

Table grape impact assessments 2019

During 2019, Hort Innovation engaged independent consultants to evaluate the impact of table grape research and development over the five years ending 30 June 2018. The assessment provided insights into the type and magnitude of impacts generated from Table Grape Fund investments.

The evaluation shows a range of economic, social and environmental benefits being generated for table grape growers, supply chain participants and the community at large.





How the impact assessments were made

Project population defined



A pool of Table Grape Fund research and development (R&D) projects was identified, with the criteria of being completed between 1 June 2013 and 30 June 2018 and with a Hort Innovation managed investment value of at least \$80,000 – met by a total of 11 projects with a Hort Innovation investment value of \$5.0 million.

Projects sampled



From this pool a **random sample of six projects** was selected (listed in subsequent tables). Together these six projects had a nominal Table Grape Fund value of \$2.88 million (57.7 per cent of the overall investment value). Three of the projects aligned with the table grape Strategic Investment Plan (SIP) 2017-2021 Outcome 1 (increase demand) and one aligned with each of Outcome 2 (quality), Outcome 3 (production efficiency) and Outcome 4 (capacity).

Projects evaluated



Each of the six projects was evaluated using a framework approach, looking at project objectives, activities, outputs and impacts. Some of the impacts identified were also valued in monetary terms.

The approach for evaluating the impacts was performed in line with impact assessment guidelines defined by the Council of Rural RDCs. The impact assessment consultants engaged with researchers, Hort Innovation staff and industry stakeholders to support the evaluations.

The results

The results demonstrated that the benefits of R&D investments in the Table Grape Fund were a sound investment for growers, with the benefit-cost ratio of the six sampled projects estimated at **2.98 to one**. Together, the benefits of the six projects are expected to deliver some **\$10.63 million** in additional value to the industry and community over the next 30 years (considering the present value of their benefits, minus the present value of their project costs).

2.98:1
BENEFIT-COST RATIO

**\$10.63
MILLION**
NET PRESENT VALUE

Keeping in mind that while some impacts were valued, other benefits weren't quantifiable – meaning these results give a conservative estimate of the true benefits that will be realised.

Through the assessments, 24 impacts were identified as having been generated directly by the six randomly selected projects. Economic and social impacts were grouped into the following five broad categories. Environmental impacts included reduced chemical use which was achieved through implementation of best practice and Integrated Pest Management.

Economic impacts

Lower costs of production for table grape growers as a result of improved research adoption, exotic pest incursion management and Pest Free Area (PFA) restoration.

Example: *Co-management of the Greater Sunraysia PFA for market access (MT12052)*, resulted in growers saving costs associated with post-harvest Qfly control.

Additional profitable sales for table grape growers with additional export market access.

Example: *Table grape export market access and maintenance (TG11007)* and *Export market access, maintenance, biosecurity and developing export markets for the Australian table grape industry (TG14000)*, resulted in additional profitable sales for table grape growers in China, Japan, South Korea and the Philippines.

Additional domestic table grape sales with improved fruit quality and retail presentation.

Example: *Undertaking industry activity to support the implementation of regulated quality standards (TG09011)*, resulted in an improvement in eastern state table grape consumption as a result of increased grower awareness of the need to supply mature fruit and improved presentation of table grapes through supermarket supply chains.

Social impacts

Increased industry and service provider capacity.

Sampled projects added to the skill sets of growers, extension officers, communication specialists, industry representative body ATGA, Plant Health Australia and export market access negotiators.

Example: *Co-management of the Greater Sunraysia Pest Free Area for market access (MT12052)*, provided table grape growers with new skills in biosecurity applicable to area-wide freedom and on-farm management.

Productivity/profitability benefits having a flow-on effect to support improved community wellbeing in table grape growing areas.

Projects which lowered table grape cost of production or resulted in increased profitable sales of table grapes will generate flow-on income and employment opportunities in table grape growing areas.



For full details of the impact assessments including detailed reports on each project, visit www.horticulture.com.au/mt18009

Reporting against the table grape Strategic Investment Plan 2017-2021

Impact assessment results can also be used to understand the impacts achieved by the SIP outcome area. The results provide an assessment of indicative impacts by project but are not representative of all investments undertaken in each outcome area.

Project Code	Project Name	Present Value of Benefits (\$M)	Present Value of Costs (\$M)	Net Present Value (\$M)	Benefit-Cost Ratio
Strategic Investment Plan Outcome 1: Increase demand for Australian table grapes by strengthening and developing domestic and export market opportunities that will improve industry viability and sustainability.					
TG11007	Table Grape export market access and maintenance	2.40	0.44	1.96	5.47
TG14000	Export market access, maintenance, biosecurity and developing export markets for the Australian table grape industry	2.82	0.70	2.11	4.01
MT12052	Co-management of the Greater Sunraysia Pest Free Area for market access	5.75	2.45	3.30	2.34
Strategic Investment Plan Outcome 2: Demand-building strategies and increased prices for Australian table grapes supported by improvements in product quality.					
TG09011	Undertaking industry activity to support the implementation of regulated quality standards	0.41	0.39	0.03	1.07
Strategic Investment Plan Outcome 3: Production efficiency improved and biosecurity threats mitigated by growers knowledge, skills and tools.					
TG11001	Biosecurity Establishment for the table grape industry	1.53	0.30	1.24	5.19
Strategic Investment Plan Outcome 4: Improved capacity across the industry to implement improvements in supply and quality.					
TG11000	Communicating with the Australian table grape industry	3.10	1.10	2.00	2.81

Glossary of economic terms

The following economic terms have been used in the above table, illustrating the cost-benefit analysis results by project sampled:

- **Present value of benefits:** The discounted value of benefits to 2017/18 terms.
- **Present value of costs:** The discounted value of investment costs to 2017/18 terms.
- **Net present value:** The discounted value of the benefits of an investment, less the discounted value of the costs – that is, present value of benefits minus value of costs.
- **Benefit-cost ratio:** The ratio of the present value of investment benefits to the present value of investment costs.