



South Australian Dried Tree Fruits Association

Strategic Plan 2005-2010.

Prepared November 2005



South Australian Dried Tree Fruits Association



Strategic Plan 2006-2010.

Our vision

A profitable and sustainable dried tree fruit industry.

Our mission

To deliver innovative programs that advance the industry community.

Our goals are to:

1. Increase yields, reduce input costs and manage risks.

Objectives:

- a. Achieve consistently higher crop potential through adoption of high quality trees.
- b. Achieve widespread adoption of best practice crop management to fulfil yield potential.
- c. Limit production costs by controlling input quantities and cost.
- d. Assist access to Government funded programs to support technology adoption.

2. Improve product returns for processors and growers.

Objectives:

- a. Undertake industry initiatives to improve product quality to meet customer requirements as advised by marketers.
- b. Support programs that underpin and demonstrate product safety and integrity.
- c. Provide support to industry promotion and marketing activities.
- d. Work consultatively to ensure market power is not abused.

3. Enhance the sustainability of industry.

Objectives:

- a. Support water resource security in terms of quality and quantity.
- b. Manage biosecurity
- c. Support land resource security.
- d. Advise on greenhouse impacts.
- e. Increase access to, participation in and benefit from environmental stewardship programs.
- f. Facilitate participation in programs to improve business management skills.
- g. Access Government regional programs that support the industry.

4. Effectively manage the SA Dried Tree Fruit Association.

Objectives:

- a. Develop strong membership to validate industry representation to the outside community.
- b. Provide industry leadership by delivering strategic direction.
- c. Implement transparent and accountable key management practices in a cost effective manner.
- d. Liaise with relevant organisations effecting the industry environment.
- e. Acknowledge assistance of State Government and other supportive organisations.



Robert Blenkiron,
Inaugural Chairman of SADTFA formed in 1999.

“The Australian Dried Tree Fruit Industry is committed to producing high quality products to meet the requirements of our markets. To achieve this objective, the South Australian dried tree fruit industry is committed to achieving world’s best practice production methods, protection of the environment and maximising returns to producers and other industry stakeholders.”

COMMITTEE STRUCTURE

Independent Chairman

- **Mr Robert Blenkiron:** Angaston

Grower Members:

- **Mr Mark Grieger:** Swan Reach (Deputy Chairman)
- **Mr Jim Ellis:** Angaston
- **Mr David Liersch:** Angaston
- **Mr Daryl Brewster:** Loxton

Processor Members:

- **Mr Chris Ellis:** Sunbeam Foods Pty Ltd
- **Mr Trevor Schloithe:** Sunbeam Foods Pty Ltd
- **Mr Chris Johnson:** Angas Park Fruit Company
- **Mr John Neild:** Angas Park Fruit Company

Co-opted Expertise:

- **Mr Brian Thorn:** Food Industry Consultant

General Manager:

- **Mr Daryl Brewster:** Part-time (0.2)

COMMITTEE APPOINTMENT

The matters of the Association are managed and controlled exclusively by the Management Committee. The Committee shall be comprised of a Chairperson, Deputy Chairman and seven members (4 grower members, 2 processor members and 2 marketer members). Half the members of the Committee must retire and an election will be held. Retiring members are eligible for re-election except for those that have served four two-year terms.

SADTFA SUBCOMMITTEES

Research & Development Industry Advisory Committee (R&DIAC)

- Mr Robert Blenkiron
- Mr Darryl Brewster
- Mr Jim Ellis
- Mr Mark Grieger
- Mr John Neild
- Mr Brian Thorn
- Mr Ross Skinner

Food Standards Committee (FSC)

- Mr Robert Blenkiron
- Mr Brian Thorn
- Ms Mandy Gerhardy
- Mr Trevor Schloithe

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SA Stonefruit Improvement Committee (SASIC)

- Mr Colin Roy
- Mr Mark Grieger
- Mr Daryl Brewster
- John Neild
- Mr Tim Pitt

Industrial Relations Committee (IRC)

- Mr Jim Ellis
- Mr Daryl Brewster

Field Day / Promotions Committee (PC)

- Mr Mark Grieger
- Mr Daryl Brewster
- Mr John Neild
- Mr Trevor Schloithe

Dried Tree Fruits Quality Awards Committee (DTFQAC)

- Mr Robert Blenkiron
- Mr Jim Ellis
- Mr Trevor Schloithe
- Mr Colin Farey
- Mr Tim Pitt
- Mr Darren Greatz

Dried Tree Fruit Approved Supplier Program Committee (DTFASPC)

- Mr Mark Grieger
- Mr Brian Thorn
- Ms Mandy Gerhardy
- Mr John Neild
- Mr Trevor Schloithe

Audit Committee (AC)

- Mr Robert Blenkiron
- Mr Daryl Brewster

Situation Analysis

The Dried Tree Industry comprises dried apricots, peaches, pears and nectarines. Dried apricots is the dominant variety in the industry representing 80% of production that has reduced from 3,000 tonnes to 1,000 tonnes during the past 15 years since the wine industry boom and the importation of Turkish apricot product that undermined industry confidence and to lesser extent industry returns during the last decade.

The industry is centred in South Australia in the Riverland and Barossa Valley regions. There a few large scale producers delivering the bulk of production with many smaller producers growing less than a tonne.

The process of producing dried tree fruit is dependent on:

- Irrigation in the Riverland and rainfall in the Barossa Valley. Allocation restrictions on irrigators in SA has impacted on growers in the Riverland in recent years. Producers are making decisions on orchard watering based on the return of each crop to the enterprise and dried tree fruit is comparably not attractive.
- Labour to harvest cut and dry product is the major input cost and the increases in recent years to wages has had a heavy impact on producer viability.
- Sufficient chill to ensure fruitfulness.
- Adequate sources of high health status planting material to avoid expensive tree losses and duplication of lead times to commercial cropping.
- Reliable rain free weather at harvest and drying to avoid crop and quality loss and to reduce the additional labour required to cover drying product in the advent of rain.
- Continuation of FSANZ SO₂ residue levels at 3000 ppm rather than a reduction to Codex levels of 2000ppm that are obtainable on a regular basis only in high sugar varieties such as those found in the high chill regions of Turkey.
- Dehydration is required for varieties other than apricot and fuel expenses are a major component of the cost of production.

From a production viewpoint the major driver of profitability is the drying ratio achieved in bringing fresh fruit down to the required moisture content to inhibit spoilage in terms of colour deterioration and microbial activity. Typically this is 5.5 to 1 but can be as high as 6.5 to 1. An improved drying ratio provides fewer pieces of fruit to attain a given weight thereby reducing major input costs of harvest, cutting, placing on trays etc.

Significant reductions in the drying ratio are achievable in varieties with high sugar content. The breeding program has bred selections that are in the final phase of evaluation and the early phase of commercialisation. These varieties are also being evaluated and show promise in relation to yield, fruit size, firmness and even maturity to facilitate mechanical harvesting, and reduced sulphur dioxide requirement.

The market for dried fruit is growing rapidly and the inability of Australian producers to supply has limited the growth of dried tree fruit in this sector. Imports of Turkish product has been increasing rapidly and does not appear to impact on the demand for Australian style product that is a cut half rather than whole, more tart in flavour and far brighter in colour. Marketers estimate supply is currently half demand for Australian style product.

We have a situation where if the industry grew it then the market would consume it at current price levels. Unfortunately the returns to growers are now at levels that offers little or no net margin.

The conclusion is that a viable industry in future is only a realistic vision if the breeding program delivers superior varieties and growers have the confidence to replant with them or new developments utilise them.

The industry R&D program has been curtailed due to the loss of levy revenue but has become very focussed on commercialising the superior selections in the breeding program undertaken by SARDI at Loxton. To support this effort and to motivate and stimulate best practice amongst the existing industry a communications program is undertaken by the Industry Association. A program to accredit high health status planting material is also administered by the Association with HAL voluntary contribution support.

The following strategies are to be undertaken by SADTFA and industry stakeholders with HAL levy funding limited \$75,000 per annum to the breeding project. A voluntary contribution project supports the Partnership Agreement that funds the industry communications program.

I. Increase yields, reduce input costs and manage risks.

Objectives:

a. Achieve consistently higher crop potential through adoption of high quality trees.

Strategies:	Responsibility	Budget
1. Improve tree fruit planting material through development and implementation of nursery accreditation scheme.	SASIC	\$10,000
2. Manage industry investment in virus tested, true to type, performance evaluated propagation material at Monash site.	SASIC	\$5,000
3. Provide industry assessment panel for SARDI/HAL's new dried tree fruit varieties, DPIVictoria's new fresh and canning varieties, and overseas varieties.	SASIC / DTFQAC	\$3,500
4. Develop and promote best practice for bringing new plantings into bearing.	SASIC	\$5,000

b. Achieve widespread adoption of best practice crop management to fulfil yield potential.

Strategies:	Responsibility	Budget
1. Identify and provide best practice information to producers in the SADTFA newsletter, through field days, training courses, production manual and personal communication.	SADTFAC	\$6,000
2. Participate in R&D strategic planning, project investment decisions, research monitoring and facilitating output adoption by industry.	RDIAAC	\$2,000
3. Facilitate grower on-farm trials of promising technologies.	RDIAAC	\$500
4. Develop knowledge of other producing country's production, processing and marketing and keep the industry informed accordingly.	SADTFAC	\$2,000
5. Support grower benchmarking project to assist identification of beneficial production and management practices.	SADTFAC	\$5,000
6. Provide information on exotic diseases such as fireblight and Sharka to ensure rapid identification if introduced into producing districts,	SADTFAC	\$500

c. Limit production costs by controlling input quantities and cost.

Strategies:	Responsibility	Budget
1. Identify and provide best practice information on irrigation, pest and disease control, nutrition and soil management, mechanisation to producers in the SADTFA newsletter, through field days, training courses, production manual and personal communication.	SADTFAC	See 1b1.
2. Negotiate recommended piecework rates with Union.	IRC	\$5,000
3. Improve terms of payment for superannuation on casual labour.	IRC	\$1,000
4. Support National Harvest Trail program.	IRC	\$2,500
5. Investigate and implement if possible workplace agreement arrangement for producers.	IRC	\$10,000
6. Address on farm OH&S concerns such as elevated work platforms, ladders, cutting machines, tractor safety, strain injuries, and business stress issues.	IRC	\$3,500
7. Monitor water pricing and policy impacting on cost of water.	SADTFAC	\$2,500
7. Support grower benchmarking project to assist identification of beneficial production and management practices.	SADTFAC	See 1b5.
8. Facilitate group buying at discounted prices.	SADTFAC	\$2,500

d. Assist access to Government funded programs to support technology adoption.

Strategies:	Responsibility	Budget
1. Facilitate grower access to government assistance for efficiency improvements, environmental enhancements, structural adjustment, and skilling of property owners and employees (eg FarmBis).	SADTFAC	\$2,500

2. Improve product values for processors and growers.

Objectives:

a. Undertake industry initiatives to improve product quality.

Strategies:	Responsibility	Budget
1. Identify and provide best practice information on pest and disease control, nutrition, crop thinning, cutting, sulphuring and drying, and drying facility hygiene to producers in the SADTFA newsletter, through field days, training courses, production manual and personal communication.	SADTFAC	\$10,000
2. Assess new varieties for quality characteristics.	SASIC / DTFQAC	See 1a3.
3. Conduct annual Dried Tree Fruit Quality Awards.	DTFQAC	\$7,500
4. Manage Dried Tree Fruit Approved Supplier Program, training, audit and database.	DTFASPC	\$5,000

b. Support programs that underpin and demonstrate product safety and integrity.

Strategies:	Responsibility	Budget
1. Manage Dried Tree Fruit Approved Supplier Program, training, audit and database.	DTFASPC	\$5,000
2. Monitor results of dried fruits industry chemical residue testing program and National residue testing program.	SADTFAC	\$2,500
3. Develop, print and distribute chemical use diaries to growers.	SADTFAC	\$6,000
4. Provide industry input into Federal and State food safety legislation.	FSC	\$5,000
5. Promote monitoring and enforcement of food safety legislation.	FSC	\$2,500
6. Maintain representation on Horticultural Export Committee.	FSC / B Thorn	\$5,000
7. Develop industry code of practice to replace Export Orders to describe quality grades processed product also used for classing receipt.	FSC	\$5,000
8. Monitor and promote enforcement of labelling laws.	SADTFAC	\$3,500

c. Provide support to industry promotion and marketing activities.

Strategies:	Responsibility	Budget
1. Promote dried tree fruits at the Riverland Field Days and agricultural shows with displays of product, cooked products and recipes.	DTFASPC	\$2,000
2. Maintenance and development of photo library of dried tree fruit industry images and recipes for media use in promoting the industry.	PC	\$2,500
3. Support research into health giving properties of dried tree fruits.	RDIAC	See 1b2. & \$2,000

d. Work consultatively to ensure market power is not abused.

Strategies:	Responsibility	Budget
1. Participate with processing stakeholder to provide a forum for Sunbeam to:	SADTFA Consultative Committee	\$7,500
a. explain the factors that are likely to affect its proposed pricing to growers for fruit intake for the forthcoming season and expected requirements for Australian grown dried tree fruit.		
b. receive general comments setting out the growers perspective of issues facing the dried tree fruit industry and especially the potential effect that any conduct Sunbeam implements may have on growers.		
c. openly exchange of information and discussion about concerns and opportunities, particularly relating to the marketing of dried tree fruits.		
d. explain its perspective on key issues that may affect growers including factors that may be relevant to prices that Sunbeam may offer in future seasons.		
e. to discuss practices of either Sunbeam or of growers that may be able to be improved for the benefit of the other group.		
f. discuss issues arising out of, or requiring changes to, Sunbeam's grower contracts should these be introduced into the dried tree fruits industry.		
g. discuss issues arising out of, or requiring changes to, Sunbeam's supply terms & conditions for non-contracted growers.		
2. Represent the producer community in negotiations with processors, the ACCC and other relevant parties should the consultation agreement fail and market power abuses occur to the detriment of growers.	SADTFA	\$1,000 but subject to reallocation from SADFB remnant funds if required.

3. Enhance the sustainability of industry.

Objectives:

a. Support water resource security in terms of quality and quantity.

Strategies:	Responsibility	Budget
1. Monitor local, state and federal plans on security of supply for irrigators.	SADTFAC	\$3,000
2. Provide industry data to Horticulture Australia's irrigation program.	SADTFAC	\$2,000

b. Manage biosecurity.

Strategies:	Responsibility	Budget
1. Develop exotic pest and disease incursion plan (Biosecurity Plan) jointly with fresh and canning fruit industry to manage outbreaks of diseases such as Fire Blight or Sharka should they be introduced into Australia and enable access to financial relief determined in cost sharing agreement with government to be developed. Manage the industry levy when necessary to compensate affected growers.	SADTFAC	\$5,000
2. Support fruit fly national program by monitoring and promoting strategies.	SADTFAC	\$500

c. Support land resource security.

Strategies:	Responsibility	Budget
1. Support right to farm policies.	SADTFAC	\$500
2. Monitor Catchment Management Authority strategies to reduce salinity and promote them to industry when applicable.	SADTFAC	\$500
3. Monitor local government rates and other charges to ensure reasonableness and equity.	SADTFAC	\$500

d. Advise on greenhouse impacts.

Strategies:	Responsibility	Budget
1. Liaise with government authorities to understand and report on implications of greenhouse impacts on weather during drying season and other implications such as rainfall in water catchment areas.	SADTFAC	\$2,000

e. Increase access to, participation in and benefit from environmental stewardship programs.

Strategies:	Responsibility	Budget
1. Liaise with Horticulture Australia to benefit from environmental management systems initiative.	SADTFAC	\$2,000
2. Develop approved supplier plus program for dried tree fruit.	SADTFAC	\$2,000

f. Facilitate participation in programs to improve business management skills.

Strategies:	Responsibility	Budget
a. Promote TAFE and FarmBis courses.	SADTFAC	\$2,000
b. Provide statistical and cost of production information on which to base business investment decisions	SADTFAC	\$2,000

g. Access Government regional programs that support the industry.

Strategies:	Responsibility	Budget
1. Monitor Area Consultative Committee (Federal) funding opportunities to lobby to improve the industry infrastructure including processing facilities and support infrastructure in Angaston, Loxton and Renmark.	SADTFAC	\$2,000

4. Effectively and appropriately manage the SADTFA.

Objectives:

a. Develop strong membership to validate industry representation to the outside community.

Strategies:	Responsibility	Budget
1. Promote objectives, strategies and outputs with industry stakeholders at industry Conferences, Field Days, Media, and Newsletters.	SADTFA	\$2,500
2. Maintain membership database including tonnage it represents.	SADTFA	\$2,000
3. Promote a culture of involvement with producers.	SADTFA	\$1,000
4. Identify and target non-members to join SADTFA.	SADTFA	\$500

b. Provide industry leadership by delivering strategic direction.

Strategies:	Responsibility	Budget
1. Develop strategic plans, and annual plans that when implemented provides direction to the industry to enable all stakeholders to work co-operatively to add value.	SADTFA	\$2,000
2. Communicate the industry position on relevant issues to the industry stakeholders and wider community.	SADTFA	\$500
3. Identify and develop industry leaders.	SADTFA	\$1,000

c. Implement transparent and accountable key management practices in a cost effective manner.

Strategies:	Responsibility	Budget
1. Maintain and have available for member information the Association rules and Association policies.	SADTFA	\$1,000
2. Provide regular financial reports to the Committee.	SADTFA	\$2,000
3. Association investments and other financial practices to be reviewed by and approved by Audit Committee.	AC	\$2,000
4. Prepare and review Strategic Plan approved by Committee and SA Minister for Agriculture, Food & Fisheries (until June 2006).	SADTFA	\$5,000
5. Prepare Annual Plan approved by Committee and SA Minister for Agriculture (until June 2006).	SADTFA	\$5,000
6. Prepare and present annual report including audited accounts to the Annual Conference and SA Minister for Agriculture (until June 2006).	SADTFA	\$10,000
7. Develop and manage Association's funding support plan with options of: a. Industry funding through processors (preferred). b. Statutory levy under SA Primary Industries Funding Scheme Act. c. Horticulture Australia's industry agreement funding including potential of levies raised on imported product.	SADTFA	\$2,500

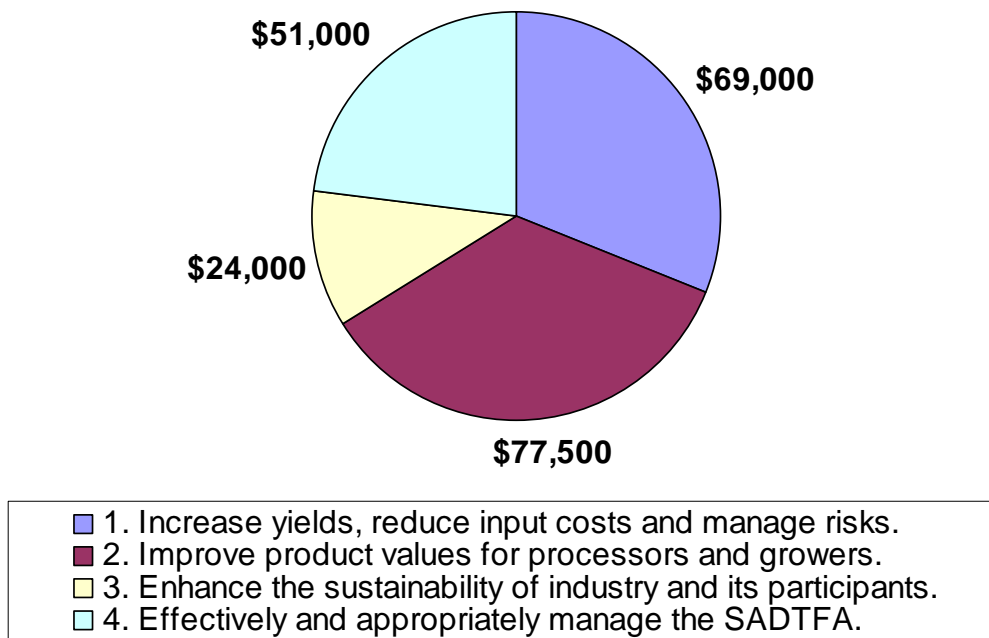
d. Liaise with relevant organisations affecting the industry environment.

Strategies:	Responsibility	Budget
1. Consult with Horticulture Australia: <ul style="list-style-type: none"> • in determining quantum of R&D levy. • in nominating HAL's Dried Tree Fruit Industry Advisory Committee. • in undertaking needs analysis, developing and reviewing R&D strategic plan, annual investment plan and annual industry agreement. • on across industry issues. • in commercialising program outputs. • in assessing HAL performance. 	SADTFA	\$5,000

Expenditure.

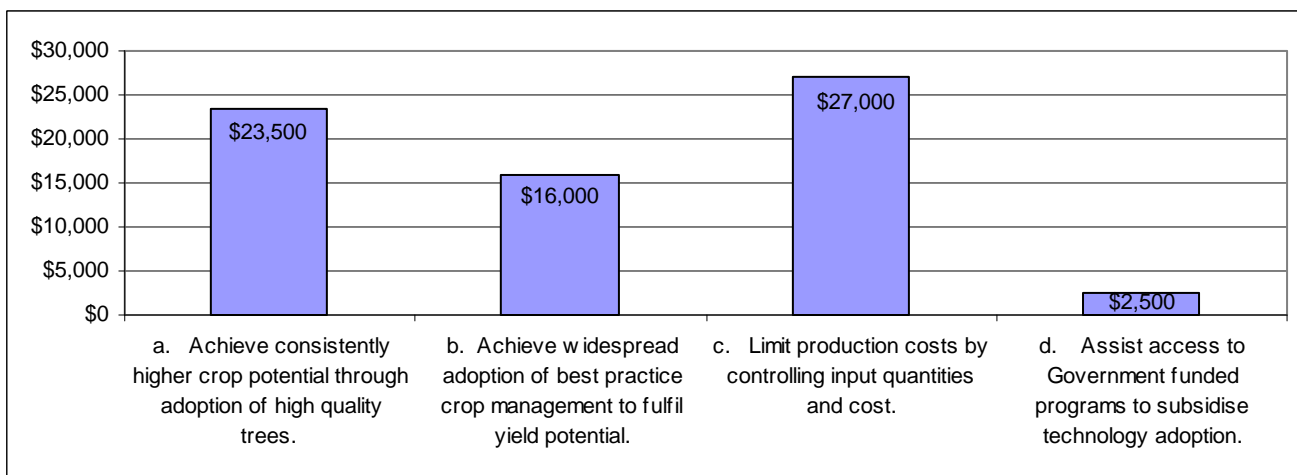
The expected expenditure for each strategy over the five-year period of the Plan is noted next the listed strategies above. The graphs below shows the relative expenditure on each objective.

Breakdown of expenditure by objective

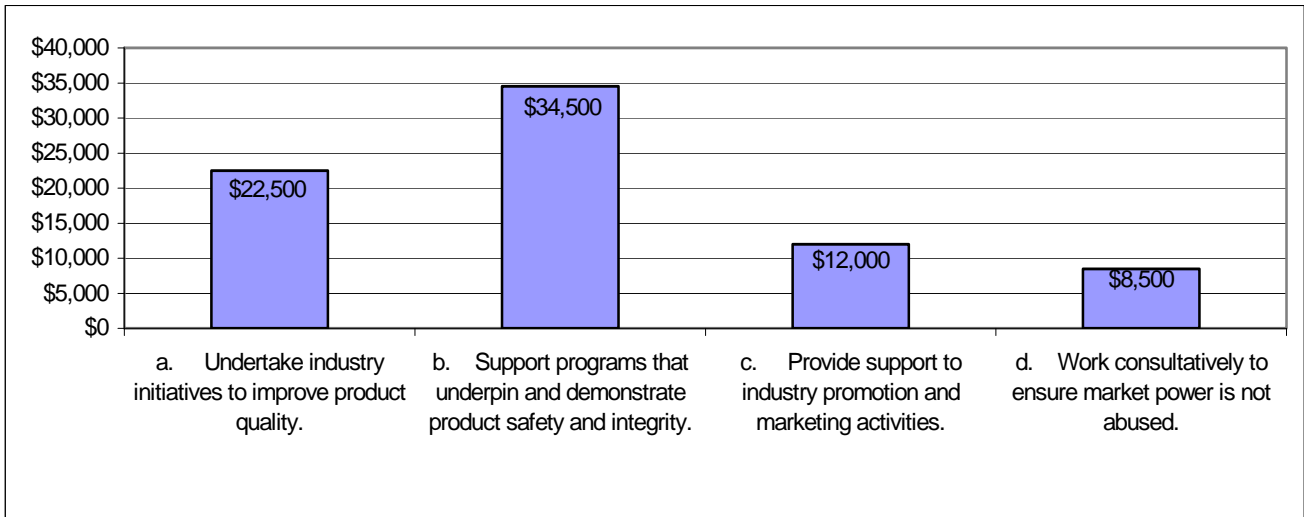


The expected relative expenditure within each objective are shown below

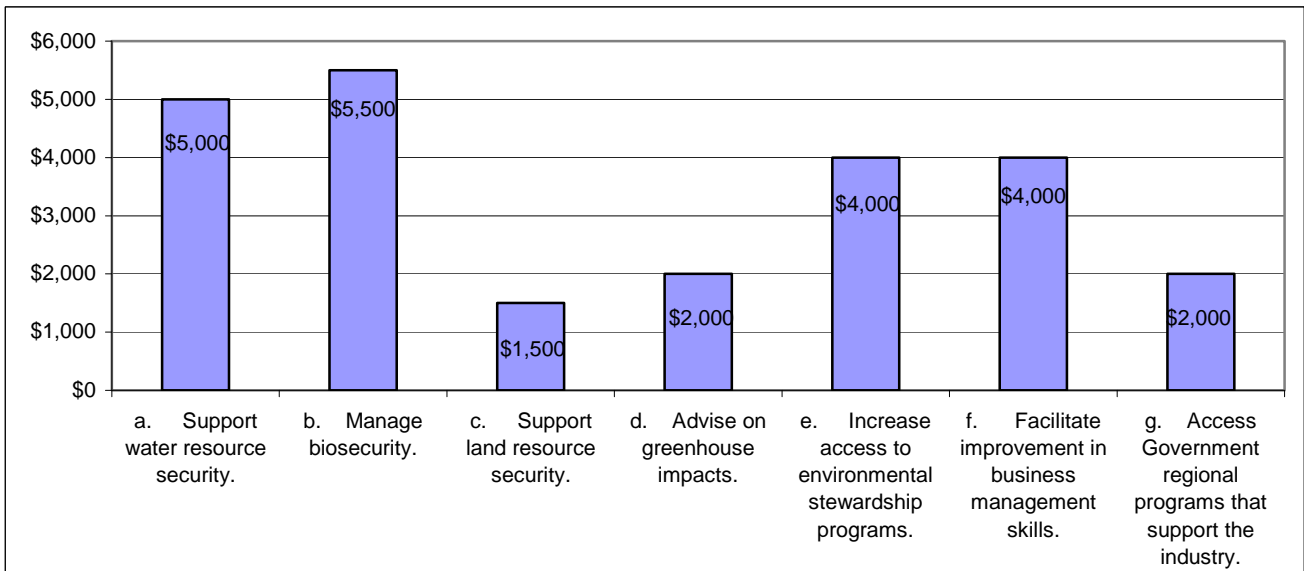
I. Increase yields, reduce input costs and manage risks.



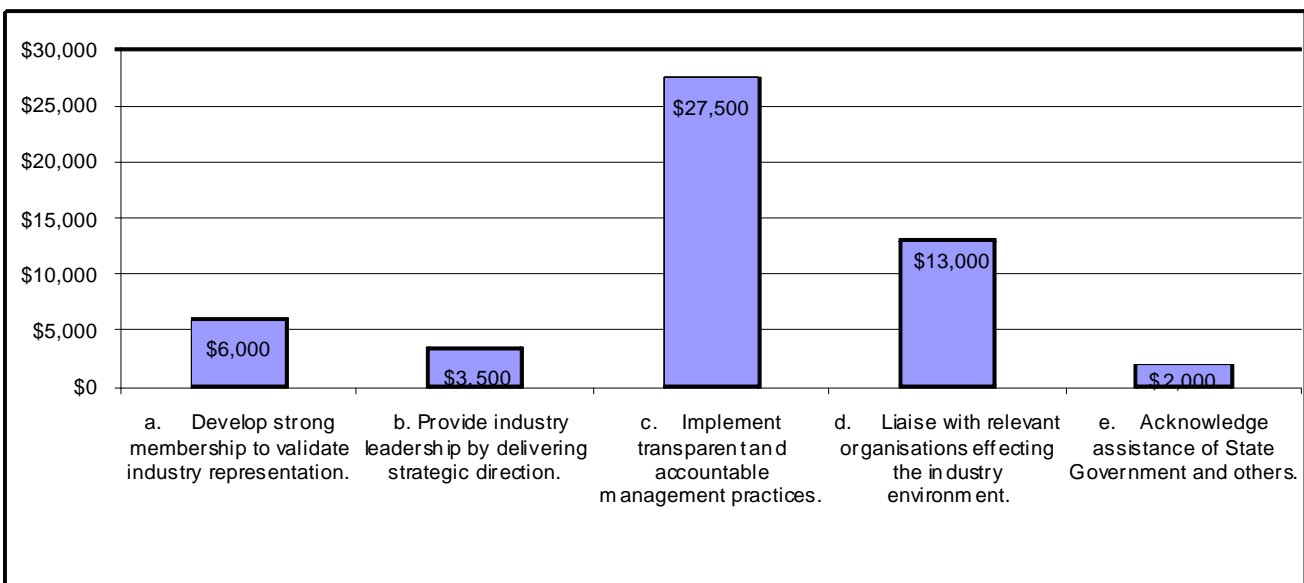
2. Improve product values for processors and growers.



3. Enhance the sustainability of the industry.



4. Effectively manage the Association and the industry.



The remnant funds of the South Australian Dried Fruits Board will be utilised in the first three years of the Plan to proportionally fund the Association's strategic programs. It is expected that \$25,000 of the remnant funds will be expended in years 1 and 2 and \$ in year 3 in the programs highlighted in blue. The R&D expenditure is in

1. Increase yields, reduce input costs and manage risks.

- a. Achieve consistently higher crop potential through adoption of high quality trees.
- b. Achieve adoption of best practice crop management to fulfil yield potential.
- c. Limit production costs by controlling input quantities and cost.
- d. Assist access to Government funded programs to subsidise technology adoption.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	\$6,500	\$6,500	\$6,500	\$2,000	\$2,000	\$23,500
	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$16,000
	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$27,000
	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
	\$500	\$500	\$500	\$500	\$500	\$2,500
	\$15,600	\$15,600	\$15,600	\$11,100	\$11,100	\$69,000

2. Improve product values for processors and growers.

- a. Undertake industry initiatives to improve product quality.
- b. Support programs that underpin and demonstrate product safety and integrity.
- c. Provide support to industry promotion and marketing activities.
- d. Work consultatively to ensure market power is not abused.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$22,500
	\$9,500	\$9,500	\$9,500	\$3,000	\$3,000	\$34,500
	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$12,000
	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$8,500
	\$18,100	\$18,100	\$18,100	\$11,600	\$11,600	\$77,500

3. Enhance the sustainability of industry and its participants.

- a. Support water resource security in terms of quantity and quality.
- b. Manage biosecurity.
- c. Support land resource security.
- d. Advise on greenhouse impacts.
- e. Increase access to environmental stewardship programs.
- f. Facilitate improvement in business management skills.
- g. Access Government regional programs that support the industry.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000
	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$5,500
	\$300	\$300	\$300	\$300	\$300	\$1,500
	\$400	\$400	\$400	\$400	\$400	\$2,000
	\$800	\$800	\$800	\$800	\$800	\$4,000
	\$800	\$800	\$800	\$800	\$800	\$4,000
	\$400	\$400	\$400	\$400	\$400	\$2,000
	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$24,000

4. Effectively and appropriately manage the SADTFA.

- a. Develop strong membership to validate industry representation.
- b. Provide industry leadership by delivering strategic direction.
- c. Implement transparent and accountable management practices.
- d. Liaise with relevant organisations effecting the industry environment.
- e. Acknowledge assistance of State Government and others.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$6,000
	\$700	\$700	\$700	\$700	\$700	\$3,500
	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$27,500
	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$13,000
	\$400	\$400	\$400	\$400	\$400	\$2,000
	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$52,000

Total Annual Estimated Expenditure SADTFA

\$48,900 \$48,900 \$48,900 \$37,900 \$37,900 \$222,500

Total Annual Estimated Expenditure R&D Account

\$70,000 \$70,000 \$70,000 \$70,000 \$70,000 \$350,000