

Olive

Strategic Investment Plan

2022-2026



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EXECUTIVE SUMMARY

The overarching strategic intent of this Strategic Investment Plan (SIP) is to optimise grove productivity and product quality to position Australia as a high-integrity producer of ultra-premium EVOO and table olives, both domestically and internationally.

The olive SIP 2022-2026 is the roadmap that will guide Hort Innovation's oversight and management of the olive 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 olive industry priorities.

The Australian olive industry situation in 2019/20 is described on **page 4** with further information provided in **Appendix 1**. The industry comprises approximately 900 growers, and approximately 21 of these are considered as operating on a large scale (more than 80 hectares). A further 64 growers operate between 20 to 79 hectares, and most growers are considered 'boutique'. Olive trees bear fruit biennially, resulting in tonnages that fluctuate from year to year.

The strategic intent of the olive SIP provides a summary of how the olive 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.

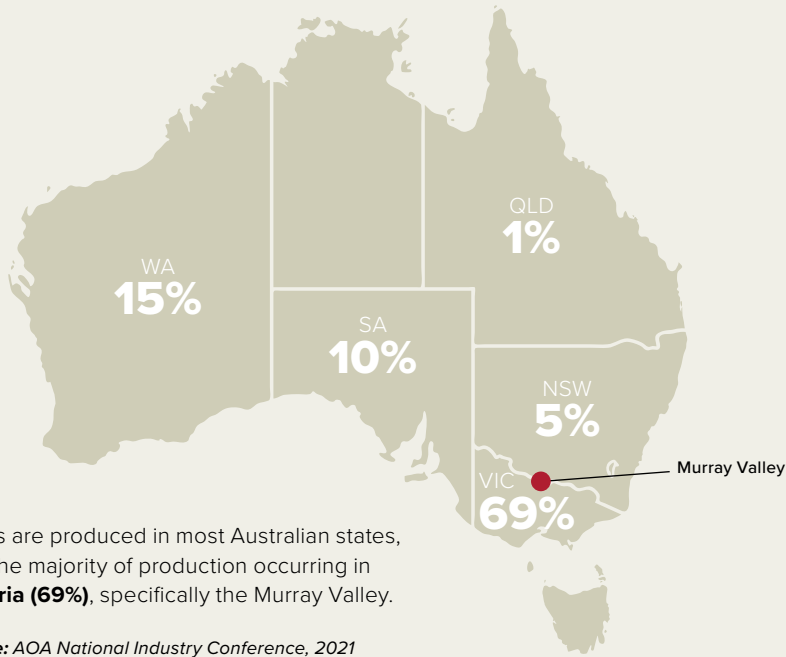
The financial estimates give an indicative overview of the funding availability for the period of FY2022-FY2026. Currently the olive research and development (R&D) fund is invested until FY2023, and therefore careful prioritisation of future investment will be required when the funds to invest become available in FY2024.

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 olive industry. Focusing on extension, communication and industry capability will support an increase in on-farm use of R&D outcomes and improve networks and cross-industry collaboration, resulting in a stronger, more resilient industry. Productivity and supply will address the areas of biosecurity and biennial bearing which are both key to the industry's success.

The key performance indicators (KPIs) detail how the impact of each strategy will be measured, for example, delivering communication and extension capability to create positive change in the areas of sustainable production, biosecurity and meeting consumer quality expectations by improving industry knowledge, attitudes, skills and aspirations (KASA) of these high-priority areas.



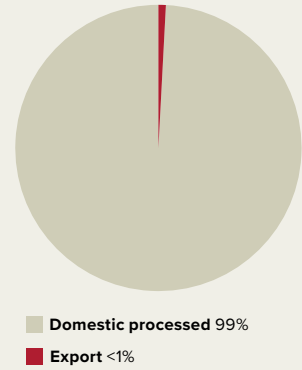
PRODUCTION AREAS:



Olives are produced in most Australian states, with the majority of production occurring in **Victoria (69%)**, specifically the Murray Valley.

Source: AOA National Industry Conference, 2021

EXPORT/DOMESTIC:



PROCESSING:



4% Table olives
96% Olive oil

(Source: Australian Olive Association)

PRODUCTION WINDOW:



Mar-Jul

PRODUCTION VOLUMES:



83,000 tonnes

in 2019/20 – equivalent to **14.4 million litres** of oil

PER CAPITA CONSUMPTION:



2.1 kg

Olive oil

NUMBER OF GROWERS:



900-1,500

mainly boutique growers

FARMGATE VALUE:



\$96 million

VARIETIES:



Most common:

Arbequina, Arbosana, Coratina, Frantoio, Koroneiki and Picual

Others: Barnea

THE OLIVE STRATEGIC INVESTMENT PLAN

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

Hort Innovation has led the process for preparing the refresh of the olive 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 values the support, advice, time, and commitment of all stakeholders that contributed to producing this SIP, especially olive 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 olive 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 olive 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 olive Strategic Investment Advisory Panel (SIAP), IRBs and other key stakeholders.

Producers in the olive 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 olives that are produced in Australia and either sold by the producer or used by the producer in the production of other goods. The research and development (R&D) levy is set at \$3.00 per tonne. Hort Innovation manages the olive levy funds proportion directed to R&D, and separately Plant Health Australia (PHA) manages plant health programs (10 cents per tonne).

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

This SIP represents the Australian olive industry's collective view of its R&D needs over the next five years (2022-2026). Learning, achievements and analysis of the previous SIP, consultation with Australian olive 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 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 olive AIP.

TABLE 1. Indicative financial estimates for the olive SIP over the life of the SIP

	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$
R&D					
Balance end FY2021	(190,909)				
Estimated levy funds (growers)	263,000	113,000	263,000	113,000	263,000
Australian Government contribution	171,451	152,311	122,444	104,844	206,093
Current investments	292,153	259,538	128,644	128,654	51,183
New investments	–	–	80,000	50,000	300,000
Total project investments	292,153	259,538	208,644	178,654	351,183
CCR	50,750	45,084	36,243	31,034	61,004
Projected end balance	(101,900)	(142,300)	(3,300)	5,000	61,700

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)

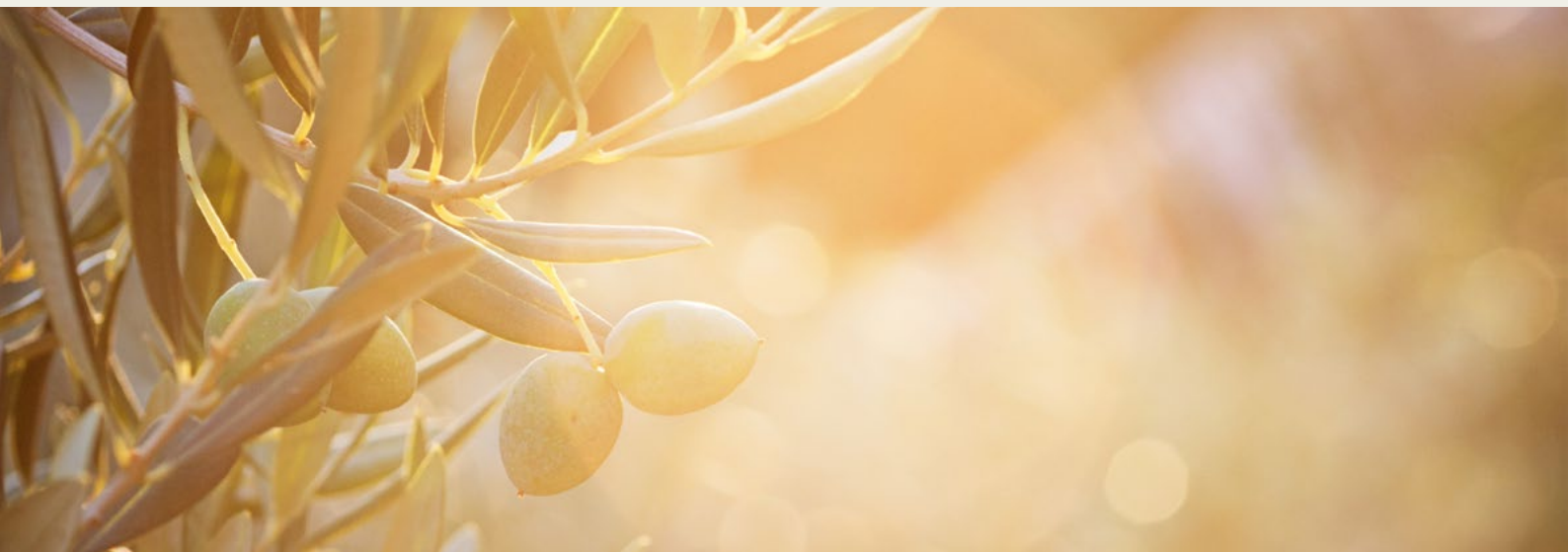
Australian Government contribution – Amount of contribution from the Australian Government on R&D levy-funded expenditure

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





OLIVE INDUSTRY OUTCOMES

The overarching strategic intent of this SIP is to optimise grove productivity and product quality to position Australia as a high-integrity producer of ultra-premium EVOO and table olives, both domestically and internationally.

Industry outcomes

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

OUTCOME 1: Extension and capability

Building capability and innovative culture.

Building capability and an innovative culture will support industry to use 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 awareness and knowledge, which supports changes in practice for grower/industry profitability and sustainability through use of R&D outcomes, best management practices (BMPs) and innovation
- Growers, supply chain, media, governments and consumers being well informed on industry initiatives, issues and achievements as a vital part of regional communities and networks
- Increased on-farm use of R&D outcomes that will build a stronger, more resilient industry, in addition to improved networks and cross-industry collaboration
- Enhancing information and knowledge sharing in relation to circular business models (production and value-adding) for the Australian olive industry.

OUTCOME 2: Industry supply, productivity and sustainability

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

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

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

- Enhancing biosecurity preparedness in the olive industry
- Addressing olive grove yield variability in relation to tree physiology and environmental factors
- Proactively monitoring potential crop protection regulatory threats and having access to a broader suite of effective, socially acceptable and environmentally sound crop protection solutions.

OUTCOME 3: Demand creation

Grow consumer demand in domestic and international markets to support farmgate grower returns.

Demand creation will support industry to expand into existing and future domestic and international markets, supported by increased consumer knowledge, attitudes, and purchase intent to drive growth.

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

- Support product positioning with consistent quality, evidence of beneficial product health attributes and responsible industry production practices
- Develop strong relationships and expand market development across the supply chain with a shared goal to grow the category with a focus on foodservice, and consumer education and awareness
- Identify and prioritise export and domestic market niches where there is demand and growth potential for competitive supply of quality Australian olives and olive oil
- Position Australia as a high-integrity producer of ultra-premium Extra Virgin Olive Oil (EVOO) domestically and internationally, supported by integrity of labelling.

OUTCOME 4: 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.

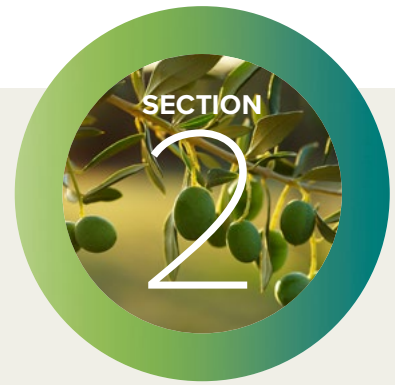
The strategic intent of this outcome is to deliver data and insights which is foundational to achieving success in the other three outcome areas of demand creation; supply, productivity and sustainability; and extension and capability.

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, and independent reviews to enable better decision-making process at industry level and individual businesses.

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



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



OLIVE 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: Extension and capability

Improved capability and an innovative culture in the Australian olive industry maximises return on investments in productivity and demand.

STRATEGIES	POTENTIAL BENEFIT OR IMPACT
1. Support industry-driven innovation and extension initiatives (based on the open sharing of knowledge and expertise from Australian and international networks and benchmarking initiatives) that help support positive change in the areas of sustainable production, biosecurity, and meeting consumer quality expectations	<ul style="list-style-type: none"> Increased profitable production arising from growers adopting new innovations and BMPs
2. Strengthen industry leadership through training initiatives	<ul style="list-style-type: none"> Proactive strategic and evidence-based decision-making in businesses and for industry on investment priorities and risk management
3. Identify and communicate the latest Australian and international trends relating to the development of circular business models (production and value-adding) for the Australian olive industry as part of a communications initiative	<ul style="list-style-type: none"> Increased awareness amongst olive producers and other supply chain stakeholders Opportunities for attracting new investment opportunities into the industry to increase industry value-adding and financial returns (profitability) to the industry



OUTCOME 2: Industry supply, productivity and sustainability

The Australian olive industry has increased profitability, efficiency and sustainability through innovative R&D, BMPs and enhanced biosecurity preparedness.

STRATEGIES	POTENTIAL BENEFIT OR IMPACT
1. Improve industry preparedness and resilience to biosecurity threats (e.g., <i>Xylella fastidiosa</i>)	<ul style="list-style-type: none"> Reduced crop loss to major biosecurity risks
2. Investigate and develop optimised grove management strategies to address sources of yield variability (e.g., biennial fruit bearing, tree health and water availability)	<ul style="list-style-type: none"> Increase in annual yield consistency
3. Develop and refine IPDM strategies	<ul style="list-style-type: none"> Grove biodiversity supporting profitability
4. Prioritise the major crop protection gaps through a Strategic Agrichemical Review Process (SARP)*	<ul style="list-style-type: none"> 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
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"> Regulatory Risk Assessments have informed proactive strategic priority setting to avoid pest management gaps in the event access or use is negatively impacted
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"> Crop protection solutions meet industry priority needs as identified in the industry SARP or biosecurity plan

OUTCOME 3: Demand creation

Demand creation supports the Australian olive industry to develop existing and future domestic and international markets.

STRATEGIES	POTENTIAL BENEFIT OR IMPACT
1. Identify and prioritise export and domestic market niches where there is demand and growth potential for competitive supply of quality Australian origin olives and olive oil	<ul style="list-style-type: none"> Increased exports and demand for Australian olives and olive oil
2. Support product positioning with consistent quality, evidence of beneficial product health attributes and responsible industry production practices	<ul style="list-style-type: none"> Increased awareness of health benefits
3. Develop strong relationships and expand market development across the supply chain	<ul style="list-style-type: none"> Increased demand in foodservice channels
4. Position Australia as a high-integrity producer of ultra-premium EVOO domestically and internationally, supported by integrity of labelling	<ul style="list-style-type: none"> Increased demand for Australian ultra-premium EVOO



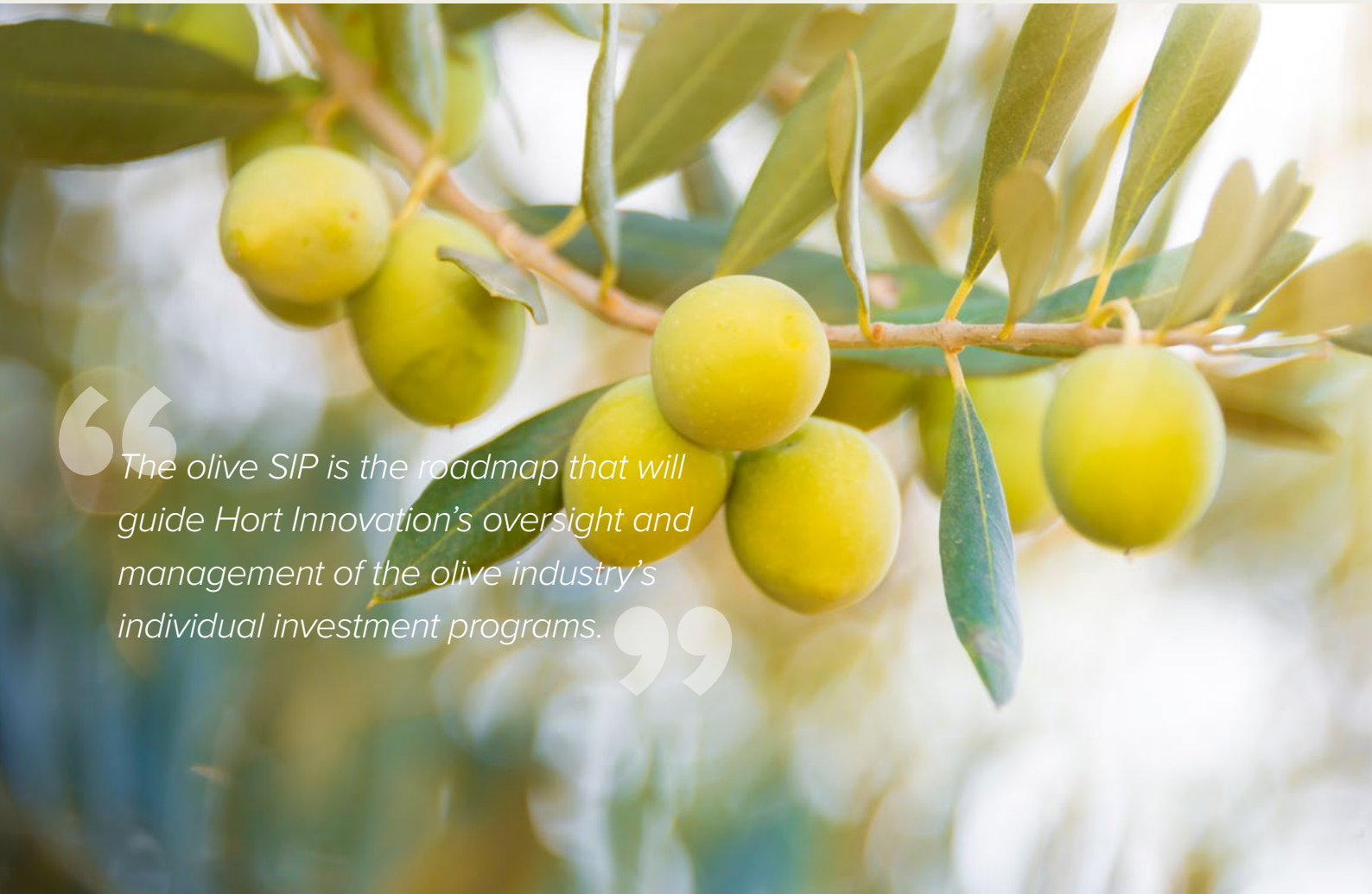
OUTCOME 4: Business insights

The Australian olive industry is more profitable through informed decision-making using consumer knowledge and tracking, benchmarking performance and independent reviews.

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"> • Provision of business insights to deliver against demand, supply and extension outcomes • Supported demand for local products based on quality performance
2. Use market leading global benchmarking to review Australian production competitiveness and engage growers in benchmarking initiatives	<ul style="list-style-type: none"> • Increased knowledge for growers on production competitiveness • Opportunities for cost reduction

* 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.



“The olive SIP is the roadmap that will guide Hort Innovation’s oversight and management of the olive industry’s individual investment programs.”



OLIVE SIP MONITORING AND EVALUATION

The olive 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.

Olive SIP Monitoring and Evaluation Framework

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

OUTCOME	STRATEGIES	KPIs
Extension and capability		
Outcome 1: Building capability and an innovative culture supports industry to use the relevant investment outputs across the supply and demand initiatives to better manage risk and create positive change.	1. Support industry-driven innovation and extension initiatives (based on the open sharing of knowledge and expertise from Australian and international networks and benchmarking initiatives) that help support positive change in the areas of sustainable production, biosecurity, and meeting consumer quality expectations	<ul style="list-style-type: none"> Establishment of a baseline and then increased share of industry (hectare) with positive change in KASA and practice concerning targeted high-priority areas Establishment of a baseline and then increased share of industry (hectare) that are implementing targeted high-priority areas
	2. Strengthen industry leadership through training initiatives	<ul style="list-style-type: none"> Increased participation in industry leadership and learning initiatives
	3. Identify and communicate the latest Australian and international trends relating to the development of circular business models (production and value-adding) for the Australian Olive industry as part of a communications initiative	<ul style="list-style-type: none"> Relevant information is captured in a communications project that is distributed to industry stakeholders as part of existing project initiatives, specifically a written article or feature summarising the latest trends and opportunities (activity) that is distributed to a specific number of growers

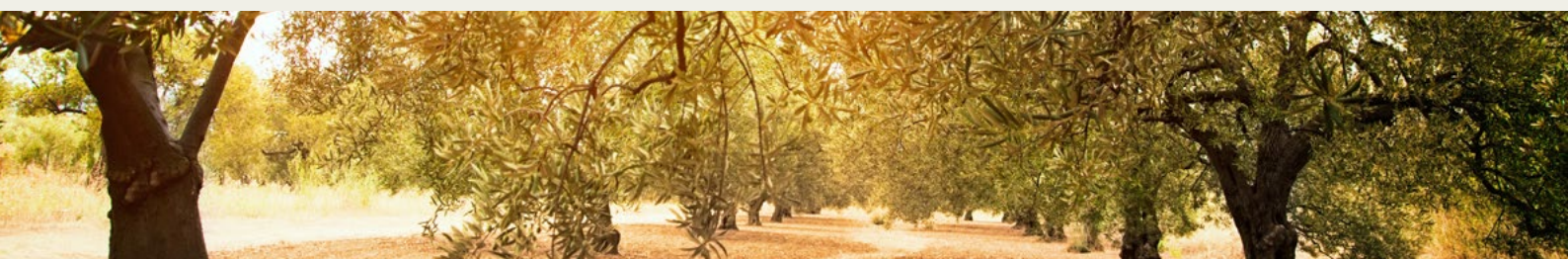
OUTCOME	STRATEGIES	KPIs
Industry supply, production and sustainability		
<p>Outcome 2: The Australian olive industry has increased profitability, efficiency and sustainability through innovative R&D, BMPs and enhanced biosecurity.</p>	<p>1. Improve industry preparedness and resilience to biosecurity threats (e.g., <i>Xylella fastidiosa</i>)</p>	<ul style="list-style-type: none"> Maintenance/tracking of the implementation of an industry biosecurity plan Development of risk analyses of high-priority pests including entry pathways, establishment and spread potential
	<p>2. Investigate and develop optimised grove management strategies to address sources of yield variability (e.g., biennial fruit bearing, tree health and water availability)</p>	<ul style="list-style-type: none"> Identification of practical management strategies that reduce yield variability Identified opportunities and information about crop performance through efficient resource management
	<p>3. Develop and refine IPDM strategies</p>	<ul style="list-style-type: none"> Identification of key drivers required to protect olive groves from pest and diseases to increase olive quality, production and profitability
	<p>4. Prioritise the major crop protection gaps through a SARP*</p>	<ul style="list-style-type: none"> Coordinated industry priority-setting with clear outlook of gaps and risks in existing pest control options Industry priority needs published and shared with stakeholders, including registrants
	<p>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*</p>	<ul style="list-style-type: none"> Regulatory Risk Assessments maintained
	<p>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*</p>	<ul style="list-style-type: none"> Data to support applications to the APVMA and the establishment of Maximum Residue Limits (MRLs)

“Demand creation will support the Australian olive industry to develop existing and future markets, both domestically and internationally.”

OUTCOME	STRATEGIES	KPIs
Demand creation		
<p>Outcome 3: Demand creation supports the Australian olive industry to develop existing and future domestic and international markets.</p>	<p>1. Identify and prioritise export and domestic market niches where there is demand and growth potential for competitive supply of quality Australian origin olives and olive oil</p>	<ul style="list-style-type: none"> • Positive influence on consumer preference • Use of nutritional information to support consumer demand • Development of ready-to-use consumer education communication assets
	<p>2. Support product positioning with consistent quality, evidence of beneficial product health attributes and responsible industry production practices</p>	<ul style="list-style-type: none"> • Increased understanding of domestic and export opportunities
	<p>3. Develop strong relationships and expand market development across the supply chain</p>	<ul style="list-style-type: none"> • Expansion of current chef communications, to include foodservice businesses
	<p>4. Position Australia as a high-integrity producer of ultra-premium EVOO domestically and internationally, supported by integrity of labeling</p>	<ul style="list-style-type: none"> • Growth in domestic and international demand for Australian ultra-premium EVOO
Business insights		
<p>Outcome 4: The Australian olive industry is more profitable through informed decision-making using consumer feedback and tracking, benchmarking performance and independent reviews.</p>	<p>1. Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*</p>	<ul style="list-style-type: none"> • Development of a consumer insights strategy • Evidence that consumer insights inform strategic market engagement • Availability of new consumer knowledge for growers • Quality of local vs imported olive oil criteria and standards established and tracked at retail
	<p>2. Use market leading global benchmarking to review Australian production competitiveness and engage growers in benchmarking initiatives</p>	<ul style="list-style-type: none"> • Data available to support extension activities and individual grower decision-making • Evidence of data used to support industry-level decision-making and grower practice change

* 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 olive 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](#).



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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 R&D opportunities identified for the olive industry include nutritional health benefits.

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 olive 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 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 olive industry investment program, NSW Department of Primary Industries (NSW DPI), was engaged during the development of this SIP to ensure consideration and strategically aligned priorities for the olive industry. In addition, strategic priorities and opportunities identified by the Australian Olive Association (AOA) have been considered in the development of the olive SIP where applicable.

TABLE 2. Government and key agency priorities

AOA priorities	NSW DPI priorities	Rural RD&E for Profit priorities	Australian Government Science and Research priorities
Consumer awareness and education	Orchard monitoring tools	Advanced technology	Food
Quality assurance/ standards	Quality	Biosecurity	Soil and water
Risk and crisis management	Extension of research outcomes	Soil, water and managing natural resources	Advanced manufacturing
RD&E	Industry skills and capacity	Adoption of R&D	Environmental change
			Health

This SIP has been developed alongside the government and key agency priorities listed in **Table 2**, with consideration of issues faced by the olive 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 olive 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 olive 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 to invest in specific impact areas to drive innovation and sustainability initiatives.

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

- Human health and nutrition
- Leadership
- Water and soil, climate variability
- Farm Automation
- Crop protection
- Market development and market access.

Partnering with Hort Frontiers on these areas would provide the olive 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*).

FIGURE 1. Four key pillars of the Australian-grown Horticulture Sustainability Framework



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 an olive SIP strategy that illustrates how the industry is already aligning to the framework.

TABLE 3. An olive SIP strategy example showing how the industry is already aligning to the Australian-grown Horticulture Sustainability Framework

STRATEGY	IMPACT	SUSTAINABILITY GOAL
Support industry-driven innovation and extension initiatives (based on the open sharing of knowledge and expertise from Australian and international networks and benchmarking initiatives) that help support positive change in the areas of sustainable production, biosecurity, and meeting consumer quality expectations	<ul style="list-style-type: none"> Increased profitable production arising from growers adopting new innovations and BMPs 	People & Enterprise



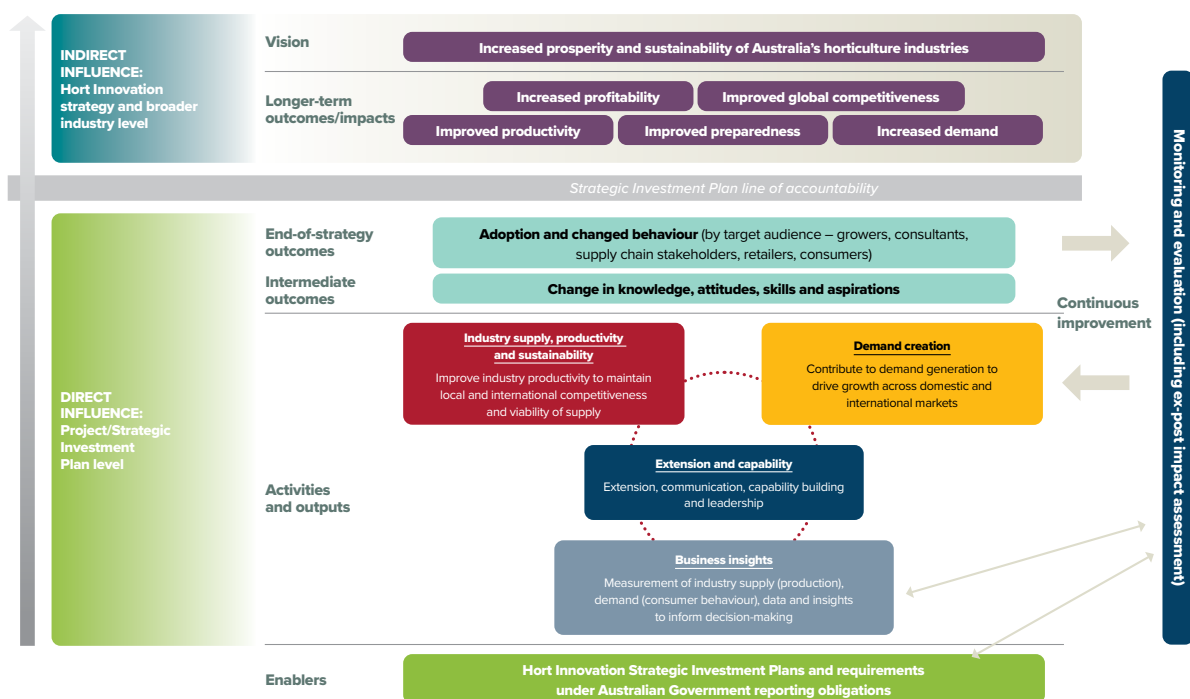
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Strategic Investment Plan logic

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 a Research and Development Corporation (RDC), Hort Innovation is able to leverage industry levy investments in RD&E with Australian Government contributions 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 Australian olive industry produces olives that are used to make oils (predominantly for human consumption, but also for a range of industrial purposes) and table olives.

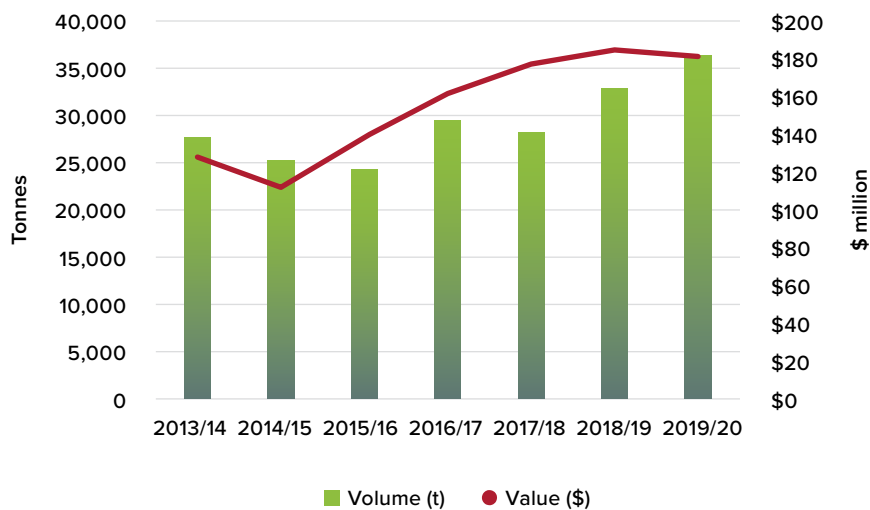
The industry comprises approximately 900 growers, and approximately 21 of these are considered as operating on a large scale (more than 80 hectares). A further 64 growers operate between 20 to 79 hectares, and most growers are considered 'boutique'. Most of the production is from a single large producer in Victoria.

There is high demand for Australian table olives, which attract higher prices per kilogram than olive oil. However, the high cost of casual labour required to pick table olives in Australia discourages many growers despite the better prices. There are some mechanical table olive pickers, but these are generally used by large olive producers and are not available to smaller producers.

Domestic consumers and drivers of demand

Australian olive oil production represents only 0.6% of total global production, which for the 2018/19 year was 3,131,000 tonnes of olive oil produced from 10 million hectares. EVOO has risen from 63% of olive oil sales in 2017 to 65% in 2019. The key drivers of this growth are the health and quality attributes of EVOO. Australian olive oil consumption in 2019 was 50,707 tonnes (55 million litres). This equates to consumption of 2.1 litres per person per annum¹.

FIGURE 3. Olive oil imports, 2013/14 to 2019/20



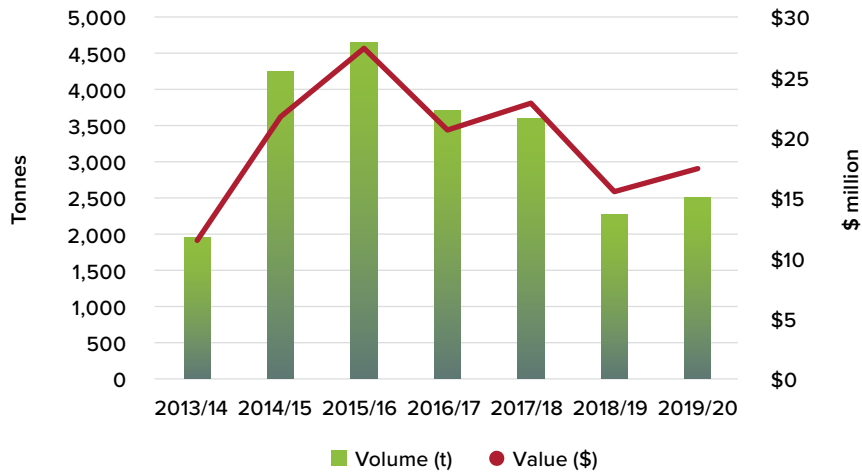
Source: Australian Horticulture Statistics Handbook (2019/20)

Australians consume a significant amount of imported olive oil, which is usually cheaper for consumers than Australian olive oil. 36,467 tonnes of oil were imported, accounting for 80% of the total domestic market volume in 2019/20. Australia is a minor contributor in terms of global olive oil production. Spain produces approximately 1.1 million tonnes of olive oil per annum (225,000 tonnes exported), while Italy produces 385,000 tonnes (208,000 tonnes exported).

¹ McFarlane, P., 2020, Australian Olive Oil - An Overview 2020, Australian Olive Association Ltd.

Exports

FIGURE 4. Olive oil exports, 2013/14 to 2019/20

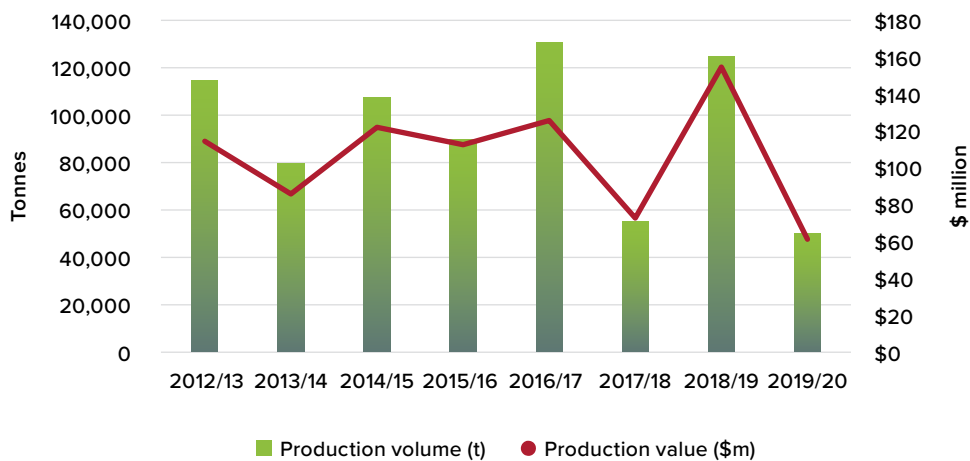


Source: Australian Horticulture Statistics Handbook (2019/20)

Olive oil exports have decreased over the past four years from a peak of 4,646 tonnes in 2015/16 to 2,518 tonnes in 2019/20. Approximately 30% of available Australian olive oil was exported in 2019/20. The main export markets include New Zealand, China, the USA and Japan.

Industry production

FIGURE 5. Olive production, 2012/13 to 2019/20



Source: Australian Horticulture Statistics Handbook (2019/20)

Olives trees are biennial bearing, which tonnages to fluctuate from year to year, and explains the large variations in **Figure 5** above. On average, industry production volume and value has remained steady, with a peak of 130,000 tonnes in 2016/17.

APPENDIX 2: Olive 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, 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 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

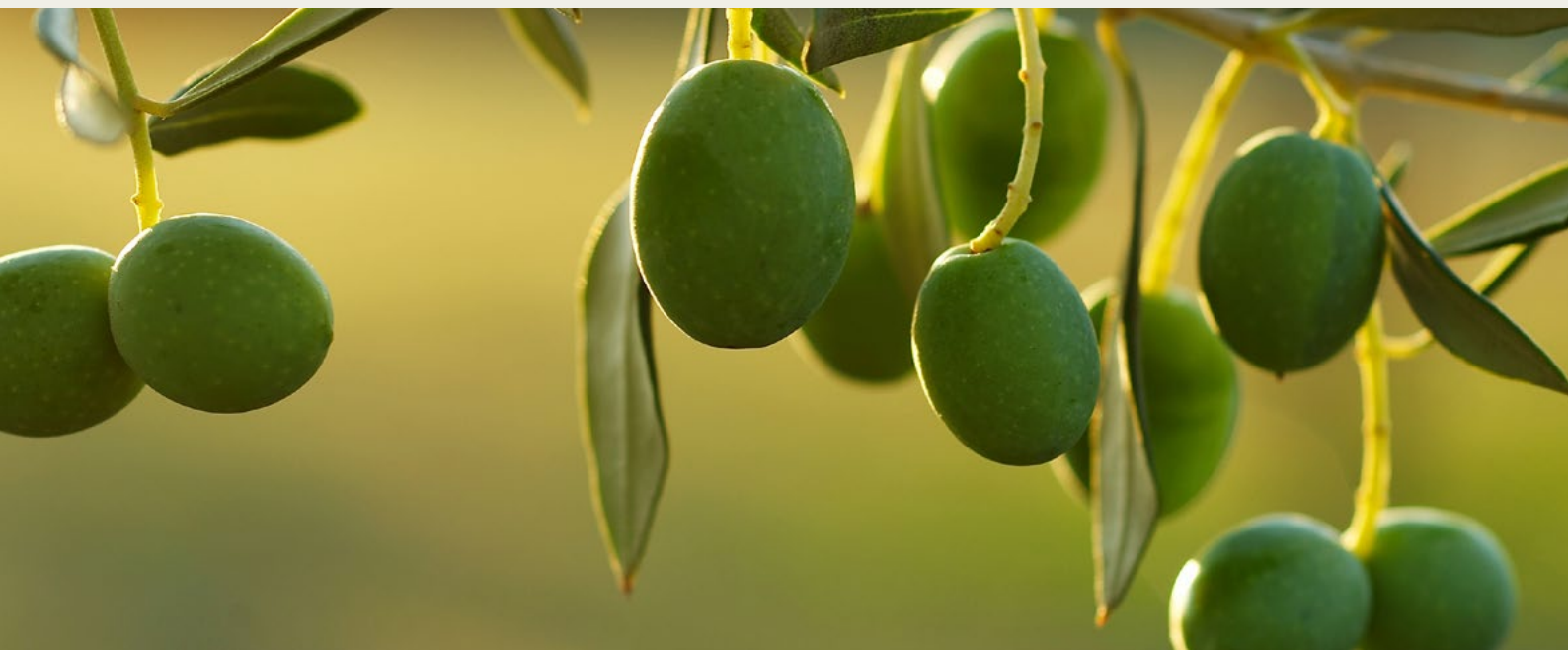
Table 4 has been used to analyse the olive industry's strengths, weaknesses, opportunities, and threats (SWOT). The SWOT tool assists the industry to build on what works, observe what is lacking, minimise risks, and take the greatest possible advantage of chances for success.

TABLE 4. Olive SWOT analysis

The olive industry	
Strengths	<ul style="list-style-type: none"> • Australia's reputation as a trustworthy, innovative, and efficient agricultural product producer • Effective and ongoing market surveillance of imported and domestic olive product quality and labelling • Ability to produce consistently high-quality products with scientifically proven health benefits • Established and growing domestic market for EVOO and table olives • Established and growing high-margin export market opportunities in China and Asia for ultra-premium EVOO
Weaknesses	<ul style="list-style-type: none"> • Lack of regulatory oversight which continues to enable mislabelling of inferior grades of olive oil that has created uneven competition in domestic markets, devaluing Australian EVOO and the overall reputation of olive oil as a healthy food • Australian production costs vary, and growers do not enjoy the subsidies available to EU producers. Competing head-to-head with these imported products puts Australian producers at a disadvantage • Insufficient and/or ineffective technology transfer of previous R&D outcomes to growers, partly due a high rate of turnover in industry participants • Lack of reliable, comprehensive olive statistics – industry participant numbers, production and sales • Growers unaware of production targets, which results in a high proportion of Australian growers being unprofitable due to low yields per hectare



The olive industry	
Opportunities	<ul style="list-style-type: none"> • Increase and broaden important market surveillance work • Increase promotion of the health benefits and culinary uses of Australian EVOO • Expand and broaden education to the foodservice industry about the importance of 'fresh' Australian EVOO and its culinary attributes • Improve access to growing Asian markets by supporting export initiatives • Undertake technology transfer to improve on-farm production by using existing knowledge that is effectively communicated and applied • Actively fit the quality, flavour and presentation of EVOO to match evolving and increasing market demand and fight competition from other food oils • Varietal differences in tree disease tolerance
Threats	<ul style="list-style-type: none"> • Pests and diseases spreading from abandoned groves and/or failure of biosecurity measures leading to entry of serious pests and diseases into Australia • Climate change creating risks to production from both variable weather conditions and changes in pest and disease incidence • Loss of domestic market share to alternative food oils because of failure to convince consumers of the value proposition of olive oil • Australia's foodservice industry is plagued with mislabelled oils and general lack of information, appreciation and/or understanding about EVOO and its effect on food. This is a threat to the industry but is also an opportunity • Lack of effective and affordable harvesting solutions for small and medium growers • Increased reliance on imported oils due to lack of production in Australia caused by yield targets not being met • Strong competitive reaction, by (especially) European oil producers and their governments to both domestic and Asian export marketing initiatives by Australian producers • Irregular cropping or biennial bearing



APPENDIX 3: People consulted

The following people are acknowledged for their contribution to the olive SIP development process.

NAME	INDUSTRY ROLE	REGION
Peter Herborn	Grower; Processor	New South Wales
Leandro Ravetti	Grower; Processor	Victoria/South Australia
Greg Seymour	CEO, Australian Olive Association	New South Wales
Robert Spooner-Hart	Researcher	New South Wales
Tim Smith	Grower	South Australia
Rod Mailer	Oil researcher	New South Wales
Nick Whiting	Grower	South Australia
Mark McColm	Grower	New South Wales
Natalia Lescano	Consultant	Queensland
Josefine Pettersson	Australian Organic Limited	Queensland

APPENDIX 4: Reference material

Footnotes

1. McFarlane, P., 2020, Australian Olive Oil - An Overview 2020, Australian Olive Association Ltd.

Reference documents

Australian Olive Association Ltd., 2021, <https://australianolives.com.au/>

Horticulture Innovation Australia Limited, 2012, Olive 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

AIP	Annual Investment Plan
AOA	Australian Olive Association
APVMA	Australian Pesticides and Veterinary Medicines Authority
BMP	best management practice
CSIRO	Commonwealth Scientific and Industrial Research Organisation
EVOO	Extra Virgin Olive Oil
FY	financial year
GI	glycemic index
IPDM	integrated pest and disease management
IRB	Industry Representative Body
KASA	knowledge, attitudes, skills and aspirations
KPI	key performance indicator
M&E	monitoring and evaluation
MRL	Maximum Residue Limit
NHRN	National Horticulture Research Network
NSW DPI	NSW Department of Primary Industries
PHA	Plant Health Australia
R&D	research and development
RDC	Research and Development Corporation
RD&E	research, development and extension
SARP	Strategic Agrichemical Review Process
SIAP	Strategic Investment Advisory Panel
SIP	Strategic Investment Plan
SWOT	Strengths, weaknesses, opportunities and threats



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