

# Dried tree fruit

## Strategic Investment Plan

2022-2026



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# EXECUTIVE SUMMARY

The overarching strategic intent of this Strategic Investment Plan (SIP) is to build capability to innovate, use best management practices (BMPs), use robust industry biosecurity systems, manage tree health and longevity, and maintain international competitiveness through quality, efficiency and productivity.

The dried tree fruit SIP 2022-2026 provides a roadmap to guide Hort Innovation's investment of dried tree fruit industry levies and Australian Government contributions, ensuring investment decisions are aligned with industry priorities.

The Australian dried tree fruit industry situation in 2019/20 is described on **page 4** with further information provided in **Appendix 1**. The Australian dried tree fruit industry is considered very small with approximately 60 growers. Production in was 440 tonnes in 2019/20 for dried apricots, peaches, nectarines and pears.

The strategic intent of the dried tree fruit SIP provides a summary of how the dried tree fruit industry will drive change over the life of the SIP, which will ultimately come about by growers having access to the tools required to increase their productivity and meet the demands of consumers both domestically and internationally.

The financial estimates give an indicative overview of the funding availability for the period of FY2022-FY2026. Currently dried tree fruit research and development (R&D)

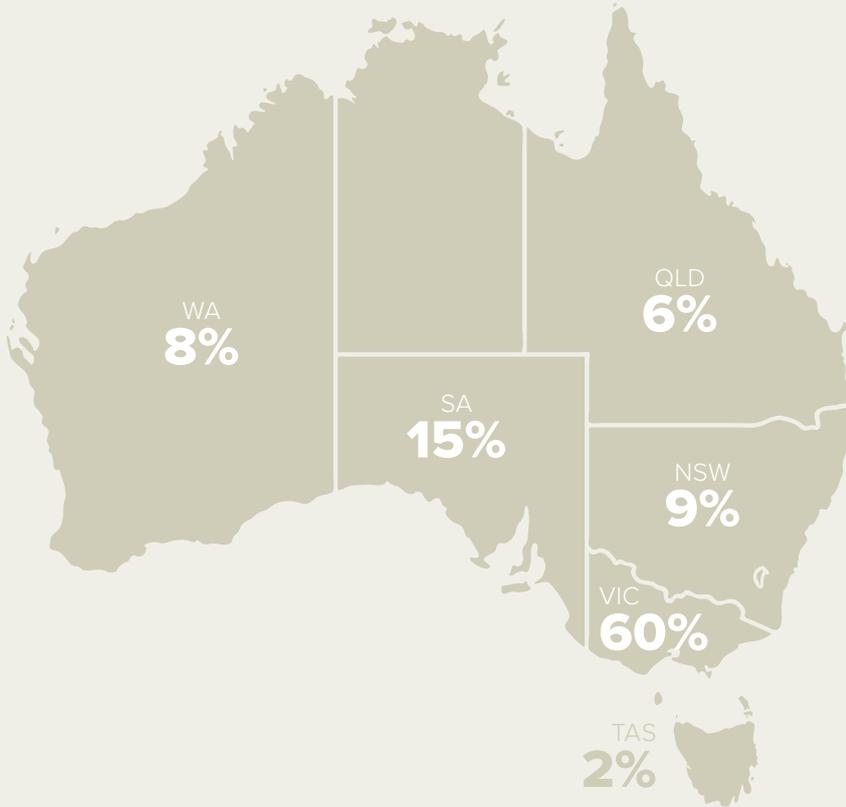
fund is invested with very low closing balance each year, and very limited opportunity for future investments over the next five years.

The four outcome areas of this SIP cover significant themes under which programs and investments will be focused. These are listed in priority order for the dried tree fruit industry. Industry supply, productivity and sustainability continue to be a high priority as they continue to focus on fruit growing systems and innovation, and improved access to better varieties. Extension and capability priorities are focused on improving knowledge, attitude and skills of growers and industry. Demand creation will support the industry to develop domestic consumer demand and inform consumers of the health and nutritional benefits of Australian dried tree fruit.

The key performance indicators (KPIs) detail how the impact of each strategy will be measured, for example, maintaining and improving access to dried tree fruit varieties by providing knowledge on the performance of these varieties under Australian conditions.



PRODUCTION REGIONS:



EXPORT/DOMESTIC:



**100%**

of production supplied domestically

GROSS VALUE OF PRODUCTION:



**\$0.5 million**

in 2019/20

PRODUCTION WINDOW:



**Oct-Jun**

NUMBER OF GROWERS:



**60**

PRODUCTION VOLUMES:



**440 tonnes**

of dried tree fruit  
in 2019/20

VARIETIES:



**Apricots 56%**

Nectarines and peaches  
**2%**

**Pears 32%**

# THE DRIED TREE FRUIT STRATEGIC INVESTMENT PLAN

The dried tree fruit SIP is the roadmap that will guide Hort Innovation's oversight and management of the dried tree fruit industry's investment programs. It lays the foundation for decision-making in investments and represents the balanced interest of the whole industry. The important function of this SIP is to ensure that the investment decisions align with dried tree fruit industry priorities.

Hort Innovation has led the process for preparing the refresh of the dried tree fruit SIP, listening and engaging with levy payers and key stakeholders, including Industry Representative Bodies (IRBs), and expertise available through advisory mechanisms and delivery partners. The refresh process involved consultation with and input from a wide range of levy payers, objective analysis of performance and learning from the previous SIP, as well as environmental scanning to identify emergent trends and issues that could impact on industry profitability and sustainability.

Hort Innovation has valued the support, advice, time, and commitment of all stakeholders that contributed to producing this SIP, especially dried tree fruit growers.

The whole-of-company approach taken by Hort Innovation to produce this SIP has harnessed existing external and internal knowledge, learning, partnerships and relationships. The output is a tailored plan with which the dried tree fruit industry can be confident of its strategic intent, including visibility on how investment impacts will be identified. Specific investments to address the SIP strategies and align with industry strategic priorities will be outlined in detail via the dried tree fruit Annual Investment Plan (AIP). The AIP will be published each year over the lifespan of the SIP and detail the investments that will be prioritised based on potential industry impact, as well as the availability of levy funds. Hort Innovation will advise industry stakeholders when the AIP has been published via established communication channels each year. The AIP will be developed with input from the dried tree fruit Strategic Investment Advisory Panel (SIAP), IRBs and other key stakeholders.

Producers in the dried tree fruit industry pay levies to the Department of Agriculture, Water and the Environment, which is responsible for the collection, administration and disbursement of levies and charges on behalf of Australian agricultural industries. Agricultural levies and charges are imposed on primary producers by government at the request of industry to collectively fund R&D, biosecurity and residue testing programs.

Levy is payable on dried tree fruit that is produced in Australia and either sold by the producer or used by the producer in the production of other goods. The R&D levy rate on dried tree fruit is set at \$32 per tonne.

Hort Innovation has developed this SIP for the dried tree fruit industry to strategically invest the collected dried tree fruit levy funds into the priority areas identified and agreed by the dried tree fruit industry.

This SIP represents the Australian dried tree fruit industry's collective view of its R&D needs over the next five years (2021-2026). Learning, achievements and analysis of the previous SIP, consultation with Australian dried tree fruit levy payers, and synthesis of various strategic documents have been incorporated into the development of this SIP.

**Appendix 3** acknowledges the people who were consulted in the preparation and validation of this SIP. Statistics and data within this publication are sourced from the Australian Horticulture Statistic Handbook 2019/20 and other documents unless stated otherwise and are listed in **Appendix 4**. A list of acronyms used within the document is available in **Appendix 5**.

## Financial estimates

The annual revenue from levy income and Australian Government contributions for eligible R&D set the overall budget parameters for the dried tree fruit SIP. Importantly, a portion of these funds is already committed, as the industry has current multi-year projects for R&D activities. In addition, the levy income from year to year will vary due to changes in seasonal and market conditions.

The financial estimates used for the purpose of developing this SIP are presented in **Table 1** below and are indicative. The intention of the table is to offer a strategic overview of the industry fund at a specific point in time, and the figures will be regularly reviewed to reflect the latest information for the industry and any changes in investment priority. Further details will be available within the AIP each year.

**TABLE 1. Indicative financial estimates for the dried tree fruit SIP over the life of the SIP**

	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$
<b>R&amp;D</b>					
<b>Balance end FY2021</b>	<b>30,500</b>				
Estimated levy funds (growers)	4,000	4,000	4,000	4,000	4,000
Australian Government contribution	15,997	15,779	19,697	10,121	10,121
Current investments	14,700	14,500	10,100	1,300	1,300
New investments	–	–	8,000	8,000	8,000
Total project investments	14,700	14,500	18,100	9,300	9,300
CCR	2,594	2,559	3,194	1,641	1,641
<b>Projected end balance</b>	<b>34,900</b>	<b>25,100</b>	<b>11,100</b>	<b>7,600</b>	<b>3,900</b>

*Disclaimer: All figures are indicative only and may change depending on actual income and expenditure.*

**Balance end FY2021** – The closing balance of the fund as at 30 June 2021

**Estimated levy funds** – Net levy income/revenue that is generated and collected by levy revenue services (LRS)

**Australian Government contribution** – Amount of contribution from the Australian Government on R&D levy-funded expenditure

**Current investments** – Current estimated value of contracted projects

**New investments** – The estimated dollar value that is available for potential new investments for industry subject to industry advice

**CCR** – Corporate cost recovery: the cost to implement and manage R&D and marketing investment programs for each industry

**Projected end balance** – Forecast of the anticipated final position of the fund

“The important function of this SIP is to ensure that the investment decisions align with dried tree fruit industry priorities.”



# DRIED TREE FRUIT INDUSTRY OUTCOMES



The overarching strategic intent of this SIP is to build capability to innovate, use BMPs, use robust industry biosecurity systems, manage tree health and longevity, and maintain international competitiveness through quality, efficiency and productivity.

## Industry outcomes

Outcome statements as identified and prioritised by the dried tree fruit industry have been prepared under four key outcome areas: demand creation; industry supply, productivity and sustainability; extension and capability; and business insights.

### **OUTCOME 1: Demand creation**

Contribute to improving consumer knowledge, attitudes, and purchase intent to drive volume growth.

**Demand creation will support the industry to develop existing and future domestic markets. This will contribute to improved consumer knowledge and attitudes, in addition to encouraging purchase intent to drive category volume growth.**

The strategic intent of this outcome is to strengthen consumer demand, for sustainable expansion of production and consumption in domestic markets. This will contribute to improved consumer knowledge and attitudes, in addition to encouraging purchase intent to drive category volume growth. It means the industry is investing to:

- Increase domestic consumer demand for fresh, quality Australian dried tree fruit through improved knowledge, attitudes and purchase intent
- Inform consumers about the positive and distinctive health and nutritional attributes of Australian dried tree fruit
- Develop trade with existing export markets.



**OUTCOME 2: Extension and capability**

Build capability and innovative culture.

**Building capability and an innovative culture will support industry cohesion and increase the relevant investment outputs across the supply and demand initiatives to better manage risk and create positive change.**

The strategic intent of this outcome is to manage the knowledge, relationships, systems and processes required to communicate effectively with internal and external stakeholders. Achieving the outcome will involve:

- A change/progression in awareness, knowledge and attitudes for grower profitability and sustainability which support the adoption of best practice and innovations
- Maintaining and improving industry cohesiveness, with most businesses and stakeholders along the industry supply chain actively engaged in implementation of this strategy
- Growers, supply chain, media and governments being well informed on industry initiatives and achievements as a vital part of regional communities and networks
- Improving networks and cross-industry collaboration to increase use of R&D outputs and build a stronger, more resilient industry
- Assist industry in the communication of industry BMPs and outputs from research, development and extension (RD&E) projects that builds the knowledge and skills of growers and their advisers.

**OUTCOME 3: Business insights**

Measure industry supply (production) and demand (consumer behaviour) data and insights to inform decision-making.

**Business insights will support the industry to remain aware of market and industry trends to drive informed decision-making.**

The strategic intent of this outcome is to deliver data and insights which is foundational to achieving success in the other three outcome areas.

Achieving the outcome will involve reliable baseline data and analysis to provide insights and understand current and emerging trends. Key investments will support the provision of consumer knowledge and tracking and independent reviews to enable better decision-making process at industry level and individual businesses.

These investments underpin and are complementary to the delivery of the other outcome areas.

**OUTCOME 4: Industry supply, productivity and sustainability**

Improve industry productivity (inputs/outputs) to maintain local competitiveness and viability of supply.

**Supply and productivity will be supported through improvements to production efficiencies which will drive profitability outcomes, while ensuring long-term sustainability outcomes.**

The strategic intent of this outcome is to accelerate the application of production practices that optimise returns and reduce risk to growers. Achieving the outcome will involve:

- Maintaining and improving access to dried tree fruit cultivars that meet market needs and offer superior performance with yield
- Innovation in dried tree fruit growing systems for sustainable production
- Enhancing crop pollination and resilience through improved pollination security
- Enhancing industry biosecurity preparedness and promoting biosecurity awareness
- Proactively monitoring potential crop protection regulatory threats and having access to a broader suite of effective, socially acceptable and environmentally sound crop protection solutions.

# DRIED TREE FRUIT INDUSTRY STRATEGIES



## Strategies to address industry investment priorities

The strategies and identified impacts for each of the key outcome areas are described in the tables below. The highest priority investments lay the foundation for the SIP, and its implementation will require a balanced approach to ensure the industry has a high likelihood of success over the short term (0-3 years), medium term (3-5 years) and long term (5-10 years).

The ability to deliver on these strategies (and subsequent investments) will be determined by the ability of the statutory levy to provide the resources to do so. Further resources and efficiencies may potentially become available through alternative funding sources by way of Hort Frontiers strategic partnership initiative, external grants and/or cross industry initiatives.

### OUTCOME 1: Demand creation

Demand creation supports the Australian dried tree fruit industry to expand into existing and future domestic markets.

STRATEGIES	POTENTIAL BENEFIT OR IMPACT
1. Increase domestic consumer demand for quality Australian dried tree fruit through knowledge, attitudes and purchase intent	<ul style="list-style-type: none"> <li>Increased consumer demand for Australian-produced dried tree fruit</li> <li>Increased awareness of health benefits of Australian dried tree fruit</li> </ul>
2. Develop trade with new and established export markets	<ul style="list-style-type: none"> <li>Maintained and/or improved market access</li> </ul>

### OUTCOME 2: Extension and capability

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

STRATEGIES	POTENTIAL BENEFIT OR IMPACT
1. Deliver extension capability with similar industries to create positive change in the areas of innovative growing systems and access to high-performing cultivars	<ul style="list-style-type: none"> <li>A change/progression in awareness, knowledge and attitudes for grower profitability and sustainability which support the adoption of best practice and innovations</li> </ul>
2. Provide the opportunity for engagement within the dried tree fruit industry with other industries and stakeholders to innovate through trusted relationships, and address shared themes such as food safety	<ul style="list-style-type: none"> <li>Improved networks and cross-industry collaboration to increase efficiencies and the use of R&amp;D outputs to build a stronger, more resilient industry</li> </ul>

### OUTCOME 3: Business insights

The Australian dried tree fruit industry is more profitable through informed decision-making using consumer knowledge and tracking.

STRATEGIES	POTENTIAL BENEFIT OR IMPACT
1. Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*	<ul style="list-style-type: none"> <li>Provision of business insights to deliver against demand, supply and extension outcomes</li> </ul>

**OUTCOME 4: Industry supply, productivity and sustainability**

The Australian dried tree fruit industry has increased profitability, efficiency and sustainability through innovative R&D, sustainable BMPs and varieties.

STRATEGIES	POTENTIAL BENEFIT OR IMPACT
1. Maintain and improve access to dried tree fruit cultivars that meet market needs and offer superior performance with yield	<ul style="list-style-type: none"> <li>Increased productivity and or/profitability for Australian dried tree fruit growers</li> </ul>
2. Innovate dried tree fruit growing systems for sustainable production	<ul style="list-style-type: none"> <li>Improved grower access to new innovations</li> </ul>
3. Enhance crop pollination and resilience through improved pollination security	<ul style="list-style-type: none"> <li>Pollination security by improving productivity of honey bees as pollinators</li> </ul>
4. Improve industry preparedness and resilience to biosecurity threats	<ul style="list-style-type: none"> <li>Reduced crop loss through faster responses to plant pests and improved on-farm biosecurity measures</li> </ul>
5. Prioritise the major crop protection gaps through a Strategic Agrichemical Review Process (SARP)*	<ul style="list-style-type: none"> <li>Available registered or permitted pesticides are evaluated for overall suitability against major disease, insect pests and weed threats. The SARP aims to identify potential future solutions where tools are unavailable or unsuitable</li> </ul>
6. Support and co-ordinate crop protection regulatory activities with the potential to impact plant protection product access, both in Australia and internationally*	<ul style="list-style-type: none"> <li>Regulatory Risk Assessments have informed proactive strategic priority setting to avoid pest management gaps in the event access or use is negatively impacted</li> </ul>
7. Generate residue, efficacy and crop safety data to support applications to the Australian Pesticides and Veterinary Medicines Authority (APVMA) that seeks to gain, maintain or broaden access to priority uses for label registrations and/or minor use permits for crop protection needs*	<ul style="list-style-type: none"> <li>Crop protection solutions meet industry priority needs as identified in the industry SARP or biosecurity plan</li> </ul>

\* Foundational investments provide data and information that underpin the delivery of other SIP outcome areas and will be aligned to this strategy. Foundational investment areas include:

- Consumer behavioural data
- Consumer usage and attitudes, and brand health tracking data
- Impact assessments
- Trade data
- Crop protectant data.





# DRIED TREE FRUIT SIP MONITORING AND EVALUATION

The dried tree fruit SIP Monitoring and Evaluation (M&E) Framework development has been informed by Hort Innovation’s Organisational Evaluation Framework.

Progress against the SIP will be reported in Hort Innovation publications and through industry communication channels. The SIP outcomes and strategies are used to inform KPIs that in turn drive the investments and individual projects to deliver on the SIP. Projects responsible for delivering the strategy aligned with each KPI will collect the data.

An M&E and reporting framework is shown below. The framework shows what will be measured to demonstrate progress against the plan and how metrics will be tracked. Reporting on KPIs will be processed through various formal channels to inform industry and government investors of progress, performance, and impact. Data sources to support M&E will be identified and collected as part of the requirements for each levy investment.

Hort Innovation will facilitate the regular review of the SIP to ensure it remains relevant to industry.

## Dried tree fruit SIP Monitoring and Evaluation Framework

The dried tree fruit SIP M&E Framework is shown below. It includes KPIs and data collection methods both at a macro/industry (trend) level and at more specific SIP strategic level/s.

OUTCOME	STRATEGIES	KPIs
<b>Demand creation</b>		
<b>Outcome 1:</b> Demand creation supports the Australian dried tree fruit industry to expand into existing and future domestic markets.	1. Increase domestic consumer demand for quality Australian dried tree fruit through knowledge, attitudes and purchase intent	<ul style="list-style-type: none"> <li>• Positive influence on consumer preference</li> <li>• Use of nutritional information to support consumer demand</li> </ul>
<b>Extension and capacity building</b>		
<b>Outcome 2:</b> Improved capability and an innovative culture in the Australian dried tree fruit industry maximises investments in productivity and demand.	1. Deliver extension capability with similar industries to create positive change in the areas of innovative growing systems and access to high-performing cultivars for the dried tree fruit industry	<ul style="list-style-type: none"> <li>• Establishment of a baseline and then increased share of the industry with positive change in KASA, and practice and implementation concerning targeted high priority areas</li> </ul>
	2. Provide the opportunity for engagement within the dried tree fruit industry with other industries and stakeholders to innovate through trusted relationships	<ul style="list-style-type: none"> <li>• Grower satisfaction with growth in cooperation within industry and across industries leading to business and industry innovations (e.g., survey data)</li> </ul>

OUTCOME	STRATEGIES	KPIs
<b>Business insights</b>		
<p><b>Outcome 3:</b> The Australian dried tree fruit industry is more profitable through informed decision-making using consumer knowledge and tracking.</p>	<p>1. Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*</p>	<ul style="list-style-type: none"> <li>• Delivery of consumer insights strategy</li> <li>• Evidence that consumer insights inform strategic market engagement</li> <li>• New consumer knowledge available for growers</li> </ul>
<b>Industry supply, productivity and sustainability</b>		
<p><b>Outcome 4:</b> Australian dried tree fruit industry has increased profitability, efficiency and sustainability through innovative R&amp;D, sustainable BMPs and varieties.</p>	<p>1. Maintain and improve access to dried tree fruit cultivars that meet market needs and offer superior performance with yield</p>	<ul style="list-style-type: none"> <li>• New knowledge on performance under Australian conditions</li> </ul>
	<p>2. Innovate dried tree fruit growing systems for sustainable production</p>	<ul style="list-style-type: none"> <li>• Feasibility established and recognition of new growing systems</li> </ul>
	<p>3. Enhance crop pollination and resilience through improved pollination security</p>	<ul style="list-style-type: none"> <li>• Evidence of sustainable honey bee health through surveillance data</li> </ul>
	<p>4. Improve industry preparedness and resilience to biosecurity threats</p>	<ul style="list-style-type: none"> <li>• Maintenance/tracking of the implementation of an industry biosecurity plan</li> </ul>
	<p>5. Prioritise the major crop protection gaps through a SARP*</p>	<ul style="list-style-type: none"> <li>• Coordinated industry priority setting with a clear outlook of gaps and risks in existing pest control options</li> <li>• Industry priority needs published and shared with stakeholders, including registrants</li> </ul>
	<p>6. Support and co-ordinate crop protection regulatory activities with the potential to impact plant protection product access, both in Australia and internationally*</p>	<ul style="list-style-type: none"> <li>• Regulatory Risk Assessments maintained</li> </ul>
	<p>7. Generate residue, efficacy and crop safety data to support applications to the APVMA that seeks to gain, maintain or broaden access to priority uses for label registrations and/or minor use permits for crop protection needs*</p>	<ul style="list-style-type: none"> <li>• Data to support applications to the APVMA and the establishment of Maximum Residue Limits (MRLs)</li> </ul>

\* Foundational investments provide data and information that underpin the delivery of other SIP outcome areas and will be aligned to this strategy. Foundational investment areas include:

- Consumer behavioural data
- Consumer usage and attitudes, and brand health tracking data
- Impact assessments
- Trade data
- Crop protectant data.

## Reporting framework

Hort Innovation will use dynamic reporting aligned to the Organisational Evaluation Framework to report regularly on progress and performance. Reporting will be processed through formal channels to inform industry and government investors.

A review of investment performance against the respective industry outcome and/or strategy-level KPIs for the dried tree fruit SIP will be completed annually as the primary reporting mechanism. The SIP performance report will provide:

- Evidence of progress towards achieving the industry-specific outcomes and strategies through an assessment of the KPIs identified in the SIP
- Evidence of progress towards cross-industry investment strategies and outcomes. It will involve Hort Innovation's whole-of-horticulture reporting obligations and corporate plan and involve annual reports and Hort Innovation's Annual Operating Plan.

SIP performance reports will also inform the Australian Government of progress towards achieving government priorities. In particular, reporting will support Hort Innovation to meet the Performance Principles and requirements contained in the [Deed of Agreement 2020-2030](#).

“*The dried tree fruit SIP is the roadmap that will guide Hort Innovation's oversight and management of the dried tree fruit industry's investment programs.*”





# COLLABORATION AND CROSS-INDUSTRY INVESTMENT

Based on advice from industry throughout the engagement process, Hort Innovation understands that Australian horticulture industries have common issues, and in turn have identified prospective areas for collaboration and cross-industry or regional investment.

These opportunities have been included as strategies across multiple industry SIPs where relevant and required. By delivering targeted multi-industry collaboration in DR&E, marketing and international trade, Hort Innovation aims to support more effective and efficient outcomes for growers and the wider horticulture sector. Where cross-sectoral priorities are identified Hort Innovation will seek to work with other Research and Development Corporations (RDCs) and cross-RDC initiatives such as the Plant Biosecurity Research Initiative. This includes driving investment through the Hort Frontiers strategic partnership initiative. Importantly, while this approach acknowledges there is value in solving issues across industries and regions, it does not reduce the importance of industry-specific initiatives.

Cross-industry areas of collaboration for demand-driving outcomes provide the opportunity to advance the prosperity of the sector through gaining efficiencies in the delivery of the program and contributing to stronger overall outcomes. By collaborating as one sector to win the hearts and minds of the consumers, in addition to individual demand driving programs, there is the potential to enhance the total category value proposition, contributing to driving returns for Australian growers.

Areas of consideration for collaboration across the lifespan of the dried tree fruit SIP 2022-2026 include:

- All-of-horticulture consumer marketing campaigns designed to drive awareness, consideration, and purchase behaviour change
- Communications to bring horticulture to top of mind (saliency) and reposition the benefits they provide to Australian and international consumers

- Retail partnerships to advance total category and shopper demand-driving programs
- A global brand platform to reinforce the unique selling proposition of Australian-grown horticultural produce and drive preference with international consumers.

## Strategic science and research focus

Collaboration across the agriculture research community is essential, including with IRBs and organisations such as the CSIRO, universities, private enterprise and state government agencies. Hort Innovation is a member of the National Horticulture Research Network (NHRN) together with other senior horticultural R&D representatives from state and Australian Government agricultural agencies. The NHRN is responsible for the development and implementation of the broader Horticulture RD&E Strategy under the National Primary Industries RD&E Framework.

During the engagement process, key delivery partners were contacted including lead agencies within the NHRN Framework as well as specific delivery partners for each industry. The lead agency involved with the dried tree fruit industry investment program, South Australian Research and Development Institute (SARDI), was engaged during the development of this SIP to ensure consideration and strategic alignment of priorities for the dried tree fruit industry. In addition, strategic priorities and opportunities identified by the dried tree fruit industry have been considered in the development of the dried tree fruit SIP where applicable.

**TABLE 2. Government and key agency priorities**

Dried Tree Fruit industry priorities	SARDI priorities	Rural RD&E for Profit priorities	Australian Government Science and Research priorities
Promotion of new dried tree fruit varieties	New varieties and rootstocks	Advanced technology	Food
Training	Adoption of BMP production systems	Biosecurity	Soil and water
Sustainable management practices	Mechanisation of harvesting and processing	Soil, water and managing natural resources	Advanced manufacturing
Mechanisation and trellis drying		Adoption of R&D	Environmental change
Peer-to-peer learning			Health

This SIP has been developed alongside the government and key agency priorities listed in **Table 2**, with consideration of issues faced by the dried tree fruit industry. These strategic areas further emphasise the opportunity and importance of cross-industry and regional collaboration. All the priority areas are of importance to Australian horticulture, and these will play a role in driving the efficiency and effectiveness of investment across the sector.

## Annual investment planning

Specific investments to address the SIP strategies and align with industry strategic priorities will be outlined in detail each year via the dried tree fruit AIP. Investment decisions are guided by the SIP and prioritised based on potential industry impact, as well as the availability of levy funds each year. The AIP will be developed with input from the dried tree fruit SIAP, which is made up of growers and other industry representatives as well as IRBs and other key stakeholders. Wherever possible, investments will be aligned to form multi-industry projects to increase the efficiency of funding availability. Details of the SIAP can be found on the Hort Innovation website [here](#), and the AIP will be published on the same page each year.

## Investment opportunities through Hort Frontiers

Innovation is key to the future success of Australian horticulture. The next evolution of the long-range, higher risk and transformational R&D that has the potential to make a significant impact will be possible through Hort Innovation's Hort Frontiers strategic partnership initiative.

Hort Frontiers is a strategic partnership initiative that facilitates collaborative, cross-industry investments focused on the longer term and more complex themes identified as critical for Australian horticulture by 2030. The partnership framework is currently being established and will include a number of key investment themes for potential investment to guide the initiative and drive transformational R&D across horticulture. Key investment themes will include:

- Environmental sustainability (water, soil and climate)
- Pollination
- Green cities
- Biosecurity
- Health, nutrition and food safety
- Advanced production systems
- International markets
- Leadership
- Novel food and alternate uses (waste reduction).

The development of these areas for investment will benefit all of horticulture, with support from partners with aligned priorities to co-invest in deliverables identified that require alternative funds available outside the levy. Hort Frontiers is being developed to align with the Australian-grown Horticulture Sustainability Framework and to invest in specific impact areas to drive innovation and sustainability initiatives.

The dried tree fruit industry views a number of these investment areas as opportunities for success into the future, including:

- Environmental sustainability (water, soil and climate)
- Advanced production systems
- Leadership.

Partnering with Hort Frontiers on these areas would provide the dried tree fruit industry with opportunities for access to world-class research, specialised project management teams and large-scale R&D.

### Australian-grown Horticulture Sustainability Framework

Hort Innovation has developed the Australian-grown Horticulture Sustainability Framework, aiming to strengthen the horticulture industry’s sustainability to meet the changing expectations and needs of growers, consumers, the community, investors and governments. The framework applies across the whole of Australian horticulture, including fruits, vegetables, nuts, nursery stock and turf. Through widespread consultation with industry and external groups, proposed sustainability goals and indicators were identified and are detailed within the framework. The framework is aligned to the UN Sustainable Development Goals.

Four key pillars were identified in the framework (*Figure 1*).



The framework should be cross-referenced when undertaking prioritisation of investments. At the time of publication, Hort Innovation is working with industry groups regarding the overall responsibility for the framework, setting and reporting progress against the framework targets and performance measures.

View the Australian-grown Horticulture Sustainability Framework on the Hort Innovation website [here](#).

**Table 3** provides an example of a dried tree fruit SIP strategy that illustrates how the industry is already aligning to the framework.

**TABLE 2. A dried tree fruit SIP strategy example showing how the industry is already aligning to the Australian-grown Horticulture Sustainability Framework**

STRATEGY	IMPACT	SUSTAINABILITY GOAL
Enhance crop pollination and resilience though improved pollination security	<ul style="list-style-type: none"> <li>• Pollination security by improving productivity of honey bees as pollinators</li> </ul>	Planet & Resources



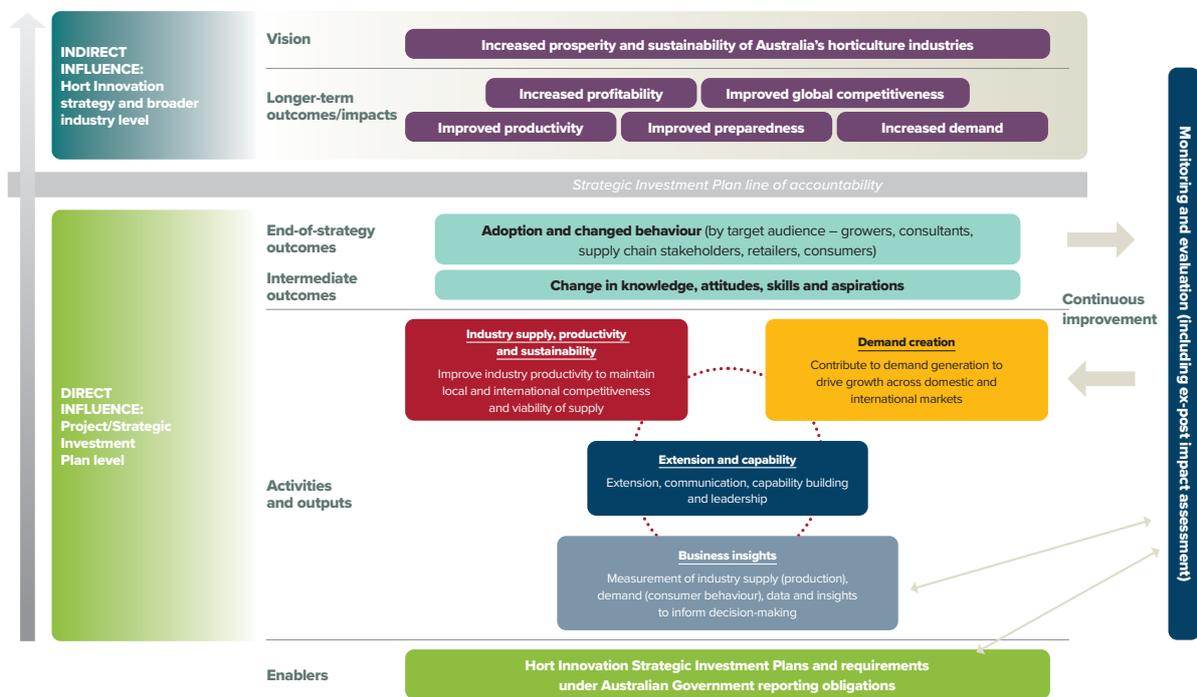
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## Strategic Investment Plan logic

The SIP logic (**Figure 2**) identifies how investment activities and outputs (delivered through each SIP outcome area) will support changes in industry KASA, which drive adoption and behaviour change. Beyond the SIP, investment will contribute to driving longer-term impacts for the sector like increased preparedness, demand, productivity, global competitiveness and profitability. Realising these impacts will support Hort Innovation’s vision of increased prosperity and sustainability of Australia’s horticulture industries.

**FIGURE 2.** Strategic Investment Plan logic



## Aligning to Hort Innovation investment priorities

Hort Innovation is committed to sustainable growth in horticulture, with the overarching aim of increasing the sector’s value to \$20 billion by 2030. We will do this through implementing the SIP and investments against the three core pillars, committed to:

1. Drive knowledge and innovation into horticulture industries
2. Deliver the highest value R&D, marketing and international trade investments across industries now and into the future
3. Enable activities that drive all strategic imperatives.

Hort Innovation is governed by a Deed of Agreement with the Australian Government, which allows for the transfer and

investment of levies and Australian Government contributions. As an RDC, Hort Innovation is able to leverage industry levy investments in RD&E with Government funds up to a value of 0.5% of the industry’s gross value of production. All investments made by Hort Innovation are thoroughly considered to ensure they contribute to the guiding performance principles:

- Productivity
- Profitability
- Preparedness for future opportunities and challenges
- Competitiveness
- Demand: demonstrates how productivity, preparedness and demand lead to profitability and competitiveness and sustainability.



# APPENDICES

## APPENDIX 1: Industry context

### Dried tree fruit supply chain

There are approximately 60 dried tree fruit growers in Australia, with the bulk of production in Victoria (60%). Other major production states are South Australia (15%), New South Wales (9%), Western Australia (8%) and Queensland (6%).

### Dried tree fruit production

Dried tree fruit production figures for 2019/20 are presented in **Table 4**.

**TABLE 4.** Dried tree fruit production figures, 2019/20

CATEGORY	VOLUME (tonnes)	VALUE (\$m)
Apricots	829	\$0.4
Nectarines	54	<\$0.1
Peaches	120	<\$0.1
Pears	465	\$0.1
Total production	1,468	\$0.5
Dried equivalent	440	\$0.5

**Source:** Australian Horticulture Statistics Handbook (2019/20)



## APPENDIX 2: Dried tree fruit industry situation analysis

At the time refreshing the SIP in 2021, the global coronavirus (COVID-19) pandemic continues to affect horticulture industries to varying degrees. Although the outcome and ultimate impact of the pandemic are unknown, areas of investment across horticulture that may be influenced over the period of this SIP include export and trade relationships, domestic and international demand, logistics and supply chain, labour supply – all having potential impacts on grower profitability.

Environmental, economic and social sustainability are vitally important to Australian horticultural growers and industries. Customers, consumers, and investors also seek information about the sustainability and ethics of how their food is produced. Sustainability is particularly crucial as topics such as climate variability, health and ethics continue to shape the social, environmental, and political landscape for agricultural industries. The impact of these issues may have influence on a whole range of investment areas for horticulture from production practices and land management, demand and reputation of products, quality expectations and cultural/community engagement.

### Strengths, weaknesses, opportunities and threats

**Table 5** has been used to analyse the dried tree fruit industry's strengths, weaknesses, opportunities, and threats (SWOT). The SWOT tool assists the industry to build on what works, observe what is lacking, minimise risks, and take the greatest possible advantage of chances for success.

**TABLE 5. Dried tree fruit SWOT analysis**

The dried tree fruit industry	
<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Low disease status of the Australian industry</li> <li>• Nutritional benefits</li> <li>• Ease of storage</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• Low grower confidence due to droughts and variable prices</li> <li>• High costs of production (including energy prices, compliance costs, wages, fertiliser)</li> <li>• Supermarket dominance reducing opportunities to increase price</li> <li>• Imports, sometimes at lower cost than Australian product</li> <li>• Difficult to attract new entrants to the industry</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• Access to new varieties of apricot that have improved production performance for growers, improving grower cost structures, returns and industry sustainability</li> <li>• Opportunity to commercialise new planting material from ongoing 30-year-old apricot breeding program with superior drying quality and greater suitability to mechanised production systems</li> <li>• Reduced reliance on expensive labour systems through more mechanised production systems</li> <li>• Access to world's best practice production systems</li> <li>• Opportunities to increasing scale through new production systems</li> <li>• Sharing R&amp;D operating activities and resources (such as workers) with other industries</li> <li>• Growing consumption through promotion of health benefits</li> </ul>



### The dried tree fruit industry

#### Threats

- High production costs especially with labour
- Current production systems have less optimal drying ratios
- Requirement to transition to new more profitable varieties
- Strong competition for resources including water and labour with more profitable industries
- Relatively low returns compared to competing enterprises
- Increasing pressure from lower cost producers such as South Africa and Mediterranean countries
- Reduced supply due to enterprise shifts (e.g., almonds)

## APPENDIX 3: People consulted

The following people are acknowledged for their contribution to the dried tree fruit SIP development process.

NAME	INDUSTRY ROLE	REGION
Phil Chidgzey	Dried Fruits Australia	Western Australia
Kris Werner	Dried Fruits Australia	South Australia
David Swain	Processor	Victoria
Darren Graetz	Grower	South Australia
Rick Steicker	Grower	Victoria
Peter Conrick	Grower	Victoria

## APPENDIX 4: Reference material

Horticulture Innovation Australia Limited, 2012, Lychee Strategic Investment Plan 2012-17

Horticulture Innovation Australia Limited, 2019, Growing into the Future: Strategy 2019-2023

Horticulture Innovation Australia Limited, 2020, Australian Horticulture Statistics Handbook 2020/21

Horticulture Innovation Australia Limited, 2021, Australian-grown Horticulture Sustainability Framework



## APPENDIX 5: List of acronyms

<b>AIP</b>	Annual Investment Plan
<b>APVMA</b>	Australian Pesticides and Veterinary Medicines Authority
<b>BMP</b>	best management practice
<b>CSIRO</b>	Commonwealth Scientific and Industrial Research Organisation
<b>DFA</b>	Dried Fruits Australia
<b>FY</b>	financial year
<b>IRB</b>	Industry Representative Body
<b>KASA</b>	knowledge, attitudes, skills and aspirations
<b>KPI</b>	key performance indicator
<b>M&amp;E</b>	monitoring and evaluation
<b>MRL</b>	Maximum Residue Limit
<b>NHRN</b>	National Horticulture Research Network
<b>R&amp;D</b>	research and development
<b>RDC</b>	Research and Development Corporation
<b>RD&amp;E</b>	research, development and extension
<b>SARDI</b>	South Australian Research and Development Institute
<b>SARP</b>	Strategic Agrichemical Review Process
<b>SIAP</b>	Strategic Investment Advisory Panel
<b>SIP</b>	Strategic Investment Plan
<b>SWOT</b>	strengths, weaknesses, opportunities, and threats



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