

# Dried grape

## Strategic Investment Plan

2022-2026



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# EXECUTIVE SUMMARY

The overarching strategic intent of this Strategic Investment Plan (SIP) is to maintain profitability and grow the total value of the Australian dried grape industry by concentrating on improved and consistent product quality for consumers and increasing the production area.

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

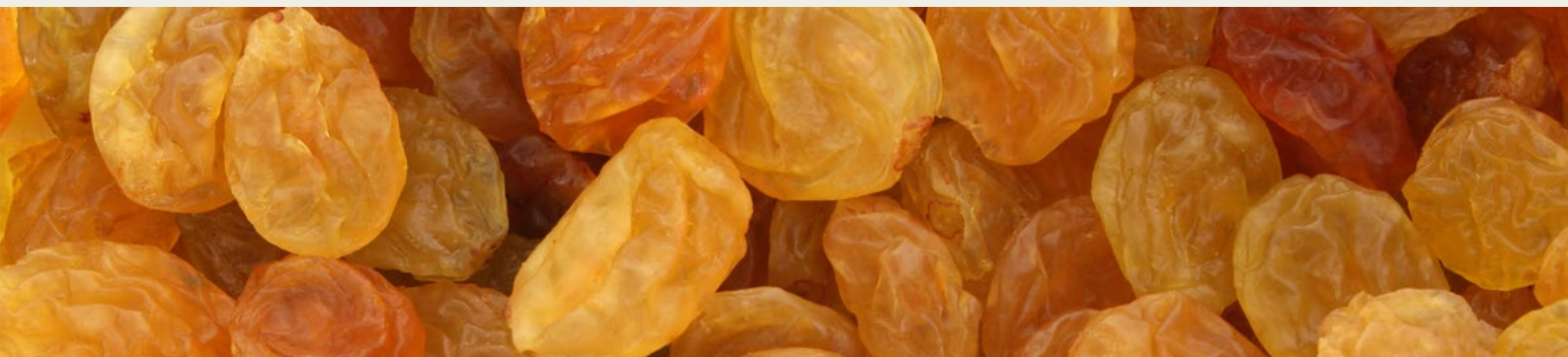
The Australian dried grape industry situation in 2019/20 is described on **page 4** with further information provided in **Appendix 1**. There are approximately 250 dried grape growers and producers and two major processors and marketers in Australia.

The strategic intent of the dried grape SIP provides a summary of how the dried grape industry will drive change over the life of the SIP. This will ultimately come about by growers having access to the tools required to increase their profitability through improved product quality and increased production area, ensuring the industry can meet the demands of domestic and international consumers.

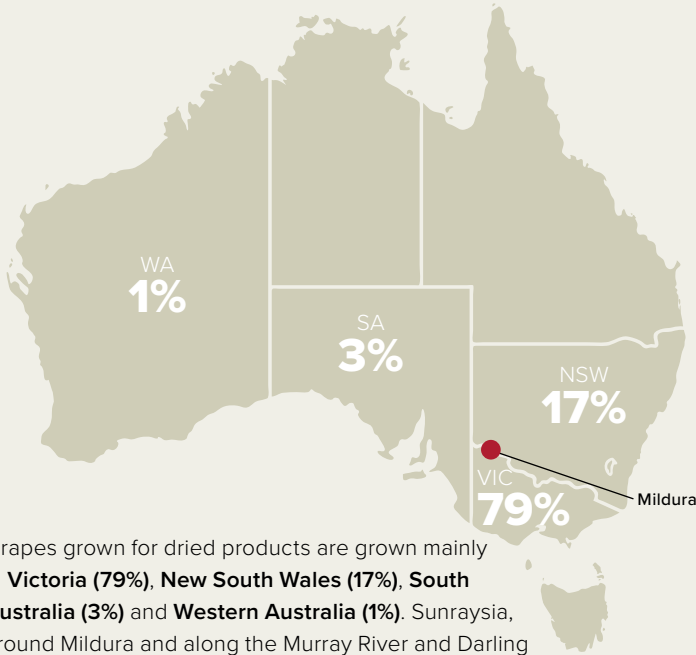
The financial estimates give an indicative overview of the funding available for the period of FY2022-FY2026. Currently the dried grape research and development (R&D) fund is invested until FY2024. Careful prioritisation will be required when funds become available to meet the needs of the industry.

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 grape industry. Improved productivity is the primary focus, with particular attention to identifying world-leading technologies and knowledge available to guide decisions on automation and mechanisation options for Australia production systems, including trellis management, pruning and harvest. The second priority is extension and capability, which will assist industry in the communication of best management practices (BMPs) and awareness of outputs from research, development and extension (RD&E) projects to build the knowledge and skills of growers and their advisers. Business insights will support the provision of consumer knowledge and tracking and trade data to guide market development opportunities, while demand creation will assist industry to identify and prioritise export and domestic market niches where there is growth potential for competitive supply of quality Australian dried grapes.

The key performance indicators (KPIs) detail how the impact of each strategy will be measured, for example, by increasing supply of premium product for the increasing demand of export premium markets for Australian dried grapes through improving knowledge, attitudes and purchase intent by utilisation of nutrition information to support consumer demand.

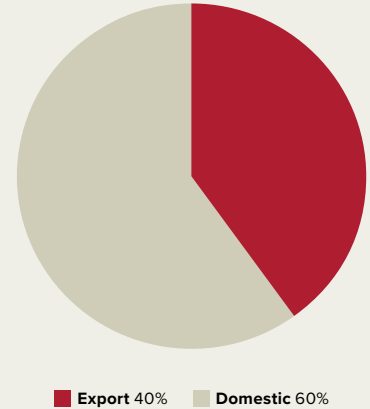


PRODUCTION AREAS:



Grapes grown for dried products are grown mainly in **Victoria (79%)**, **New South Wales (17%)**, **South Australia (3%)** and **Western Australia (1%)**. Sunraysia, around Mildura and along the Murray River and Darling River is the major production area.

EXPORT/DOMESTIC:



VARIETIES:



**Sultana**  
**41%**

**Sunmuscat**  
**36%**

**Currant & raisin**  
**23%**

The main varieties grown are **sultana (41%)**, **sunmuscat (36%)**, and **currant and raisin (23%)**.

Source: Sunrise Mapping, 2018

PRODUCTION WINDOW:



**Jan-Apr**

NUMBER OF GROWERS:



**250**

growers and **two** major processors

PER CAPITA CONSUMPTION:



**1.17 kg**

in 2019/20

PRODUCTION VOLUME:



**15,248**  
**tonnes**

of dried product  
in 2019/20

FARMGATE VALUE OF PRODUCT:



**\$29.1 million**

in 2019/20



# THE DRIED GRAPE STRATEGIC INVESTMENT PLAN

This SIP is the roadmap that will guide Hort Innovation's oversight and management of the dried grape 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 the SIP is to ensure that the investment decisions align with the dried grape industry's priorities.

Hort Innovation, in collaboration with Dried Fruits Australia (DFA) engaged with stakeholders in preparing the refresh of the dried grape SIP, listening and engaging with levy payers and key stakeholders 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 grape 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 grape 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 grape 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 grape Strategic Investment Advisory Panel (SIAP), IRBs and other key stakeholders.

Producers in the dried grape 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, marketing, biosecurity and residue testing programs.

Levy is payable on dried grapes that are produced in Australia (dried fruits levy – dried vine fruits) and either sold by the producer (domestically or for export) or used by the producer in the production of other goods. The levy rate on dried grapes is set at \$11 per tonne, whilst the marketing levy is set at \$7 per tonne.

Hort Innovation manages the dried grape levy funds proportion directed to R&D (\$11 per tonne), and separately Plant Health Australia (PHA) manages plant health programs (\$1 per tonne).

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

This SIP represents the Australian dried grape industry's collective view of its R&D and marketing needs over the next five years (2022-2026). Learning, achievements and analysis of the previous SIP, consultation with Australian dried grape 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 SIP. Importantly, a portion of these funds is already committed, as the industry has current multi-year projects for R&D and marketing activities. In addition, the levy income from year to year will vary due to changes in seasonal and market conditions.

The indicative financial estimates used for the purposes of developing this SIP are presented in **Table 1** below. These figures are regularly reviewed to reflect the latest information and statistics for the industry and any changes in investment priority. For further details refer to the dried grape AIP.

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

	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$
<b>R&amp;D</b>					
<b>Balance end FY2021</b>	<b>(140,334)</b>				
Estimated levy funds (growers)	135,000	133,000	133,000	133,000	133,000
Australian Government contribution	80,824	83,647	129,412	127,765	110,118
Current investments	137,400	142,200	130,000	67,200	62,200
New investments	–	–	90,000	150,000	125,000
Total project investments	137,400	142,200	220,000	217,200	187,200
CCR	24,247	25,094	38,824	38,329	33,035
<b>Projected end balance</b>	<b>(28,000)</b>	<b>76,000</b>	<b>90,600</b>	<b>109,900</b>	<b>166,600</b>
<b>MARKETING</b>					
<b>Balance end FY2021</b>	<b>242,957</b>				
Estimated levy funds (growers)	74,000	74,000	74,000	74,000	74,000
Current investments	130,000	–	–	–	–
New investments	–	85,000	85,000	85,000	85,000
Total project investments	130,000	85,000	85,000	85,000	85,000
CCR	28,730	18,785	18,785	18,785	18,785
<b>Projected end balance</b>	<b>159,100</b>	<b>130,150</b>	<b>101,200</b>	<b>72,300</b>	<b>43,400</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

# DRIED GRAPE INDUSTRY OUTCOMES



The overarching strategic intent of this SIP is to maintain profitability and grow the total value of the Australian dried grape industry by concentrating on improved and consistent product quality for consumers and increasing the production area.

## Industry outcomes

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

### **OUTCOME 1: Industry supply, productivity and sustainability**

Improve industry productivity (inputs/outputs) to maintain competitiveness, viability and sustainability 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:

- Ensuring access to superior cultivars for efficient production that meet consumer quality expectations
- Transition of new varietal development for the industry to commercial providers
- Efficient production needs focusing on using mechanisation and automation to improve productivity, as well as trellis design and interactions with vine physiology
- Proactively monitoring potential crop protection regulatory threats and having access to a broader suite of effective, socially acceptable and environmentally sound crop protection solutions.

“The important function of the SIP is to ensure that the investment decisions align with the dried grape industry’s priorities.”

**OUTCOME 2: Extension and capability**

Building 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 knowledge, relationships, systems and processes required to communicate effectively with internal and external stakeholders. Achieving the outcome will involve:

- A change in knowledge, attitude, skills, aspiration (KASA) and practice change for grower/industry profitability and sustainability through adoption of best management practices (BMPs) and innovating on-farm
- Growers, value chain, media and governments being well informed on industry initiatives and achievements as a vital part of regional communities and networks
- Improved networks and cross-industry collaboration to increase on-farm use of R&D outputs and to build a stronger, more resilient industry
- Supporting industry participants to identify emerging RD&E needs, engaging in supporting projects and accessing findings from RD&E outputs
- Assisting industry in the communication of industry BMPs and outputs from RD&E projects that build 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 of demand creation; supply, productivity and sustainability; and extension and capability.

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, trade data and independent reviews to enable better decision-making process at both individual business and industry levels.

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

**OUTCOME 4: Demand creation**

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

**The premium quality of Australian dried grapes will drive the development of existing and future high value export markets. Improved consumer knowledge and positive attitudes to Australia's 'clean and green' image encourages purchase intent and drives sales volume growth.**

The strategic intent of this outcome is to maintain and strengthen consumer demand, as the foundation for sustainable expansion of production and consumption in international markets. It means the industry is investing to:

- Identify and prioritise export market niches where there is demand and growth potential for competitive supply of quality Australian dried grapes
- Develop trade with existing and new export markets
- Develop strong relationships across the supply chain with a shared goal to grow the Australian dried grape industry's share of the category in export markets.



# DRIED GRAPE INDUSTRY STRATEGIES



## Strategies to address industry investment priorities

The tables below describe the strategies and identified impacts for each of the four key outcome areas. 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 (0-3 years), medium (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 adequate or sufficient resources. Further resources and efficiencies may become available through alternative funding sources such as Hort Frontiers strategic partnership initiative, external grants and/or cross-industry initiatives

### OUTCOME 1: 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.

STRATEGIES	POTENTIAL BENEFIT OR IMPACT
1. Complete the performance evaluation and commercialisation activities for elite scion and rootstock varieties from the breeding program	<ul style="list-style-type: none"> <li>Superior varieties and rootstocks are available to producers to increase productivity and/or profitability and lower exposure to weather-related risk</li> </ul>
2. Transition new varietal development for the industry to commercial providers	<ul style="list-style-type: none"> <li>Increased productivity and profitability</li> </ul>
3. Identify world-leading technologies and available knowledge to guide decisions on automation and mechanisation options for Australian production systems such as trellis management, pruning and harvest	<ul style="list-style-type: none"> <li>Increased understanding of viable and sustainable automation options for Australian production systems</li> </ul>
4. 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>
5. Provide regulatory support and co-ordination for 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>
6. 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>



<b>OUTCOME 2: Extension and capability</b> Improved capability and an innovative culture in the Australian dried grape industry maximises investments in productivity and demand.	
STRATEGIES	POTENTIAL BENEFIT OR IMPACT
1. Deliver communication and extension capability to support positive change in the areas of productivity and demand	<ul style="list-style-type: none"> <li>A change/progression in awareness, knowledge and skills for grower/industry profitability which supports the adoption of best practice and innovations</li> </ul>
2. In collaboration with similar industries, support the development of a knowledge-sharing industry supply chain community through targeted communication channels on research findings, BMPs, emerging risks and opportunities	<ul style="list-style-type: none"> <li>Improved understanding that contributes to increased on-farm adoption of R&amp;D outcomes, which will build a stronger, more resilient industry</li> </ul>
3. Support industry participants to identify emerging RD&E needs, engage in supporting projects and access findings from RD&E outputs	<ul style="list-style-type: none"> <li>Grower needs are identified and addressed through supporting RD&amp;E projects, with access to targeted information in support of practice change</li> </ul>
4. Assist industry in the communication of industry BMPs and outputs from RD&E projects that build the knowledge and skills of growers and their advisers	<ul style="list-style-type: none"> <li>Changes in KASA amongst growers and their advisers are increasing through access to tailored information aligned to BMPs</li> </ul>

<b>OUTCOME 3: Business insights</b> The Australian dried grape industry is more profitable through informed decision-making using consumer knowledge and tracking and insights from trade data.	
STRATEGIES	POTENTIAL BENEFIT OR IMPACT
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> <li>Increased knowledge of potential markets</li> <li>Alignment of supply and quality with demand in existing and emerging overseas markets</li> </ul>
Use trade data to guide ongoing export development opportunities*	<ul style="list-style-type: none"> <li>Increased knowledge of potential markets</li> <li>Positioning of strategic markets</li> </ul>



**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.

STRATEGIES	POTENTIAL BENEFIT OR IMPACT
1. Develop workable market access protocols to assist with maintenance and expansion of export markets	<ul style="list-style-type: none"> <li>● Increased exports and demand</li> <li>● Increased understanding of export opportunities amongst growers</li> </ul>
2. Increase industry access to mechanisms for business-to-business engagement	<ul style="list-style-type: none"> <li>● Increased exports and grower capability</li> </ul>
3. Increase demand for Australian dried grapes through improving knowledge, attitudes and purchase intent	<ul style="list-style-type: none"> <li>● Increased awareness of health/provenance benefits of Australian dried grapes</li> <li>● Increased awareness of sustainable production practices used for the production of Australian dried grapes</li> <li>● Increased consumer demand for Australian dried grapes</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 GRAPE SIP MONITORING AND EVALUATION

The dried grape 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 SIP 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.

*“This SIP is the roadmap that will guide Hort Innovation’s oversight and management of the dried grape industry’s investment programs.”*





## Dried grape SIP Monitoring and Evaluation Framework

The dried grape 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>Industry supply, productivity and sustainability</b>		
<p><b>Outcome 1:</b> The Australian dried grape industry has increased production efficiency, sustainability and profitability through innovative R&amp;D, sustainable BMPs and superior varieties and rootstocks.</p>	1. Complete the performance evaluation and commercialisation activities for elite scion and rootstock varieties from the breeding program	<ul style="list-style-type: none"> <li>• Availability of elite scion and rootstock performance data for growers</li> <li>• Commercialised elite scion and rootstock varieties are available for grower adoption</li> </ul>
	2. Transition new varietal development for the industry to commercial providers	<ul style="list-style-type: none"> <li>• Complete commercialisation of new scion and rootstock varieties</li> </ul>
	3. Identify world-leading technologies and available knowledge to guide decisions on automation and mechanisation options for Australian production systems such as trellis management, pruning and harvest	<ul style="list-style-type: none"> <li>• New knowledge on crop production methods, emerging technologies, and varieties that enable new automation-enabled trellised production systems that reduce dependence on labour input</li> </ul>
	4. Prioritise the major crop protection gaps through a SARP*	<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>
	5. Provide regulatory support and co-ordination for 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 maintained</li> </ul>
	6. 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*	<ul style="list-style-type: none"> <li>• Data to support applications to the APVMA and the establishment of Maximum Residue Limits (MRLs)</li> </ul>



OUTCOME	STRATEGIES	KPIs
<b>Extension and capability</b>		
<p><b>Outcome 2:</b> Improved capability and an innovative culture in the Australian dried grape industry maximises investments in productivity and demand.</p>	<p>1. Deliver communication and extension capability to support positive change in the areas of productivity and demand</p>	<ul style="list-style-type: none"> <li>Establishment of a baseline and then increased share of industry (hectares) with positive change in KASA and practice concerning targeted high priority areas</li> <li>Establishment of a baseline and then increased share of industry (hectares) that are implementing targeted high priority areas</li> </ul>
	<p>2. In collaboration with similar industries, support the development of a knowledge-sharing industry supply chain community through targeted communication channels on research findings, BMPs, emerging risks and opportunities</p>	<ul style="list-style-type: none"> <li>Total stakeholder readership of dried grape industry news (<i>Current News and Vine News</i>): number and/or percentage of open rate of electronic newsletters and number of hard copies circulated</li> <li>Demonstration of the balance of written content of <i>Currant News</i> and <i>Vine News</i> providing articles representative of the dried grape supply chain elements including: R&amp;D and on-farm demonstration outcomes; BMP recommendations for growers; marketing and processing intelligence; sharing of grower knowledge and practice change outcomes through benchmarking and case studies</li> </ul>
	<p>3. Support industry participants to identify emerging RD&amp;E needs, engage in supporting projects and access findings from RD&amp;E outputs</p>	<ul style="list-style-type: none"> <li>Identification of industry-specific needs that contribute to RD&amp;E project design</li> <li>Research findings and other BMPs from RD&amp;E outputs are communicated</li> </ul>
	<p>4. Assist industry in the communication of industry BMPs and outputs from RD&amp;E projects that build the knowledge and skills of growers and their advisers</p>	<ul style="list-style-type: none"> <li>Changes in KASA are captured in a case study (project-specific basis) amongst growers and their advisers</li> </ul>
<b>Business insights</b>		
<p><b>Outcome 3:</b> The Australian dried grape industry is more profitable through informed decision-making using consumer knowledge and tracking and insights from trade data.</p>	<p>1. Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*</p>	<ul style="list-style-type: none"> <li>Development of a consumer insights strategy</li> <li>Evidence that consumer insights inform strategic market engagement</li> <li>Availability of new consumer knowledge for growers</li> </ul>
	<p>2. Use trade data to guide ongoing export development opportunities*</p>	<ul style="list-style-type: none"> <li>Trade data maintained and tailored data outputs supplied to meet stakeholders' needs</li> </ul>

OUTCOME	STRATEGIES	KPIs
<b>Demand Creation</b>		
<p><b>Outcome 4:</b> The premium quality of the Australian dried grape industry’s products drives the development of existing and future domestic and international markets.</p>	<p>1. Develop workable market access protocols to assist with maintenance and expansion of export markets</p>	<ul style="list-style-type: none"> <li>Market access opportunities are prioritised on national benefit and evidence-based export strategy</li> <li>Support of technical access to selected export markets (e.g., relevant datasets developed)</li> </ul>
	<p>2. Increase industry access to mechanisms for business-to-business engagement</p>	<ul style="list-style-type: none"> <li>Support and facilitation of exporters to build networks online and/or in market</li> </ul>
	<p>3. Increase demand for Australian dried grapes through improving knowledge, attitudes and purchase intent</p>	<ul style="list-style-type: none"> <li>Positive influence on consumer preference</li> <li>Use of nutritional and provenance information to support consumer demand</li> <li>Use of production system information to support consumer demand</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 grape 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](#).



# 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 RD&E, marketing and international trade, Hort Innovation aims to support more effective and efficient outcomes for growers and the wider horticulture sector. 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/regional opportunities identified for the dried grape industry include:

- Opportunities to support export markets through communication of nutritional benefits
- Export supply chain pathways (new way of doing business).

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.

## Strategic science and research focus

Collaboration across the agriculture research community is essential, including with Industry Representative Bodies (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 grape industry investment program, CSIRO, was engaged during the development of this SIP to ensure consideration and strategically-aligned priorities for the dried grape industry. In addition, strategic priorities and opportunities identified by DFA have been considered in the development of the dried grape SIP where applicable.





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

Dried Fruits Australia priorities	CSIRO priorities	Rural RD&E for Profit priorities	Australian Government Science and Research priorities
Promotion of new grape varieties and rootstocks	Automation	Advanced technology	Food
Training	Better systems	Biosecurity	Soil and water
Sustainable management practices	Rapid breeding techniques	Soil, water and managing natural resources	Advanced manufacturing
Mechanisation and trellis drying	Rootstocks and varieties	Adoption of R&D	Environmental change
Peer-to-peer learning	Education and training		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 grape 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 grape 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 grape 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 program 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 grape industry views a number of these investment areas as opportunities for success into the future, including:

- Advanced production systems
- Health, nutrition and food safety
- International markets
- Leadership.

Partnering with Hort Frontiers on these areas would provide the dried grape 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 report, aiming to strengthen the horticulture industry’s sustainability to meet the changing expectations and needs of growers, consumers, the community, investors and governments. The report applies across the whole of Australian horticulture, including fruits, vegetables, nuts and nursery stock. 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*).



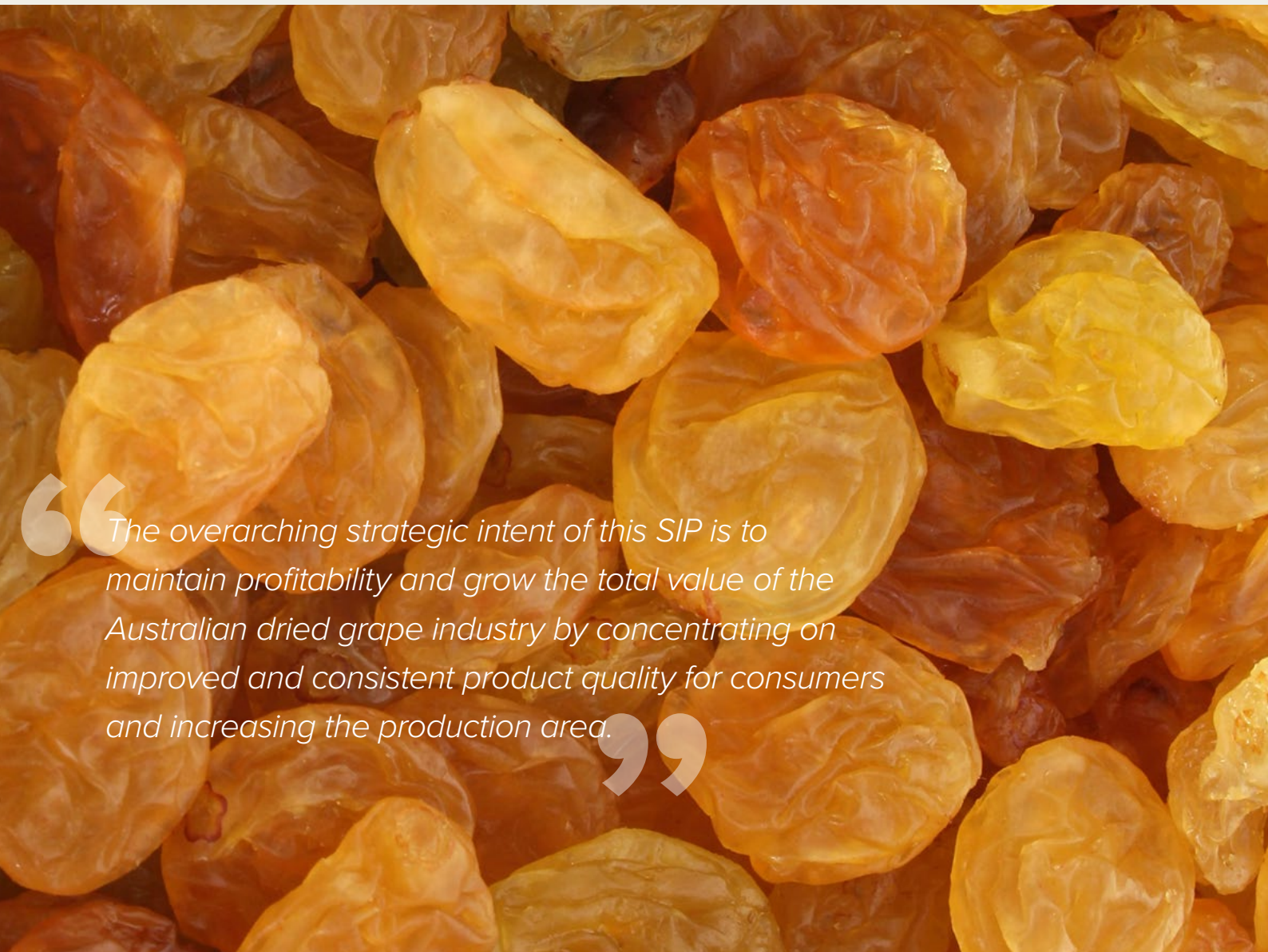
The framework should be cross-referenced when undertaking prioritisation of investments. At the time of publication, Hort Innovation is working with industry groups regarding the overall responsibility for the framework, setting and reporting progress against the framework targets and performance measures.

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

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

**TABLE 3. A dried grape SIP strategy example showing how the industry is already aligning to the Australian-grown Horticulture Sustainability Framework**

STRATEGY	IMPACT	SUSTAINABILITY GOAL
Deliver communication and extension capability to support positive change in the areas of productivity and demand	<ul style="list-style-type: none"> <li>A change/progression in awareness, knowledge and skills for grower/ industry profitability which supports the adoption of BMPs</li> </ul>	People & Enterprise



“The overarching strategic intent of this SIP is to maintain profitability and grow the total value of the Australian dried grape industry by concentrating on improved and consistent product quality for consumers and increasing the production area.”

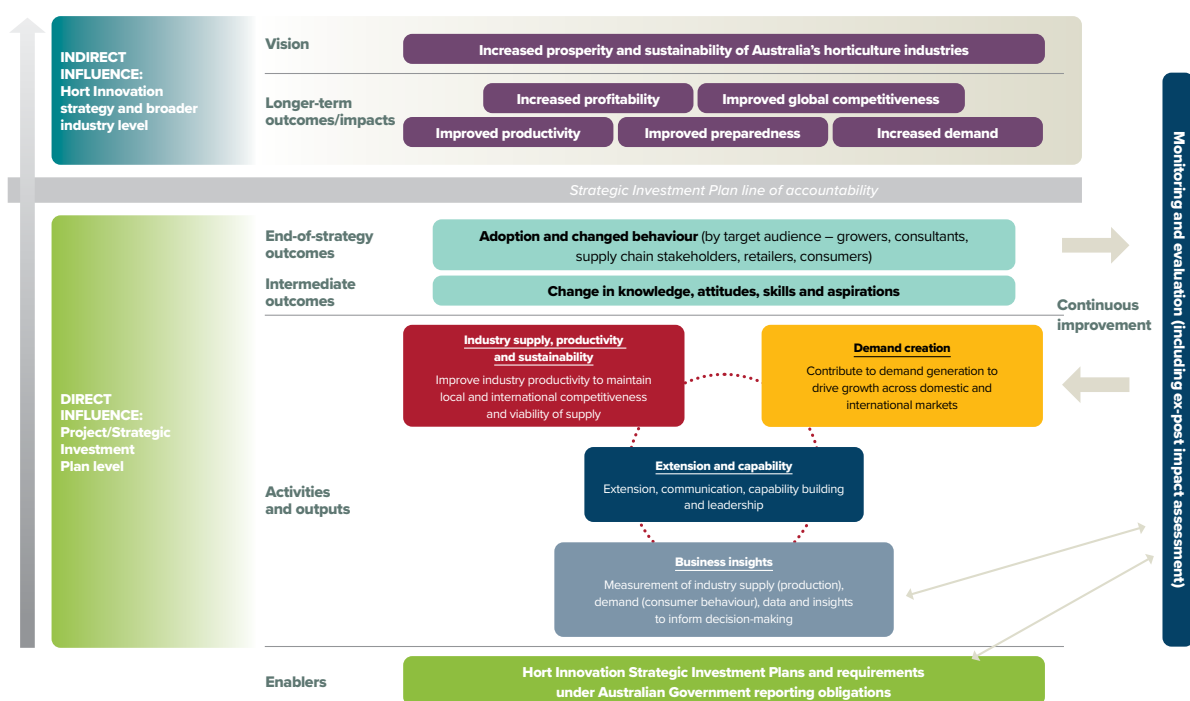
# HORT INNOVATION



## 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 a Research and Development Corporation (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

### Industry supply chain

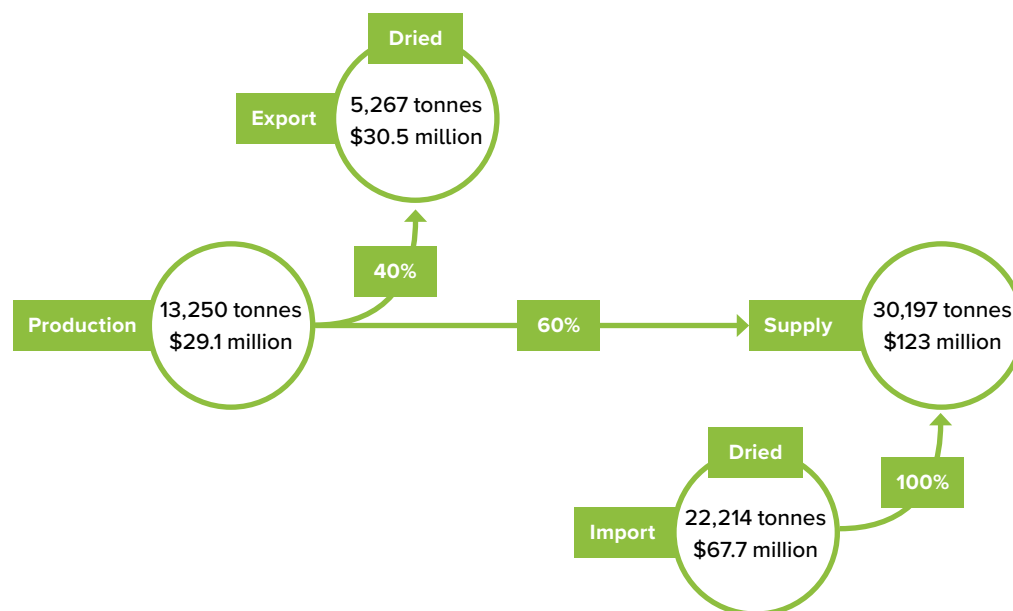
The dried grape industry is a small but well-established horticulture industry in Australia with approximately 250 growers and producers. In addition, the dried grape supply chain is also supported by agronomists, processors and marketing companies that grade, clean, pack, and market the product. There are two major processors and marketers of dried grapes in Australia, who are based in the Sunraysia region:

- Sunbeam Foods
- Australian Premium Dried Fruits (APDF).

Vertical integration in the industry is increasing. APDF is partially vertically integrated. Sunbeam Foods sources all grapes from external suppliers. Where it is necessary to meet supply contracts, Sunbeam Foods imports product. The concentration of marketing of almost the entire Australian dried grape crop through two companies, each with its own branding, promotion and market development investments, distinguishes dried grapes from many other horticultural industries.

The industry invests a significant amount of funds in capacity-building projects such as the Hort Innovation projects *Dried grape production innovation and adoption program 2018-2021* (DG17001) and *Dried grape industry communications* (DG18001), which ensures that the industry is well connected and collaborative.

**FIGURE 3.** Dried grape supply chain, 2019/20



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

The domestic market for dried grapes is slightly larger than the export market, with 60% of production consumed domestically. Imports dominate domestic supply, however, making up 74%.

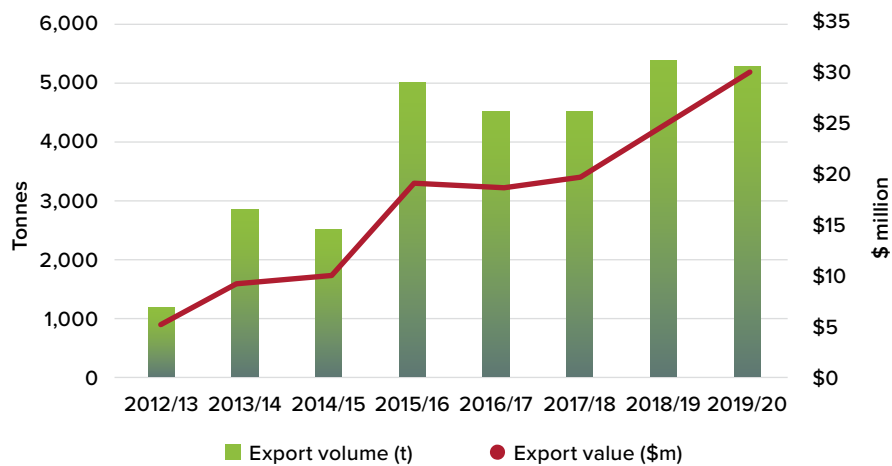
### Domestic consumers and drivers of demand

The domestic market is the most important channel for the Australian dried grape industry which accounted for 60% of the total production volume in 2019/20. The domestic market has been in decline, with supply per capita falling from 1.62 kilograms in 2013/14 to 1.17 kilograms in 2019/20 on account of falling production volumes and imports remaining flat. Supply of most dried grapes in Australia is met by imports (primarily from Turkey) and this accounted for 74% of the volume of supply in Australia.

While the domestic market has been declining, the unit wholesale value of Australian dried grapes has been increasing. The average dried grape unit value of wholesale supply was \$4.08 per kilogram in 2019/20 compared to \$1.95 per kilogram in 2012/13. This indicates an increasing value of dried grapes in the market.

### Export markets

**FIGURE 4.** Dried grape exports, 2012/13 to 2019/20



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

An increasing proportion of Australian dried grapes are being supplied to high value export markets. 1,163 tonnes of product was exported in 2012/13, representing 8% of domestic production, while in 2019/20, export volume has more than quadrupled to reach 5,267 tonnes, representing 40% of production. In value terms the Free on Board (FOB) export value has also increased from \$4.21 per kilogram in 2012/13 to \$5.80 per kilogram in 2019/20, which is higher than competitors Turkey (\$3.13 per kilogram) and the USA (\$4.20 per kilogram).

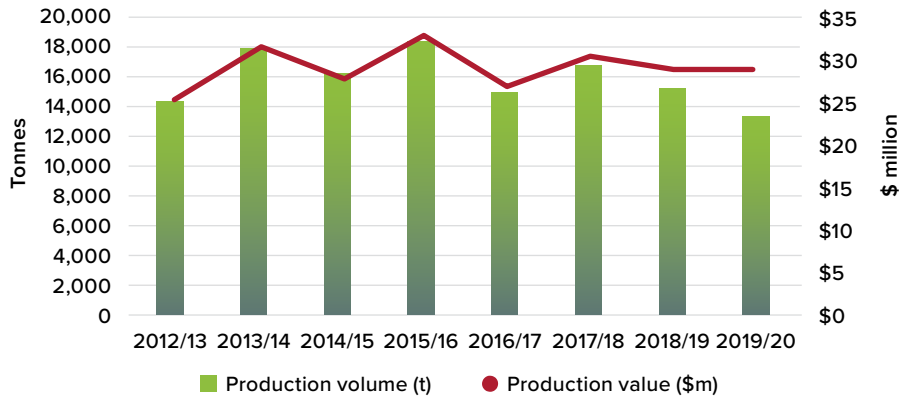
The price premium can be readily justified by the high quality of the Australian product, including physical attributes (flavour, size, colour, freedom from foreign material) and less tangible features such as being 'clean and green' and supported by rigorous food safety standards. Australia's 'clean and green' image is a valuable underpinning in these respects.

Australian dried grapes are exported primarily into European (Germany, Italy, Belgium – 45% of export volume in 2019/20) and Asian (China, Japan, Vietnam – 32% of export volume in 2019/20) markets.



Industry production

**FIGURE 5.** Dried grape production, 2012/13 to 2019/20



Source: Australian Horticulture Statistics Handbook (2019/20)

Australian dried grapes are grown mainly in Victoria (79%), New South Wales (17%), South Australia (3%) and Western Australia (1%). Sunraysia, around Mildura and along the Murray River and Darling River is the major production area. Production is mainly between January and April, peaking in February and March.

The main varieties grown are sultanas (41%), sunmuscats (36%) and currants and raisins (23%). Other varieties include diamond muscat, flame seedless and sunglo. These latter varieties are newer, and their contribution to overall production is increasing as new plantings start to produce fruit.



## APPENDIX 2: Dried grape industry situation analysis

At the time of 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, international demand, logistics and supply chain and labour supply – all having potential impacts on producers' 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 4** has been used to analyse the dried grape 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 4. Dried grape SWOT analysis**

The dried grape industry	
<b>Strengths</b>	<ul style="list-style-type: none"> <li>• 'Clean and green' production systems</li> <li>• Strong and positive relationships between producers and processors</li> <li>• World-leading production and processing skills</li> <li>• Geographic concentration of the industry, simplifying RD&amp;E needs and increasing interaction between producers</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• Relatively low returns compared to competing other grape end-use industries and tree nut crops</li> <li>• Small industry size limits industry infrastructure (e.g., processing) and ability to reliably supply markets reduces the industry's collective influence</li> <li>• Limited RD&amp;E and marketing budgets, and little ability to leverage overseas R&amp;D outcomes because Australia already leads globally</li> <li>• Industry's geographically concentrated productive capacity creates medium exposure to climatic risks</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• Increasing scale and vertical integration in the industry</li> <li>• Closing the yield gap between high and low producers</li> <li>• New varieties or greater use of existing varieties (e.g., currant) to provide improved disease resistance</li> <li>• Applying precision agriculture to reduce variability within blocks</li> <li>• Increasing mechanisation, especially of pruning, and other technologies to reduce labour requirements</li> <li>• Development of people (including industry leaders, growers, apprentices)</li> <li>• Sharing R&amp;D, marketing and operating activities and resources with other industries</li> <li>• Expansion of exports to Asian markets, leveraging Australia's 'clean and green' image</li> <li>• Positioning of dried grapes in supermarket 'fresh,' health and baking aisles</li> <li>• Collaboration with table grape industry, especially in marketing – sharing of shelf space</li> </ul>



### The dried grape industry

#### Threats

- Biosecurity threats particularly *Xylella fastidiosa* and brown marmorated stink bug
- Climate change/variability
- New, increasingly resistant endemic pest and diseases
- More stringent regulations agrichemical residues (especially in the EU) and lack of alternative agrichemical becoming available
- Increasing bureaucracy and 'red tape'
- Dwindling expertise in the industry, leading to inferior product quality
- Disappointing customers by failure to supply – particular a problem with light-coloured fruit
- Increased competition from imports
- Reduced consumption due to health concerns over sugar
- Reduced supply due to enterprise shifts (e.g., almonds)



### APPENDIX 3: People consulted

Hort Innovation acknowledges the contribution of all participants who attended a SIP workshop to assist in the development of the dried grape SIP. This included over 20 industry members including growers, IRB representatives, researchers, consultants, and machinery sector representatives with expertise in viticultural production.

### APPENDIX 4: Reference material

Dried Fruits Australia, 2021, <https://www.driedfruitsaustralia.org.au/>

Horticulture Innovation Australia Limited, 2012, Dried Grape Strategic Investment Plan 2017-2021

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

Horticulture Innovation Australia Limited, 2020, Australian Horticulture Statistics Handbook 2019/20

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

### APPENDIX 5: List of acronyms

<b>AIP</b>	Annual Investment Plan
<b>APDM</b>	Australian Premium Dried Fruits
<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>FOB</b>	Free on Board
<b>FY</b>	financial year
<b>GI</b>	glycemic index
<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>PHA</b>	Plant Health Australia
<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>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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