early potential by out-yielding the commercial rootstocks by more than 20% and maintaining productivity under deficit irrigation.

For each commercialised selection and rootstock, information packages based on program trial data will be produced to facilitate adoption.

Outcome 3: Capacity – The capacity of industry participants is increased

The dried grape SIP 2017-2021 recognised that the dried grape industry requires skilled, motivated participants to realise increased industry prosperity. This extended to existing participants and new entrants, growers, industry leaders, processors, consultants/advisers, researchers and other players in the value chain.

Summary of strategic area and achievement status:

The strategies in the SIP that were identified to support dried grape industry capacity are listed below. An achievement status is provided based upon internal evaluation of project performances:

Strategic area	Status
Extend the outcomes of past and new R&D to growers	Achieved
Develop R&D and extension capability in the industry	Achieved
Develop personal skills of industry participants	Achieved

KPI callouts:

- The investment *Dried grape 2017 industry R&D exchange program* (DG17000) supported an industry study tour to the USA where participants saw a new self-drying variety that could reduce labour costs, opportunities for automation of vineyard operations, and received an update on collaborative research into vine physiology.
- The investment *Dried grape innovation and adoption program 2018-2021* (DG17001) supported industry engagement and awareness through farm visits on topics of relevance (e.g., irrigation management, mechanised pruning), benchmarking services and technology transfer events. The program also supported industry skills through the development of a Certificate IV in horticulture for the dried grape industry.

Case study: Dried grape production innovation and adoption program 2018-2021 (DG17001)

The innovation and adoption program sought to enhance industry capacity by working with dried grape producers to promote and exchange leading and emerging research and knowledge on production techniques that would assist with productivity improvements. The four key elements that combined to form the framework of this project were:

- **Delivery of technology transfer events:** Serving as the backbone of the program there was a focus on supporting the Knowledge acquisition, Attitudes, Aspirations and Skill acquisition of participants. 34 on-site technology transfer events were delivered as well as four non site-specific events. 88% of the participants sought to use the information gathered from these events within their farm business.
- **“Reducing pruning labour” workshop:** The workshop investigated relevant technologies from a wide range of Horticultural industries. It brought together appropriately skilled and experienced people from key organisations to discuss and assess options for development of lower cost pruning systems. The program demonstrated the financial and labour-saving benefits of the minimal pruning system which reduced pruning costs by 28%, and which was in the early phase of adoption across 30 ha in two growers’ properties at the end of the project
- **Benchmarking production systems:** The Project delivered annual benchmarking on 12 sites across the Sunraysia region, which highlighted the potential of these sites to consistently produce at or above 10 tonnes per hectare, and which demonstrated a key turning point in production levels with potentially significant profitability for the industry. Benchmarking had a particular focus on time spent on and timing of activities and inputs on all key activities during the year to inform best practice
- **Preparation of annual innovation and adoption plan in consultation with all dried fruit growers across the industry:** A key achievement was the development of a prototype mechanical pruning system. If fully realised this development will cut out 20-30% of the cost of production for dried grapes.