

Apple and Pear Industry Strategic Investment Plan 2010-2015



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Overview

In March 2010, Apple and Pear Australia Limited (APAL) endorsed the apple and pear industry strategic plan – “New Horizons 2015”, following extensive consultation involving regional focus groups, dialogue with individual industry participants along the supply chain and a data-gathering process.

The apple and pear RD&E investment plan 2010-2015 was developed in October 2010 in response to New Horizons; this plan takes a more comprehensive investment approach over a five years period encompassing seven RD&E priority investment areas.

In 2011, New Horizons was independently assessed to help the industry identify areas of improvement. The enhanced apple and pear Strategic Investment Plan (SIP) that followed from this process incorporates areas already identified in New Horizons and the industry’s RD&E Investment plans; and new areas of renovation.

The areas of enhancement for the New Horizons’ plan raised in the assessment were adopted during an update process earlier in 2012. This exercise was undertaken jointly between the industry and Horticulture Australia Limited. The renovated SIP highlighted remaining challenges specifically in areas of quantification of potential returns, due primarily to the difficulty in attaining meaningful data (in some cases) and analysis utilising analytical tools.

Existing industry data can be utilised to quantify and measure Objective 1 (Sales Volume, Domestic Demand and Export figures) based on levy income analysis. However, current and repeatable productivity data that is representative of all enterprise sizes and types, e.g. cost of production (Farm gate prices) or average tonnes/ha, to use as a benchmark against Objective 2 is not readily available. However, some productivity data is available for a small select proportion of farms that are engaged with the apple and pear productivity extension program.

An analytical framework was applied in New Horizons to key strategy areas. The Centre for International Economics conducted a analysis of various scenarios utilising the ‘Hilink Model’. These scenarios explored key changes and potential industry outcomes ,e.g. increase in domestic demand by 10% would give a \$20m increase in annual farm gate value.

Additional to this, a project (*‘Industry Projects Return on Investment Evaluation Program – BCA’*) is currently in progress to evaluate the economic return on investment to the apple and pear industry and will inform the plan further. This project seeks to analyse five randomly chosen clusters (which include over 100 projects) accounting for over 80% of Apple & Pear investments to date, and is being conducted by AgEconPlus Pty Ltd. The results are expected by early 2013.

An analysis of the apple and pear SIP shows close alignment with Commonwealth Rural R&D and HAL’s Strategic Plan priorities. Proposed broad budget allocations by objective and strategies are also addressed in the plan.

The Apple and Pear IAC endorsed the enhanced SIP in its current form, while new production/productivity data becomes available. Furthermore, the SIP will be revised to include the newly generated data and the correspondent Benefit Cost Analysis against the major objectives to demonstrate investment rationale and ensure effective investment prioritisation.

Note that this document should be read in conjunction with “New Horizons 2015” and the Apple and Pear “Industry RD&E Investment Plan 2010-2015” to provide its full context.

Australian Apple and Pear Industry Snapshot

The apple and pear industry is the third largest horticultural industry in Australia after grapes and citrus and has an estimated Gross Value of Production of \$450 million. The major apple and pear producing areas are Stanthorpe in Southern Queensland, Orange and Batlow in New South Wales, the Goulburn Valley and Southern Victoria, Huon Valley in Tasmania, Adelaide Hills in South Australia and the Donnybrook and Manjimup regions in Western Australia. In addition, there are several small pockets of apple and pear production in each state.

Victoria is Australia's largest producer of apples and pears, generally producing more than 30 per cent of the nation's apples and close to 90 per cent of the nation's pears - mostly from the Goulburn Valley area around Shepparton. New South Wales and Western Australia are the next largest producing states.

Australia represents around 0.8 per cent of world production of apples and 1.4 per cent of world pear production. The Australian industry is unique in terms of its very strong domestic focus, low exports and minimal import competition. Apples are among Australian consumers top three favorite fruits with an average of 78 per cent of respondents to a regular industry survey having purchased apples in the past month. Domestic consumption of fresh apples in 2007 stood at approximately 9kg per person per annum.

An industry 'taking stock' study in 2005 found that about 20 per cent of the apple crop goes to concentrated apple juice (CAJ), fresh apple juice or pie apple, but volumes directed to processing have since fallen each year to 13 per cent in 2008. Import competition is an important factor in the juice market. CAJ is imported at very low cost and this in turn impacts on the prices paid to growers for fruit that is suitable only for processing.

Pears are also a classic, mainstream product for Australian consumers but they do not occupy a position as a staple fresh fruit. Approximately 40 per

cent of Australian grown pears are sold fresh, with the balance of the crop processed (canned). The pear industry is relatively internationalized compared to the apple industry. It is already subject to import competition from China, although the level of imports remains low. The industry is currently exporting larger volumes of fresh fruit with approximately four per cent of pear production exported in 2008 compared to only 1.3 per cent for the apple industry.

Approximately 1100 businesses are involved in the growing of apples and pears nationally. Major supermarkets and independent retailers are the main points of purchase for consumers of apples and pears, with food service businesses accounting for a much smaller component of supply.

Apple and Pear Australia Limited (APAL) is the peak industry body representing, leading and servicing the apple and pear industry and its growers. APAL has a leadership role for instigation and implementation of industry programs. Some examples include: the development, and implementation of Future Orchards; the formation of the PIPS consortia; the Australian industry involvement in Prevar; and the development and ongoing management of the International Pink Lady business.

APAL works closely with HAL which is responsible for the investment of industry levies for research and development (R&D) and marketing. In 2008/09 the industry invested approximately \$5.6m on R&D (including matched government funds) and \$2.2m on marketing and promotional activities. An additional \$1.479m was invested in 2008/09 in R&D through voluntary contributions (including matched funds provided by the federal government).

Six state Associations are members of APAL and play an active role in organization and issue management at the local and state levels.

New Horizons 2015

Developing the plan

In March 2010, APAL endorsed the apple and pear industry strategic plan called *New Horizons 2015*.

The purpose of developing the new industry strategic plan was to:

- develop a shared understanding on the overall direction, key strategic issues and the critical actions required to influence the profitability, resilience and sustainability of the industry in the medium to long term
- guide the investment of research, development and marketing funds provided by both apple and pear growers and the Australian Government from 2010 - 2015
- enable allied service providers such as the public and commercial research and development community to align their resources and effort with that of the industry
- demonstrate to consumers, customers, the community and government the positive actions the industry is taking in response to shifting demand and vigorous competition.

The process of developing the plan was guided by an APAL/HAL industry steering committee. Consultation with industry was comprehensive, involving regional focus groups as well as dialogue with individual industry participants along the supply chain.

Those priorities most likely to have an impact on the profitability and sustainability of the industry were rigorously tested using a needs analysis approach. In addition the Hi-Link Model (developed by the Centre for International Economics and used in the horticultural industry's *Future Focus* program) was utilised to explore the sensitivities of different scenarios.

Strategic plan highlights

Analysis of the positioning of the apple and pear industry in the global market place highlighted that transformational change is needed. The imminent challenges facing industry are multi-faceted. They include: consumer dissatisfaction with fresh fruit; competition by other products or imports; the imminence of apple imports; and environmental impact pressures.

It was recognised that substantial change can only occur with effective communication and collaboration with other groups such as industry associations, governments, growers and supply chain businesses, all acting collectively.

The following three key areas for co-ordinated action have been identified in *New Horizons 2015*:

- stimulate domestic demand by 5 per cent through product quality and innovation
- expand apple and pear export markets to 10 per cent of marketable product by 2015
- ensure industry has the resources and capability to achieve its primary objectives

The overall objective and vision of the 5-year plan is to deliver the apple and pear industry to a status of world competitiveness, profitability and sustainability by 2015.

Research, Development & Extension Investment Plan 2010-2015

In March 2010, Apple & Pear Australia Limited (APAL) endorsed the apple and pear industry strategic plan called *New Horizons 2015*.

In developing the plan it was acknowledged that the Australian apple and pear industry is facing challenging times. The challenges, which are broadly-based across the production, supply and marketing chain, include the need to increase productivity to world-class levels, raise domestic consumption against competition (from other fruit products and from the imminent likelihood of foreign imports) and develop an export focus from a low and declining base.

The following three priority objectives, targets and approaches have been set:

- stimulate domestic demand by 5 per cent through product quality and innovation by improving quality, increasing sustainable productivity and a transition to novel varieties
- expand apple and pear export markets to 10 per cent of marketable product by 2015 by identifying overseas opportunities, making the right commercial liaisons and addressing market access issues
- ensure industry has the resources and capability to achieve its primary objectives by improved motivation, communication and knowledge transfer to individual growers and the consequent development of leadership and skills competency

The business and operational activities of the apple and pear industry do not occur in isolation. It is recognised that substantial change can only occur with effective communication and collaboration with other parties such as industry associations, governments, growers and supply chain businesses, all acting collectively. In particular, RD&E, perhaps more than in any other activity, requires close collaboration and co-investment to be effective. Key agencies that will continue to be funding partners and providers delivering RD&E outcomes are:

- Horticulture Australia Limited (HAL)
- Australian Government
- Government research providers from around Australia (collectively termed the National Horticultural Research Network, NHRN)
- Private sector & international research providers

Each of these major partners in the apple and pear RD&E portfolio has a commitment and role to invest in, sponsor or conduct research. A prerequisite for co-investment is a shared vision between collaborators. Therefore, when constructing the RD&E portfolio and its individual projects, the strategic objectives of all contributing parties must be addressed.

Of particular note in formulating the present RD&E plan, is the development of a national framework describing how NHRN intend to engage with APAL and HAL in negotiating and delivering RD&E services. It has been estimated that the overall co-investment of NHRN alongside (but not matched with) other funds represents in the order of 44% of total annual apple and pear RD&E spend. Under the new delivery framework NHRN has determined that the Department of Primary Industries Victoria will function as the formal point of contact with the apple and pear industry/APAL. The role, when fully operational, would include one of leadership and coordination across the entire network of RD&E provider agencies.

A key trend in the recent development of the apple and pear RD&E portfolio is the partnership of various international research providers; notably the New Zealand-based Plant & Food Research (PFR) who are major providers and voluntary contributors in two large projects. It is anticipated that the co-investment model of matching industry levies and/or voluntary contributions from other parties with Australian Government funds, alongside non-matched NHRN funds, will continue to be the primary funding mechanism.

RD&E Priority Investment Areas



Apple and Pear Strategic Investment Plan 2010-15

Overall Goal: Improve the long term viability of Australian apple and pear growers

The Reality in 2010

- Consumer demand for Australian apples and pears is in decline.
- Domestic competition from a variety of local and imported fruits has intensified.
- Imported apple juice concentrate dominates the domestic market and limits the local market for lower quality fruit.
 - Competition from imported fresh apples is likely within the next year or two.
 - Apple and pear exports are declining rapidly.
- Grower numbers and profitability are declining as costs rise and market share shrinks.
- The industry could contract by 20-40 per cent within five years, even with a proactive industry response.
- Climate change and environmental issues are placing pressure on sustainable farm practices and consumer-retailer perceptions

Industry Strategic Intent

What: To consistently produce apples and pears of superior eating quality, focusing on varieties that are sought after by consumers in the domestic market and selected overseas markets where premium quality is valued

How: By industry and government stakeholders working collaboratively to reposition the apple and pear industry and transform competitiveness by delivering valued services that support innovation

Apple and Pear Strategic Investment Plan 2010-15

Overall Goal: Improve the long term viability of Australian apple and pear growers

Primary Objectives		
Objective 1. Improve Sales Volume by 5% for apples and maintain pear volume (Volume sold) by:		Objective 2. Produce High Quality Apples and Pears at Internationally Competitive Prices (Costs & Risks)
A. Stimulate Domestic Demand by 5% through product quality & innovation 1.1 Improve consistency of product quality to match consumer expectations. 1.2 Coordinate industry product promotion and marketing programs	B. Expand apple and pear exports to 10% of marketable product exported by 2015 1.3 Define and understand overseas markets that offer profitable export opportunities 1.4 Develop collaborative approaches to enter and expand selected export markets 1.5 Resolve technical market access issues in target markets 1.6 Monitor export market competitor activities	2.1 Enhance orchard productivity and management 2.2 Facilitate variety transition to match changing markets

Enabling Objectives
Objective 3. Provide a supportive operating environment (Skills & Communication)
3.1 Enhance industry value within the community 3.2 Adapt industry services to meet changing needs of growers 3.3 Improve quality and flows of information for decision-making across the supply chain 3.4 Invest in leadership and people development 3.5 Invest in intra-industry and inter-industry relationships 3.6 Invest in Pro-active Portfolio Management initiatives to deliver an integrated, strategic investment plan

The Reality in 2015
The Australian apple and pear industry is world competitive; satisfying consumer demand for it's products and with sustained profitability

OBJECTIVE 1: Improve Sales Volume by 5% for apples and maintain pear volume (Volume sold) by:

A. Stimulate domestic demand by 5% through product quality and innovation

The five years to 2015 will challenge the industry to stimulate demand from domestic consumers. Given the reliance of the industry on the domestic market this is the key to industry performance and must be the main area of focus and investment. Product quality and consistency is the key issue undermining industry performance in the domestic market. Consistently delivering a quality product requires effective management of the fruit from the orchard through the supply chain to the point of sale.

If product quality and consistency can be improved then the benefits from other investments in promotion of apples and pears to consumers, development of new varieties and improving productivity through planting of high density orchards will be enhanced. This objective outlines an integrated set of initiatives to enhance apple and pear products and their presentation to the consumer.

STRATEGIES

1.1 Improve consistency of product quality to match consumer expectations.

Delivering on the promise of product quality from the consumer perspective is pivotal to the future viability of the industry as it responds to increasing competition. Persistent quality issues undermine the value of marketing and promotion efforts and the positioning of the product with consumers. There are a variety of areas from on-farm management through to retail practices that can influence product quality and where perceived or actual product quality issues arise, blame shifting occurs between groups. Working collaboratively with retailers and the supply chain to actively identify and resolve quality issues will improve consumer satisfaction and support industry marketing and promotion efforts.

1.2 Coordinate industry product promotion and marketing programs

Stimulating consumer demand for Australian apples and pears will facilitate volume and margin growth in the domestic market. Apples and pears are staple foods and each has attributes that can be

leveraged with consumers to stimulate demand. However, over many years, the brand image for both apples and pears has lost impetus with consumers. Domestic consumption is in decline and inconsistent product quality is exacerbating the trend. The challenge is to re-engage consumers and deliver on the product promise of consistent and superior eating quality.

The majority of fresh apple and pear sales to consumers are through the major supermarket chains and independent retailers. Thus, the purchasing and promotion decisions made by the key retailers have a major influence over the supply chain. The large retail businesses hold extensive information on consumer purchasing trends that is of value to the supply chain at all levels. At the same time, retailers seek continuity of supply, consistent quality, competitive pricing and supply of varieties that are sought after by consumers. Strategic engagement between the industry and major retailers and supply chain businesses can facilitate flows of strategically useful information to enhance the quality of decision-making by all participants.

OBJECTIVE 1: Improve Sales Volume by 5% for apples and maintain pear volume (Volume sold) by:

B. Expand apple and pear exports to 10% of marketable product exported by 2015

Repositioning the industry means moving beyond the domestic market as well as meeting competitors who come to supply apples to Australia. Export markets provide an important alternative to supplying domestic consumers, and they also provide an avenue to compete more effectively with potential importers. Exports will become more critical to the industry as domestic competition from other fruits, both local and imported, continue to challenge the apple and pear industry market share. A strategy of sustaining and growing selected export markets for Australian apples and pears is consistent with the imperative to increase overall competitiveness. It will involve not only building new approaches to compete successfully, but building a greater export culture within the Australian industry.

STRATEGIES

1.3 Define and understand overseas markets that offer profitable export opportunities

Australia is not the lowest cost producer of apples and pears and instead seeks access to export markets that will value products differentiated on quality and provide niche opportunities such as counter seasonal supply.

1.4 Develop collaborative approaches to enter and expand selected export markets

Australia is a small player in the global apple and pear industries. Achieving scale and competing with large overseas competitors will require collaboration within and between Australian supply chains.

1.5 Resolve technical market access issues in target markets

Securing commercially viable access to export markets is a major issue for agricultural industries including apples and pears. While access may be technically possible, the conditions applied can make it non-viable or uncompetitive for Australian exporters. Further, opportunities to influence market access arrangement periodically arise through negotiation of trade agreements, changes in importing country disease and pest status or new research or technologies that provide evidence that access and/or conditions should be varied.

1.6 Monitor export market competitor activities

Understanding and monitoring overseas competitor strategies, priorities and tactics is an important mechanism to keep abreast of risks and opportunities.

OBJECTIVE 2: Produce High Quality Apples and Pears at Internationally Competitive Prices (Costs & Risks)

STRATEGIES

2.1 Enhance orchard productivity and management

Orchard productivity and management is central to consistently delivering high quality fruit and reducing costs of production. The apple and pear industries have recognised that moving to high density orchard systems can potentially generate significant benefits and help close the productivity gap with overseas competitors. The industry also acknowledges that productivity improvements and improved farming practices can also address many environmental issues.

The industry has in place an integrated apple and pear productivity research and development program to drive industry-wide improvement, including the newly established PIPS program – productivity, irrigation, pests and soils. Improvements to soil condition, water usage and pest management will not only address environmental imperatives but will also reduce production costs and increase productivity and hence profitability. An important element within this plan is the improve the uptake of advanced farming practices that move the industry forward in meeting environmental, as well as commercial challenges.

The Future Orchards 2012 program was established to provide the skills and information necessary to allow growers to become world competitive. Importantly, world class orchard productivity and management is a platform for consistently producing the high quality fruit demanded by consumers.

To gain a competitive edge, the industry must adopt new technologies and knowledge gained from research and development. Adequate resources must therefore be provided to educate growers and supply chain participants with regard to the results of specific research programs and how these can be adopted to improve productivity

2.2 Facilitate variety transition to match changing markets

The apple industry in Australia and overseas has benefited over time from introducing new varieties that meet the changing tastes and expectations of consumers. However, introducing new varieties is a costly and risky endeavour for all. Over time, varieties that were once popular can lose consumer loyalty, leading to sales decline and oversupply until orchards are replaced with new varieties that are more sought after by consumers. The choice of which variety to grow and when to replace an orchard is entirely for individual businesses. However, access to timely and quality information on consumer and production trends for different varieties can assist with informed business decision-making and thus facilitate structural change.

OBJECTIVE 3: Provide a supportive operating environment (Skills & Communication)

STRATEGIES

3.1 Enhance industry value within the community

The apple and pear industry image in the community is a vital part of the foundation for the industry. Community perceptions towards the industry not only influence attitudes regarding purchase of products, but can also influence the policy and decisions of government and major retailers. Changes in government or major retailer policy can and do have significant impacts on industry competitiveness. Similarly, government policy towards industries is increasingly influenced by community perceptions in areas such as environmentally sound production practices.

One strategy is to actively engage with governments and the community to convey what the industry is doing and achieving. Communication and education is an integral part of strategies to engage consumers and build broad support and value for the apple and pear industry. The attributes around the Australian industry 'brand' will become more important with the advent of fresh apple imports.

There is ample evidence that the community and the Australian government are concerned about the environmental practices of industries. Issues such as climate change, chemical residues and efficient water use are good examples. Governments and influential businesses such as major supermarket chains are sensitive to community and consumer concerns relating to industry practices that impact on the environment. Raising awareness about what the industry is doing and achieving in regard to soil and water management, reduction in chemical usage and overall carbon footprint to achieve sustainable and responsible production enhances a positive industry image with decision-makers and consumers, which can be of long term benefit for the industry.

Government decisions on public policy and regulation can greatly influence the competitiveness of an industry or its rate of structural adjustment. For example, de-regulation can open up new competition and regulation can add imposts that are not applied to competitors. It is in the industry's interest to build productive relationships with governments and provide objective evidence to inform the development or review of policy and regulations that impact on the industry.

3.2 Adapt industry services to meet changing needs of growers

The pace of industry structural change is likely to accelerate with the advent of fresh apple imports. Industry dynamics include trends towards fewer, larger and more integrated businesses producing a larger proportion of the national crop and paying a larger proportion of the marketing and R&D levy. The continued development of small niche producer/suppliers targeting specific markets with differentiated or value added product can also be expected over the Plan period.

Innovation with industry association structures and streamlined services is a vital part of the overall transformation of the industry to a modern, globally connected and sustainable industry.

3.3 Improve quality and flows of information for decision-making across the supply chain

Growing competition from domestic and overseas sources is driving structural change. More than ever, businesses in the industry across the supply chain need timely access to quality information for decision making. Further, the industry leadership and decision-making process for allocation of research and development and marketing levy funds need reliable information on the industry characteristics and farm financial performance.

3.4 Invest in leadership and people development

Investing in leadership development and continuous improvement of skills across the industry can enhance industry capacity to succeed against increasing competition. Many of the challenges faced by the apple and pear industry are faced by other horticultural industries, presenting an opportunity to adopt collaborative approaches to invest in leadership and people development.

3.5 Invest in intra-industry and inter-industry relationships

The apple and pear industry is one of the largest horticultural industries and is in a position to provide leadership on a range of commercial, technical, environmental and policy matters. At the same time, the horticultural industry itself is a dynamic and growing one and this provides the apple and pear industry opportunities to learn new ways of addressing industry challenges. Relative to many other Australian agricultural sectors the apple and pear industries are small and collaboration is critical to maximise the value of research dollars and gain efficiencies in knowledge transfer and uptake.

Building and strengthening relationships within and along the apple and pear supply chain, across levels of government and with private and public and domestic and international research will also play an important role in the long term viability of the industry.

3.6 Invest in Pro-active Portfolio Management initiatives to deliver an integrated, strategic investment plan

In the apple and pear industry strategic plan *New Horizons 2015* of RD&E is considered critical in enabling industry to meet its existing and emerging challenges. In response, it is timely to re-analyse that there is a need for a more dynamic and comprehensive approach to managing the apple and pear RD&E portfolio.

The activities involved in the on-going management and formulation of the RD&E plan, like the projects within the portfolio themselves, need to be better integrated and more strategic. These activities include: on-going priority setting, project and program development, evaluation, monitoring of individual projects within each priority area; exploring and strategically analysing partner capabilities; understanding the issues and dynamics of overseas apple and pear industries and RD&E establishments and programs; and pro-active interaction with RD&E co-investors.

Alignment with Commonwealth Rural R&D Priorities

Industries utilising the Commonwealth-enabled levy process (which delivers matching funds for R&D) are required to ensure their Strategic Plan (and therefore levy-funded activities) are aligned with the government's established priorities for Rural R&D.

The priorities are:

1. Productivity & Adding Value

Improve the productivity and profitability of existing industries and support the development of viable new industries.

2. Supply Chain & Markets

Better understand and respond to domestic & international requirements and improve the flow of such information through the whole supply chain, including to consumers.

3. Natural Resource Management

Support effective management of Australia's natural resources to ensure primary industries are both economically and environmentally sustainable.

4. Climate Variability & Climate Change

Build resilience to climate variability and adapt to and mitigate the effects of climate change.

5. Biosecurity

Protect Australia's community, primary industries and environment from biosecurity threats.

6. Innovation Skills

Improve the skills to undertake research and apply its findings.

7. Technology

Promote the development of new and existing technologies.

Alignment with Commonwealth Rural R&D Priorities

An assessment Apple and Pear Strategic Plan has indicated a close alignment with a number of Commonwealth government's priorities as can be seen from the following table, linking each of Apple and Pear's individual R&D strategies with the relevant Commonwealth priorities.

Strategy		Productivity & Adding Value	Supply Chain & Markets	Natural Resource Management	Climate Variability & Climate Change	Biosecurity	Innovation Skills	Technology
OBJECTIVE 1	Strategy 1.1 Improve consistency of product quality to match consumer expectations							
	Strategy 1.2 Coordinate industry product promotion and marketing programs							
	Strategy 1.3 Define and understand overseas markets that offer profitable export opportunities							
	Strategy 1.4 Develop collaborative approaches to enter and expand selected export markets							
	Strategy 1.5 Resolve technical market access issues in target markets							
	Strategy 1.6 Monitor export market competitor activities							
OBJECTIVE 2	Strategy 2.1 Enhance orchard productivity and management							
	Strategy 2.2 Facilitate variety transition to match changing markets							
OBJECTIVE 3	Strategy 3.1 Enhance industry value within the community							
	Strategy 3.2 Adapt industry services to meet changing needs of growers							
	Strategy 3.3 Improve quality and flows of information for decision-making across the supply chain							
	Strategy 3.3 Invest in leadership and people development							
	Strategy 3.4 Invest in intra-industry and inter-industry relationships							
	Strategy 3.5 Invest in Pro-active Portfolio Management initiatives to deliver an integrated, strategic investment plan							

Alignment with Horticulture Australia Limited Strategic Plan

Horticulture Australia Limited (HAL) is a not-for-profit, industry-owned company. It works in partnership with Australia’s horticulture industries to invest in research, development and marketing programs that provide benefit to industry and the wider community.

HAL is the government appointed body through which statutory levies and matching Commonwealth funds are directed and managed. The Apple and Pear Industry Advisory Committee (IAC) with the support of two Subcommittees: Marketing and R&D Subcommittees; and APAL provide advice to HAL on the allocation of the Apple and Pear Levy and matching funds.

HAL has an over-arching Strategic Plan. Four Strategic Priorities (Deliver new information and knowledge, Enhance skills and capability, Build consumer demand and Deliver operational excellence; and 16 overall investment Programs) that guides its activities. *The first three Strategic Priorities and their associated Investment Programs are relevant to the Apple and Pear Strategic Investment Plan:*

HAL Strategic Priority	HAL Investment Program	HAL Major Outcomes
Deliver new information & knowledge	<ul style="list-style-type: none"> • Best practice on-farm management • Natural resource management • Value chain efficiency • New product development 	Increased knowledge that enhances productivity, competitiveness and sustainability
Enhance industry skills & capability	<ul style="list-style-type: none"> • On-farm R&D extension • Investing in people • Targeted communications • Enhancing industry capability 	
Build consumer demand	<ul style="list-style-type: none"> • Domestic marketing program • International market access • Promote health and well-being • New product and market development 	Increased demand for produce in both domestic and international markets

