

What happened in the Dried Grape Fund last year?

Annual Report 2021/22



About Hort Innovation and the Dried Grape Fund

Hort Innovation is the grower-owned, not-for-profit research and development corporation for Australia's horticulture sector. We work closely with industry to invest the dried grape R&D and marketing levies, together with Australian Government contributions, into key initiatives for growers, through the Dried Grape Fund. We're proud of the work we do to help drive productivity, profitability, and demand for dried grape growers and the horticulture sector.

Read on for an overview of what Hort Innovation delivered in the Dried Grape Fund during the year.

We also encourage you to download a copy of the overarching Hort Innovation Annual Report 2021/22 at www.horticulture.com.au/annual-report-portal to see how Hort Innovation worked to benefit the horticulture sector during the year.

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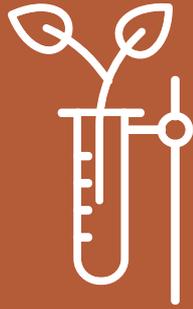
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\$103,644

invested in R&D



\$182,153

in levies collected

by the Government and passed on to Hort Innovation for investment

Industry facts



\$25.3M

In 2020/21, 13,037 tonnes of dried grapes were produced with a total production value of \$25.3 million



36%

Dried grape exports account for 36 per cent (4,702 tonnes) of Australia's production of dried grapes



22%

Dried grape exports have increased from 1,163 tonnes in 2012/13 to 4,702 tonnes in 2020/21, representing an average annual growth rate of 19.1 per cent with a corresponding increase in value of 22 per cent annually

These facts and more can be found in the Australian Horticulture Statistics Handbook, which is delivered by Hort Innovation each year. The handbook is packed with horticulture statistical information and analysis for some 75 categories. See www.horticulture.com.au/horticulture-statistics-handbook.

Consumer insights



2.9 million

2.9 million households purchased sultanas in the last year

These insights were made available through the Harvest to Home platform (www.harvesttohome.net.au) delivered as part of an investment providing regular consumer behaviour data and insight reporting.

Just some of the things delivered for you during the year



Access to consumer insights through multi-industry investments

to understand consumer behaviours, attitudes and purchase intentions – see www.horticulture.com.au/dried-grape



Industry communication and extension programs, delivering *The Vine* magazine, *Dried Fruits Australia* e-newsletters, events, plus content and learning resources for the industry's website www.driedfruitsaustralia.org.au



Maintenance of existing dried grape scion and rootstock trials with a focus on providing dried grape growers with access to superior varieties of dried grape – see hortinn.com/dg19000



Investments in the Hort Frontiers strategic partnership initiative to address longer-term and often complex issues and opportunities critical to the future of Australian horticulture – see www.horticulture.com.au/hort-frontiers*

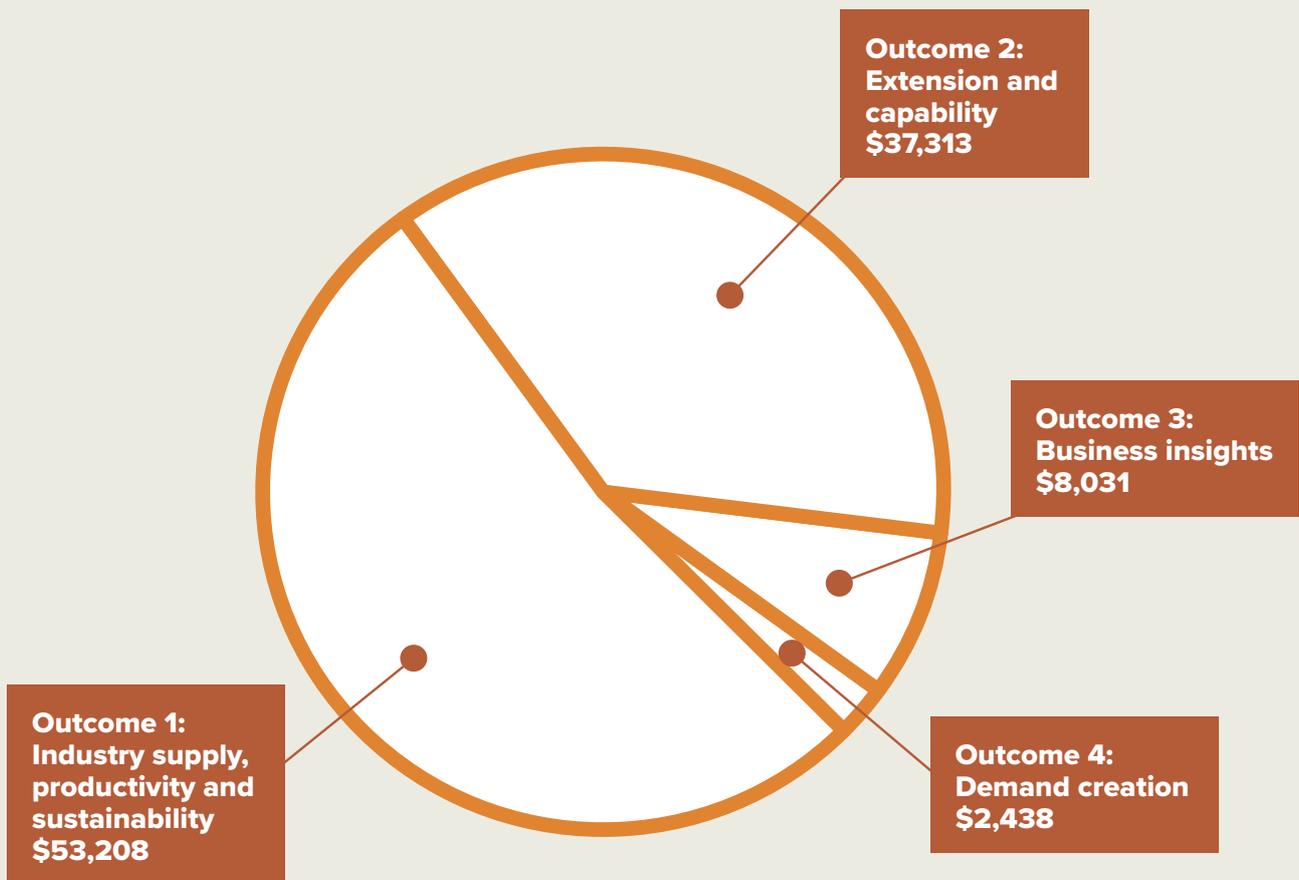


Projects supported by grants secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2021/22 for more details*

You can visit www.horticulture.com.au/dried-grape at any time to access information on new, ongoing and completed projects, and to download resources produced by your levy investments.

*These initiatives were delivered outside of the Hort Innovation Dried Grape Fund and, in most instances, did not involve the industry levy

Here's how your R&D levy was invested over the year



The dried grape Strategic Investment Plan (SIP) guides investments specific to the Hort Innovation Dried Grape Fund. The SIP features priority outcome areas identified and agreed upon by the industry. Hort Innovation works to invest in R&D and marketing initiatives aligned to these.

The above chart shows how project expenditure in the Dried Grape Fund during 2021/22 was aligned to the SIP. We have allocated each project to a SIP outcome based on its primary objective.

Which projects were in each of the SIP outcome areas?

Outcome 1: Industry supply, productivity and sustainability

The Australian dried grape industry has increased production efficiency, sustainability and profitability through innovative R&D, sustainable BMPs, and superior varieties and rootstocks

Project title and code	2021/22 investment	Status	More information
Dried Grape Production Innovation and Adoption Program 2021-2026 (DG21000)	\$50,000	Ongoing	hortinn.com/dg21000
Plant Biosecurity Research Initiative – Phase 2 (HA19007)	\$226	Ongoing	
Improving preparedness of the Australian horticultural sector to the threat potentially posed by <i>Xylella fastidiosa</i> (a severe biosecurity risk) (MT17006)	\$2,982	Ongoing	hortinn.com/mt17006



Outcome 2: Extension and capability

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

Project title and code	2021/22 investment	Status	More information
Dried grape production innovation and adoption program 2018-2021 (DG17001)	\$17,313	Completed	hortinn.com/dg17001
Dried grape industry communications program (DG18001)	\$20,000	Ongoing	hortinn.com/dg18001

Outcome 3: Business insights

The Australian dried grape industry is more profitable through informed decision-making using consumer knowledge and tracking and insights from trade data

Project title and code	2021/22 investment	Status	More information
Horticulture trade data (MT19005)	\$4,076	Ongoing	hortinn.com/mt19005
Consumer demand spaces for horticulture (MT21003)	\$894	Ongoing	hortinn.com/mt21003
Consumer behavioural data program (MT21004)	\$2,113	Ongoing	hortinn.com/mt21004
Pilot program: Consumer usage, attitude and brand tracking (MT21201)	\$213	Completed	hortinn.com/mt21201
Consumer usage and attitude tracking 2022/23 (MT21202)	\$737	Ongoing	hortinn.com/mt21202

Outcome 4: Demand creation

The premium quality of the Australian dried grape industry's products drives the development of existing and future domestic and international markets.

Project title and code	2021/22 investment	Status	More information
Australian horticulture international demand creation (ST21007)	\$2,438	Ongoing	hortinn.com/st21007

Financial operating statement

Dried Grape Fund Financial operating statement 2021/22

	R&D (\$)	Marketing (\$)	Total (\$)
	2021/22 July – June	2021/22 July – June	2021/22 July – June
OPENING BALANCE	(140,334)	242,957	102,623
Levies from growers (net of collection costs)	136,143	46,010	182,153
Australian Government money	136,102	–	136,102
Other income*	43	420	463
TOTAL INCOME	272,289	46,430	318,718
Project funding	103,644	3,444	107,088
Consultation with and advice from growers	364	–	364
Service delivery	18,354	763	19,117
TOTAL EXPENDITURE	122,362	4,207	126,568
CLOSING BALANCE	142	279,015	279,157
Levy collection costs	9,451	6,164	15,616

* Interest, royalties

Levy collection costs – These are the costs associated with the collection of levies from industry charged by Levy Revenue Services (LRS)

Service delivery – Also known as Corporate Cost Recovery (CCR), this is the total cost of managing the investment portfolio charged by Hort Innovation

Making sure that levy investment decisions align with industry priorities

What will be the Dried Grape Fund's focus over the next five years?



Hort Innovation developed the dried grape Strategic Investment Plan (SIP) in 2021 to reflect current priorities for the dried grape industry, involving extensive consultation with dried grape growers and industry stakeholders, including Dried Fruits Australia. The SIP is the roadmap that helps guide Hort Innovation's oversight and management of individual levy industry investment programs.

The dried grape SIP lays the foundation for decision-making in levy investments and represents the balanced interests of the dried grape industry. The most important function of the SIP is to make sure that levy investment decisions align with industry priorities.

The dried grape SIP identifies four outcome areas that will contribute to the productivity and profitability of the sector. They are:

- Industry supply, productivity and sustainability
- Demand creation
- Extension and capability
- Business insights.

What projects will the Fund be investing in next year?

The dried grape Annual Investment Plan (AIP) 2022/23 details how Hort Innovation spends levy funds over 12 months. The dried grape industry SIP guides investment decisions, and our consultation process prioritises investments based on potential impact and levy fund availability.

Hort Innovation publishes Annual Investment Plans each year over the lifespan of the SIP and advises industry stakeholders via various communication channels.

Hort Innovation will continue to report on fund performance regularly, focusing on outcomes and the impact of investments.



Visit www.horticulture.com.au/dried-grape-fund-management to view both documents and better understand how Hort Innovation invests your levy.

Consumer demand project provides insights for dried grape growers

In 2021/22, the Hort Innovation Dried Grape Fund invested in a multi-industry project to identify and prioritise opportunities to engage consumers and build demand across the domestic market for fruits, nuts and vegetables.

Consumer demand spaces for horticulture (MT21003) will deliver a framework that can be used by industry to inform their decision-making around product development and marketing campaigns. The project team will compare the current 'state of play' against identified opportunities and prioritise based on potential impact.

The framework will be informed by research into:

- Current market landscape and competitive dynamics
- Consumer segmentation
- Consumer occasion-based needs
- 'White space' opportunities where consumer needs are currently unmet.



Here's a quick look at some early insights for dried grape growers:

- Australians are likely to eat dried fruit for snacks or at breakfast
- The key moment when Australians eat dried fruit is while relaxing/taking a break or working/studying or doing housework
- Australians are most likely to use dried fruit as part of a snack or fresh on its own.

Find out more at hortinn.com/mt21003

* Please note that the data includes dried grapes in the dried fruit category

How strategic levy investments are made in the Dried Grape Fund

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The dried grape R&D and marketing levies were invested this way during the year, guided by the dried grape Strategic Investment Plan 2022-2026 and advice from the industry’s investment advisory panel.



* Encapsulating extension and international trade

To learn more about funding specific to the Hort Innovation Dried Grape Fund, visit www.horticulture.com.au/dried-grape. During the year, other sources of funding were also used to support activities for the benefit of Australian horticulture, including grant funding secured by Hort Innovation, co-investment dollars brokered through our Hort Frontiers initiative and centralised strategic levy reserve.

Hort Innovation

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