

Apple and pear

STRATEGIC INVESTMENT PLAN
2017-2021 AT A GLANCE

POTENTIAL IMPACT OF THIS PLAN



Based on an estimated investment of \$32.23 million over the next five years.

Major opportunities

- To take advantage of the world's best scientific knowledge in agronomy, packaging and pests and disease management
- Promoting the specific health benefits of apples and pears to take advantage of the growing trend towards healthier foods
- The increasing demand for quality fruit in nearby Asian and Middle Eastern markets
- The industry financial resources available to invest in market development.

Major challenges

- An oversupply depressing prices to uneconomic levels
- Threat of biosecurity incursion
- Higher input costs relative to competitors
- Lower and more variable yield than competitors
- Inconsistency in delivering good eating experiences
- Lack of export competitiveness and capability
- Lack of market access into potential markets
- Lack of reliable data on tree plantings and crop forecasts to inform investment decision-making.

OUTCOMES	STRATEGIES
Industry profitability and global competitiveness is improved by reducing the average cost per carton	Drive orchard reworking with emphasis on preparedness for increased mechanisation/automation/scale
	Continue to build the body of knowledge around pest and disease management and prevention, considering both biosecurity risk mitigation and cost reduction
	Improve soil health and increase knowledge of beneficial microbes in orchard management
	Improve labour productivity through greater adoption of technology and leadership training
	Research IT and data systems that enable better collection and connectivity of orchard and business data at every level of the supply chain
	Extend Future Orchards® concept to 'Future Pack House' with the aims of both cost reduction and quality improvement

Apple and pear

STRATEGIC INVESTMENT PLAN

2017-2021

AT A GLANCE

OUTCOMES	STRATEGIES
Growing demand in both domestic and export markets has increased the value of the marketable harvest	Develop a marketing plan to drive category growth and engage domestic consumers
	Improve consumer eating experience by better understanding consumer needs (market research) and developing industry responses to the factors impacting quality in every part of the supply chain
	Engage with supermarkets to improve category management and the shopper experience
	Grow non-supermarket channels, particularly the under-represented route and food service channels
	Build export competitiveness and capability across the industry
The value of the average bin has risen, resulting in improved industry profitability	Develop targeted export market development plan covering: market research, market access management, global strategic alliances and biosecurity planning
	Improve quality consistency and percentage of Class 1 fruit per hectare
	Develop opportunities for utilising second grade fruit and waste streams through value-adding and new product development
	Improve industry knowledge and capability in juicing (for fermented and fresh juice markets)
	Raise consumer awareness of the widespread use of imported concentrates
	Increase industry knowledge of marketing as a means of adding to product value
	Improve industry understanding of how contemporary supply chains function (from farm-gate to plate) to help growers maximise value

OUTCOMES	STRATEGIES
A cultural shift across industry has better equipped growers for long-term sustainability	Improve grower business skills through offering a business basics program such as financial, leadership, strategic planning, succession plans, marketing and supply chain
	Investigate feasibility of tree register and annual production forecasting process for both biosecurity and investment planning purposes
	Support scholarships for agribusiness graduate management short courses, for example, Hort Innovation Global Masterclass and Rabobank Executive program
	Assist industry to develop new business models that encourage investment, succession and economic sustainability
	Foster better industry participation in future levy funded projects in partnership with APAL (particularly free benchmarking and Future Orchards®)
	Include overseas study tours in young leader's program
	Introduce short course training modules for supervisors in human resources, leadership, team building and cultural skills
	Protect the industry's reputation for safe foods by ensuring industry systems, processes and training are up-to-date and compliant with best practice food handling standards

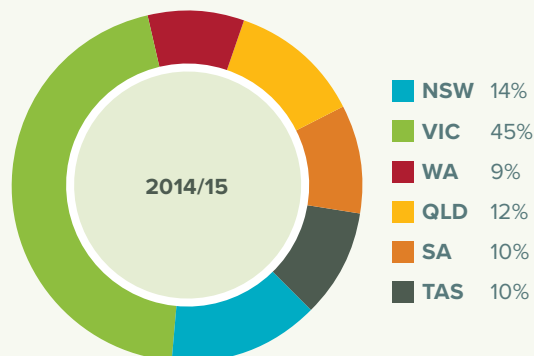
Apple and pear

STRATEGIC INVESTMENT PLAN

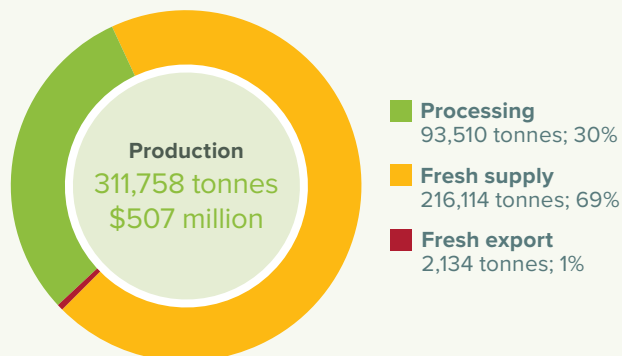
2017-2021

AT A GLANCE

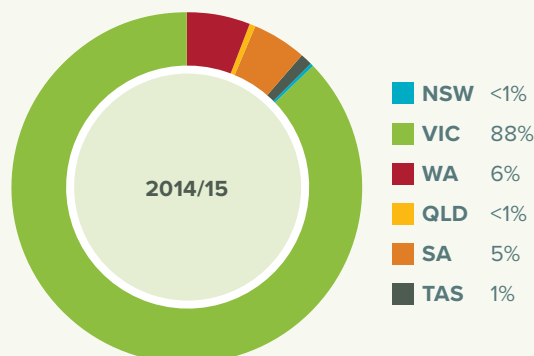
Apple industry size and production distribution



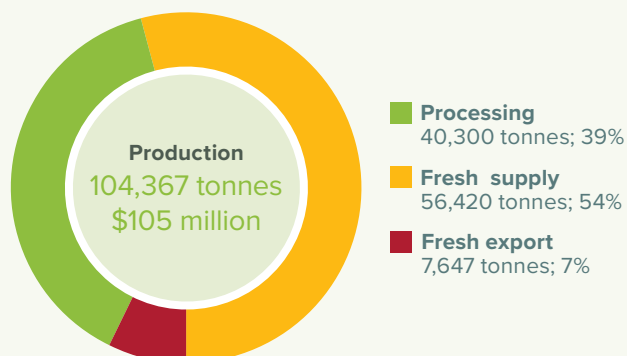
Apple supply chain and value 2014/15



Pear industry size and production distribution



Pear supply chain and value 2014/15



There are approximately 563 apple and pear growers

DISCLAIMER

Any views contained in this abbreviated Strategic Investment Plan (SIP) do not necessarily represent the views of Horticulture Innovation Australia Limited (Hort Innovation) or its commitment to a particular course of action or a guarantee of specific outcomes. The ability to deliver on all the articulated strategies (and investments) will be determined by the ability of the statutory levy to provide the resources to do so. For more information on Hort Innovation's obligations, rights and responsibilities and a full disclaimer statement, refer to the full version of this SIP that is available on Hort Innovation's website at www.horticulture.com.au.

COPYRIGHT

© Copyright 2017 Horticulture Innovation Australia