

Australian Pineapple Industry

2011 – 2016

QuickTime™ and a
decompressor
are needed to see this picture.



QuickTime™ and a
decompressor
are needed to see this picture.

QuickTime™ and a
decompressor
are needed to see this picture.



QuickTime™ and a decompressor are needed to see this picture.

This plan has been prepared by Produce Pathways for Growcom, the Pineapple Growers Advancement Group and Horticulture Australia Limited.

Version 1.1
March 2011
Revised April 2012



Original plan has been prepared by Produce Pathways for Growcom, the Pineapple Growers Advancement Group and Horticulture Australia Limited.

vision 2016

making Australian Pineapple growers more profitable

Key Aspirations
the Australian
pineapple industry...

Aspires to grow and
be profitable,
sustainable,
innovative and proud

Aims to increase
consumption through
improved consumer
experience of
pineapple products

Aims to be suitably
resourced to support
innovation in industry
and business
development

Objectives

1

Ensure
consistent,
sustainable and
profitable **supply**
of quality Australian
pineapples

2

Increase **demand**
of Australian
pineapples through
improved product
performance and
positioning

3

Ensure the
Australian pineapple
industry is resourced
and aligned to lead and
facilitate evolving
supply and
demand

Core Strategies

1.1

Improve
production
capabilities and
profitability

1.2

Sustain required
industry supply
channels and
supply levels

2.1

Improve consumer
experience and
perceptions of
pineapples

2.2

Position pineapples
more effectively in
the marketplace

3.1

Have effective
industry
representation

3.2

Maintain sufficient
resources to
support industry
development and
organisation

background

The Australian Pineapple Industry Strategic Plan for 2010 – 2016 has been developed to drive the pineapple industry towards improved category and stakeholder business performance. It is structured on delivering improvements in performance and value along the supply chain, with a strong focus on facilitating an improved product, improved supply management and the stimulation of demand. Through the implementation of the plan the industry is striving to increase category profitability, growth and competitiveness. The plan addresses the government Rural Research and Development Priorities of:

- boosting productivity and adding value to rural production
- effective operation of supply chains and markets for existing and new products
- supporting effective natural resource management
- building resilience to climate variability and climate change, and
- protecting Australia from biosecurity threats.

The plan also includes actions to meet these challenges through continued investment in building skills and advancing technology.

The plan sets out a framework for industry priorities and will be used to support the allocation of industry levy and matched funding projects. The plan focuses on the industry's position and strategic needs within three key priority areas: Supply (production and productivity); Demand (product demand and marketing); Industry (industry organisation, resourcing and management).

The plan seeks to:

- Describe the current position and key factors influencing the industry
- Analyse the industry's strengths, weaknesses, opportunities and threats (SWOT)
- Ascertain the industry's core priorities moving forward
- Outline the objectives and strategies that need to be undertaken to address these priorities.

Also included is an assessment of proposed investment around each of the objective areas (Appendix 1). The intent of this assessment is to guide investment levels based on priority of needs and return to industry. This assessment should be reviewed annually in light of changing industry conditions.

A collaborative process was used in the planning process and the preparation of this document. The process involved:

- A review of the existing industry strategic plan
- The development of a draft industry situation analysis in consultation with key industry representatives
- A strategic planning workshop held with participants representing the primary industry stakeholder groups
- The development and review of a draft plan by industry.

current position – 2010 – supply

Australian pineapples are available year round, with approximately 44,000 tonne of fresh fruit and 41,000 tonne of processed fruit marketed in 2009-10. Production levels have declined from a high of 115,000 tonne in 2008-09, due to increases in imported product volumes, and associated changes in the proportion of growers transitioning to fresh market fruit production and some growers exiting the industry. It is currently estimated that there are 114 production businesses in Queensland, of which 13 are indicating they will exit the industry by 2012. Key production districts include North Queensland, Yeppoon and Cawarral, Bundaberg, Maryborough and Hervey Bay, Mary Valley and Nambour, Glasshouse Mountains and Beerwah, Wamuran, and Elimbah.

Australia supplies 0.5 per cent of fresh pineapple world production and a negligible per cent of fresh pineapple world exports. More than 70 per cent of fresh pineapples are packed and marketed through 4 primary packhouses. There is one primary pineapple processor; Golden Circle, recently acquired by Heinz Australia. The industry is becoming an increasingly fresh-market based industry, due to new fresh-market varieties and competition with imported processed fruit.

Approximately 60 per cent of pineapple plantings are Smooth Cayenne and Queen (Rough leaf) varieties, and 40 per cent of plantings are of hybrid varieties. Increased plantings of hybrid varieties, which have higher sugar to acid ratios and greater consistency, are expected. Current hybrid varieties include 73-50, MD2 (73-114), which are marketed under various proprietary brand names, and Aus-Jubilee and Aus-Carnival.

Inconsistent eating experience of fresh pineapple is a current concern for industry. The quality of Smooth Cayenne in the winter period is less reliable due to both maturity development and chill-induced injury. At present there is an absence of simple, accurate and cost effective tools for maturity assessment. There is currently no knowledge of new technology being developed to assist with this need.

There are limited fresh imports into Australia, but extensive processed imports. Countries currently able to import fresh pineapple include the Philippines, Sri Lanka, the Solomon Islands and Thailand. Countries pursuing market access include Malaysia. There is a lack of information on what semi-processed pineapple is currently imported.

Supply of new value-added products for snack and targeted usages is increasing. Increasing emphasis is being placed by packhouses on proprietary branding. The professionalism of fresh pineapple supply chains is increasing. Primary factors influencing the performance of supply chains include consistency of fruit quality, ability to forecast and manage of fruit supply, and the maintenance of crop protection needs.

There is a continued industry emphasis on sustainable production techniques, and opportunities for increased mechanisation.

current position – 2010 – demand

Pineapple product is consumed either processed (canned, juiced) or fresh. Pineapple is used as a snack, as a dessert or as an ingredient in savoury food. Australia's per capita consumption of pineapple is currently around 2kg based on current production and population figures.

Regarding fresh pineapple, nearly 34 per cent of Australian households purchased the fruit over the last year; with households spending on average \$9.20 on the fruit during the year. Shoppers who buy fresh pineapple have bought them 3.2 times over the year and are spending on average, \$2.80 on fresh pineapple per trip. Over the last year, established couples and senior couples have had the most significant contribution to value sales of fresh pineapple, with a contribution of just over 40 per cent. Increasing average spend within the young transitional demographic from \$5.00 to the total average spend of \$9.20 would represent a \$1.1million opportunity for the fresh pineapple market (Nielsen, 2010).

Pineapple has favourable health benefit attributes; including bromelain and a high level of antioxidants (including Vitamin C). Bromelain is a complex mixture of substances that can be extracted from the stem and core fruit of the pineapple. Bromelain has been shown to aid digestion and have anti-inflammatory properties. Research on specific bromelain protein molecules has also found anti-tumour activity under laboratory conditions.

The pineapple does require more consumer preparation than other fruits. Emerging ready-to-eat and minimally processed products are addressing this barrier to consumption. Strategies aimed at addressing this challenge have included consumer education on fruit preparation techniques.

The eating quality of new hybrid varieties is also increasing sales of fresh pineapple. Improved product consistency tied to proprietary branding is anecdotally being credited for increasing consumer confidence and improving purchase frequency.

Although the Golden Circle brand is well recognised in the retail market, demand for Australian processed products has been lessened by increased processed imports. At present there is low consumer awareness of country of origin information on processed product and whilst there seems to be increased consumer interest in buying Australian produce it does not seem to significantly drive purchasing choice. There is no consumer awareness of the country of origin of fruit used in food service products.

Independent retailers and secondary wholesalers are thought to purchase 70 per cent of fresh pineapple marketed, of which an estimated 15 per cent is directed to the food service sector. Retail chain stores currently purchase the remaining 30 per cent of total fresh market fruit.

There is negligible demand from export markets due to competition from lower cost production countries.

Industry-level promotional plans are being implemented. A marketing levy was introduced in 2009. Activities are constrained by the level of funds collected. Marketing activities are predominantly public relations-based. Packhouse-based promotional activities for proprietary brands are also being privately funded.

current position – 2010 – industry

The pineapple industry is represented by Growcom, and the Pineapple Growers Advancement Group (PGAG) that resides within Growcom. The PGAG is made up of representatives from regional study groups. PGAG members are present on the Horticulture Australia Ltd (HAL) Pineapple IAC which makes recommendations on the allocation of levy funds to industry priorities. Growcom/PGAG holds alliances and linkages with HAL, Plant Health Australia (PHA), the Queensland Department of Agriculture, Fisheries and Forestry (QDAFF) and Golden Circle.

The industry finances its R&D, marketing and biosecurity activities through levies which were introduced in 2009.. The R&D levy is set at \$2.90/t for fresh fruit and \$1.90/t for processed fruit. The PHA biosecurity levy is set at \$0.10/t for all fruit and the marketing levy is set at \$2.00/t for fresh fruit only. With matching government funding through HAL, minus levy deductions costs, HAL management fees and across industry contributions, the approximate amount available for project expenditure in a financial year is around \$360,000 for both R&D and marketing. This is the estimated budget for funding industry projects in the short to medium term, once reserves have been established. Industry is also supported by R&D service providers through the Queensland Government, Growcom, and the private sector. The biosecurity levy funds the pineapple industries membership to PHA, with any excess funds used to supplement R&D activities. In the event of an incursion of an exotic pest the PHA Biosecurity levy funds will be used to fund emergency response activities.

The industry currently needs to invest significantly in urgent alternate controls for pests and diseases meaning that other areas of industry development will be underinvested until these projects are completed. At present there is also no mechanism for the collection of funds from pineapple growers for activities other than R&D, marketing and biosecurity, however, around 30 per cent of pineapple growers have access to other services including agripolitical and industrial relations support through their Growcom membership.

The pineapple industry employs an industry development officer that undertakes a range of communication activities to cater for the range of stakeholders and communication channels in the industry. These activities include printed and electronic newsletters, an industry website, an annual field day, coordination and participation in industry promotional events such as Rural Discovery Day and the Royal Brisbane Show. The industry also funds an active study group program with study groups operating in all production regions which has positively engaged growers and facilitated benchmarking and best practice.

The pineapple industry has had a National Pineapple Industry Biosecurity Plan in place since 2008, which was developed with PHA, and positions it well to deal effectively with potential biosecurity incursions. The industry also enjoys an iconic status and has a favourable community image.

The gross value of production of Australian pineapples at the farm gate is currently estimated at \$79 million (\$13m processed, \$66m fresh).

key issues - 2010

Attributes of the industry that are helpful to its goals

strengths	<ul style="list-style-type: none"> • Iconic, healthy product • Levy income available to fund critical industry-level projects • Good communication and cohesion within industry • Professional and innovative stakeholders • Continued pursuit of improved technologies • Resilient and responsive growers • Existence of cannery for processed product market • Proactive marketing by packhouses • Good agripolitical support through Growcom • Good industry support from Queensland state agencies • Industry development staff in place • Interest in implementing a quality standard • Support for more coordinated supply • Interest in improving industry representation skills and succession • Opportunities to implement best practice knowledge • Scope to increase per capita consumption • Capacity for improved customer and consumer knowledge • Continued varietal improvement and product development by stakeholders • Existing skills and experience in pineapple breeding that could be better resourced to breed superior varieties
------------------	--

External conditions that are helpful to industry's goals

opportunities	<ul style="list-style-type: none"> • Introduction of more mechanisation within horticulture • Potential for increased infrastructure sharing within regions • Consumer interest in 'clean and green' products • Increasing consumer emphasis on health benefits of products • International examples of capacity to grow per capita consumption
----------------------	--

Attributes of the industry that are harmful to its goals

weaknesses	<ul style="list-style-type: none"> • Insufficient funds for all priority industry-level projects • General decline in research and development investment • Lack of industry data for industry- and business-level planning • Inconsistent product quality may be reducing consumer confidence • Future viability of processing industry in Australia • Processing industry dominated by one player • Inconsistent supply volumes (including inadequate supply for processing) • Lack of coordination in fresh market supply • Minimal understanding of consumer needs • Product exposure to environmental impacts, due to long crop cycles • Undeveloped retail shelf presence (shelf space and varietal differentiation) • Relatively small industry, with current processing industry contraction resulting in further decline of grower numbers • High percentage of older growers (risk of grower attrition/industry exit) • Presence of some stakeholder apathy
-------------------	---

External conditions that could do damage to industry's goals

threats	<ul style="list-style-type: none"> • Exposure to cost increases • Labour shortages and skill deficiencies • Increasing imports, including minimally processed products • Biosecurity constraints including chemical access and market access constraints • Environmental impacts and regulation • Limited across-horticulture industry cohesion to influence government • Biosecurity threats, including from imported fruit • Reduced government support into the future • Climate change and variability • Access to natural resources – land and water • Increasing regulation / right to farm / urban encroachment / land
----------------	--

2011 – 2016 core priorities map



2016 objective – 1 – supply

Objective	Ensure consistent, sustainable and profitable supply of quality Australian pineapples	
Rationale	<ul style="list-style-type: none"> • Access to information for improved decision making can improve both productivity and profitability • Improvements in productivity and profitability is necessary for production businesses to remain viable and competitive • Maintaining supply channels and supply levels is critical to both meeting customer requirements and maintaining sector stability • The primary threat to interrupted supply channels that can be influenced is the maintenance of chemicals required for interstate market access • The primary threat to industry supply levels that can be influenced is the management of biosecurity risks 	
Strategies	1.1 Improve production capabilities and profitability	1.2 Sustain required industry supply channels and supply levels
Sub strategies	<p>1.1.1 Develop and promote adoption of best practice production (and cost management) to assist growers in improving farm productivity, product quality and environmental outcomes</p> <p>1.1.2 Ensure plant health and market access is maintained through R&D; appropriate pest, weed and disease management protocols; access to current and new chemicals; and other technologies, systems and / or practices</p>	<p>1.2.1 Collate relevant industry data in a timely manner to inform business (and industry) decision making in relation to supply (and demand) issues.</p> <p>1.2.2 Seek to maintain access to existing product markets (fresh and processing), to ensure consistency in supply channels. Seek to identify and exploit other more profitable supply channels to drive grower profitability.</p> <p>1.2.3 Manage potential risks to industry supply levels, such as biosecurity threats, to protect market stability</p>
Outcomes	<ul style="list-style-type: none"> • Maintain / improve production volumes and return (\$) per hectare in line 2012/13 levels (evaluate by survey of growers in 2012 /13 and 2016/17) • To have appropriate management protocols and registrations in place to cost effectively manage major pest, 	

weed and disease threats so as to maintain marketable yield per hectare to levels equivalent to or above 2012 /13 levels (evaluate by survey of growers in 2013 and 2016)

- Industry levy payers value available industry data (evaluate by survey of growers - 75% recognise value by 2016)
- Maintain PHA membership and ensure biosecurity plan is current
- No existing product markets have closed
- Proactive and effective response to biosecurity issues leading to improved security of and opportunity for the Australian pineapple industry (measure by incident and response)

Outcomes

- Report ongoing market and consumer research findings to the industry on a regular basis (annually through industry events and publications)
- Health and nutrition properties are clearly identified and the ability to link health benefit claims are understood (by 2016)
- Increase demand for Australian pineapples as outlined in the industry marketing plan objectives so that return (\$) per tonne is equivalent or better than 2012/13 returns (evaluate by survey 2013 and 2016)
- An increase in customer satisfaction with Australian pineapples, as evidenced in consumer surveys
- An Australian household penetration of 38%, as evidenced by sales surveys
- An average Australian household spend of \$12.00 per annum, as evidenced by sales surveys

2016 objective – 3 – industry

Objective	Ensure the Australian pineapple industry is resourced and aligned to lead and facilitate evolving supply and demand	
Rationale	<ul style="list-style-type: none"> • Effective representation and resourcing is required for successful strategic development • Industry-level stewardship is required to facilitate strong industry alliances and partnerships, and engage and communicate effectively with all stakeholders. • Successful resourcing involves the provision of industry funding, plans, information and skills • Effective representation provides leadership and facilitates cooperation across industry 	
Strategies	3.1 Have effective industry leadership, communication and representation	3.2 Maintain sufficient resources to support industry development and organisation
Sub strategies	<p>3.1.1 Assess and build the capacity and resilience of industry and its people, through training and other development activities</p> <p>3.1.2 Continuously improve industry communication, to ensure stakeholders (growers and the supply chain) are engaged and informed.</p> <p>3.1.3 Review representation framework in light of declining numbers of growers and need for industry representative renewal</p>	<p>3.2.1 Ensure industry generates necessary funds, to ensure priority strategies are implemented (review levies and other income sources on an annual basis)</p> <p>3.2.2 Ensure and demonstrate strong return on investment of funds from all sources through appropriate governance, program / project structures and outcomes</p> <p>3.2.3 Collaborate across the horticulture / agriculture sector and with key stakeholders / international partners to ensure the mechanisms for delivery of R&D are appropriate and there are sufficient resources and skills available to meet the current / future R&D and biosecurity needs of industry</p>
Outcomes	<ul style="list-style-type: none"> • By 2017, At least 75% of grower and stakeholder survey respondents find value in industry communications 	

activities (evaluate by survey in 2013 and 2017)

- At least 75% of grower and stakeholder survey respondents have participated in industry projects and events annually (evaluate by survey 2013 and 2017)
- Review of industry representation framework has been undertaken (annually)
- Priority strategies have been resourced within required timelines
- At least 75% of stakeholders who have participated in industry training have considered it worthwhile for their businesses and/or the pineapple industry, as evidenced by industry survey respondents (ongoing evaluation)

delivering the plan

Plan timelines

This plan will be implemented and operate over a five-year timeline: 2011 to 2016. This can be divided into two important timeframes. In the medium term (2014 - 2016), we expect significant progress in achieving the overall outcomes sought through the plan. In the short term (2011 - 2014), the plan will see strategies relating to existing core business or critical needs to be addressed and implemented. It is intended that the plan is reviewed in full in 2014, to allow for short term strategies to be revised, and to ensure medium term strategies are proceeding as planned. In addition to this, yearly reviews will be undertaken in the development of HAL annual investment plans.

Responsibilities for delivering the plan

Whilst growers have largely developed this plan, it relates to the entire industry, which has value chains extending from farm support services to the consumer. The accomplishment of the objectives set out in this plan requires a commitment by all industry stakeholders to participate in strategic activities as applicable to their business. Strategies to foster greater communication and engagement will generate greater awareness and participation of industry stakeholders in strategic programs.

The plan will guide the investment decisions of HAL and recommendations from the Industry Advisory Committee (IAC), in respect to the expenditure of industry levies.

Role of Growcom and the Pineapple Growers Advancement Group (PGAG)

Growcom and the PGAG both take responsibility for overseeing the implementation of this strategic plan. The PGAG is an executive team made up of the elected leaders of the regional study groups. PGAG members are present on the HAL Pineapple IAC, which makes recommendations on the allocation of levy funds to industry priorities.

Growcom and the PGAG take collective responsibility for driving the strategic objectives of this plan, including fostering collaboration by stakeholders in planned activities. Their role also includes communicating the progress of the plan, and reviewing and revising strategies to allow them to remain relevant over the duration of the plan.

contributors

The following persons were participants in the strategic planning workshop. They contributed primarily from an industry-level perspective, and allowed the planning process to be undertaken effectively.

Workshop members were:

- Jenny Margetts, IAC Chair
- Tony Accorsini, PGAG Vice Chair and IAC member, Accorsini Pty Ltd
- Chris Doyle, PGAG and IAC member, Kamlowe Pines Pty Ltd
- Les Williams, PGAG and IAC member,
- Ellison Maxwell, PGAG and IAC member, Scocan Holdings Pty Ltd
- Ryan Brooks, PGAG and IAC member, Brooks Brothers
- Peter Maywald, PGAG and IAC member, P & CM Maywald
- Alex Livingstone, CEO, Growcom
- Alana White, State Projects Coordinator, Growcom
- Julie Moore, IDO, Growcom
- Jane Wightman, Industry Services Manager, HAL
- Simon Newett, Extension Officer, DEEDI
- Col Scott, Pineapple Industry Technical Officer
- Mark Boyd, CEO, Tropical Pineapples
- Joe Craggs, Sales and Marketing Manager, Tropical Pineapples
- Tim Wolens, Golden Circle
- Doug Christensen, Agronomist, Favco
- Irina Polsoni, Polsoni Pines Pty Ltd
- Murray Oaks, Oakes Brothers

assessment of proposed investment

Investment priorities

The following table outlines the impact that the proposed strategies / investment will have on the Australian pineapple industry across a range of indicators, including: the impact of the proposed investment on the industry production base; the change in producer profit expected; the probability of investment success; the investment required – by HAL and others; the lag before producers receive the benefit; and the length of time before benefit decays.

	1. Industry production base affected by the proposed investment	2. Change in producer profit expected	3. Probability of investment success	4. Investment required – by HAL and others	5. Lag before producers receive the benefit	6. Length of time before benefit decays
Rating	Low (L) / Medium (M) / High (H) / Very High (VH)				Actual time	
Objective 1 - Ensure consistent, sustainable and profitable supply of quality Australian pineapples						
Strategy 1.1 - Improve production capabilities and profitability	VH	M	M - H	H	1 – 2	Medium term
Strategy 1.2 - Sustain required industry supply channels and supply levels	M - H	L - M	M	M	1 - 2	Medium term
Objective 2 - Increase demand of Australian pineapples through improved product performance and positioning						
Strategy 2.1 - Improve consumer experience and perceptions of pineapples	H - VH	M	M	M - H	Medium term (3 – 5 years)	Long term
Strategy 2.2 - Position pineapples more effectively in the marketplace	M	M	M	M	Medium term	Medium - long term
Objective 3 - Ensure the Australian pineapple industry is resourced and aligned to lead and facilitate evolving supply and demand						
Strategy 3.1 - Have effective industry leadership, communication and representation	H	M	M	M	Immediate	Long term
Strategy 3.2 - Maintain sufficient resources to support industry development and organisation	M	M	M	M	Medium term	Long term

Indicative proposed funding allocation across strategies

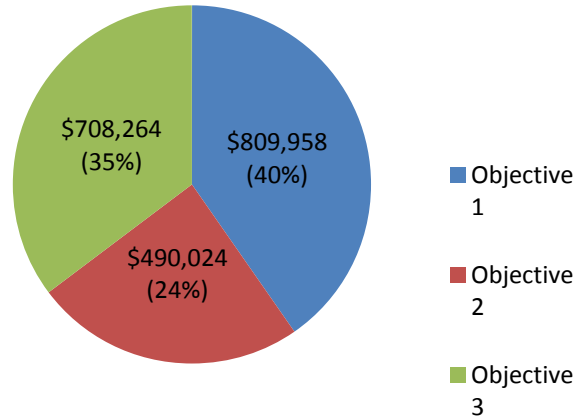
Below is the proposed allocation of levy funds over the period 2011 – 2016. This is informed by the priorities of the proposed strategy / investment areas for the Australian pineapple industry outlined in the table above. For a detailed account go to appendix 1.

Note: Investment may not match with available funds due to carry over of available funds from one year to the next or allocation of levy dollars to consultation agreement.

		2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL
		\$	\$	\$	\$	\$	\$
Production estimate Fresh (t)		40,000	35,000	35,000	35,000	35,000	180,000
Production estimate Processed (t)		57,378	53,421	51,842	51,842	51,842	266,325
R&D program funds available*		311,484	380,525	322,673	323,691	315,055	1,653,428
Marketing program funds available*		76,101	60,944	69,880	69,022	68,823	344,770
Objective	Strategies						
1. Ensure consistent, sustainable and profitable supply of quality Australian pineapples.	1.1 Improve production capabilities and profitability	153,343	163,096	133,347	123,187	146,615	719,588
	1.2 Sustain required industry supply channels and supply levels	16,081	13,645	15,644	22,500	22,500	90,370
TOTAL - OBJECTIVE 1		169,424	176,741	148,991	145,687	169,115	809,958
2. Increase demand of Australian Pineapples through improved product performance and positioning.	2.1 Improve consumer experience and perceptions of pineapples	33,000	175,000	70,000	70,000	95,000	443,000
	2.2 Position pineapples more effectively in the marketplace	0	4,256	4,256	24,256	4,256	37,024
TOTAL - OBJECTIVE 2		33,000	179,256	74,136	99,256	104,256	480,024
3. Ensure the Australian pineapple industry is resourced and aligned to	3.1 Have effective industry representation	46,203	46,927	48,786	50,389	51,882	244,187

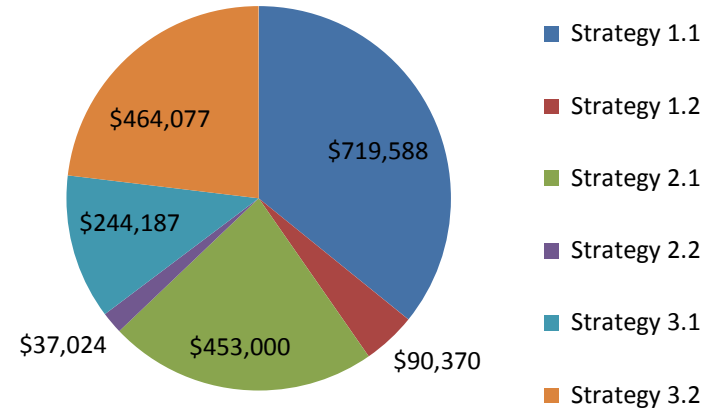
lead and facilitate evolving supply and demand	3.2 Maintain sufficient resources to support industry development and organisation	88,125	117,151	110,640	93,359	54,802	444,077
TOTAL - OBJECTIVE 3		134,328	164,078	159,426	143,748	106,684	708,264
TOTAL R&D#		315,897	377,097	314, 379	315,125	306,235	1,628,733
TOTAL Marketing		20,855	142,978	68,294	68,566	68,820	369,513
TOTAL INVESTMENT		336,752	520,075	382,673	388,691	380,055	1,998,246

Proposed Expenditure by Objective



Objective	\$	%
Objective 1	\$809,958	41%
Objective 2	\$480,024	24%
Objective 3	\$708,264	35%
Total	1,998,246	100%

Proposed Expenditure by Strategy



Strategy	\$	%
Strategy 1.1	\$719,588	36%
Strategy 1.2	\$90,370	5%
Strategy 2.1	\$443,000	22%
Strategy 2.2	\$37,024	2%
Strategy 3.1	\$244,187	12%
Strategy 3.2	\$464,077	23%
Total	\$1,998,246	100%

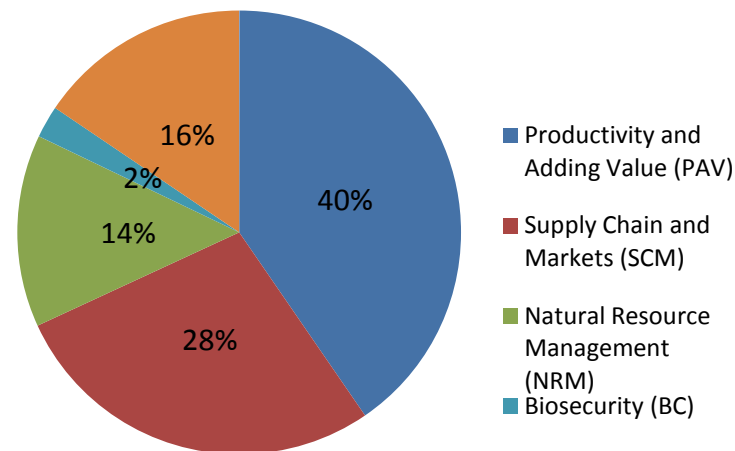
Funding allocation against Government. R&D priorities

Below is the proposed allocation of funds against Australian Government Rural R&D priorities, based on the Objectives outlined in the Strategic Investment Plan.

Objective	Total \$	Productivity and Adding Value	Supply Chain and Markets	Natural Resource Management	Climate Variability and Climate Change	Biosecurity	Supporting R&D Priorities (Skills)	Supporting R&D Priorities (Technology Development)
1	\$809,958	\$404,980		\$242,987		\$40,498	\$121,493	
2	\$480,024		\$480,024					
3	\$444,077	\$296,051					\$148,026	
Total \$	\$1,734,059	\$701,031	\$480,024	\$242,987	\$0	\$40,498	\$269,519	\$0
Total %	100%	40%	28%	14%	0%	2%	16%	0%

\$264,187 in Objective 3 not included in above table (includes \$244,178 industry consultation (strategy 3.1) and allocation for evaluation of R&D expenditure (strategy 3.2.2)).

Proposed Investment against Govt. R&D Priorities



appendix 1:

Indicative proposed funding allocation across strategies

Below is the proposed allocation of levy funds over the period 2011 – 2016. This is informed by the priorities of the proposed strategy / investment areas for the Australian pineapple industry outlined in the table above.

Note: Investment may not match with available funds due to carry over of available funds from one year to the next or allocation of levy dollars to consultation agreement.

		2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL
		\$	\$	\$	\$	\$	\$
Production estimate Fresh (t)		40,000	35,000	35,000	35,000	35,000	180,000
Production estimate Processed (t)		57,378	53,421	51,842	51,842	51,842	266,325
R&D program funds available*		311,484	380,525	322,673	323,691	315,055	1,653,428
Marketing program funds available*		76,101	60,944	69,880	69,022	68,823	344,770
Objective	Strategies						
1.Ensure consistent, sustainable and profitable supply of quality Australian pineapples.	1.1 Improve production capabilities and profitability	16,081 ^a	13,646 ^a	10,644 ^a	17,500 ^{ab}	17,500 ^{ab}	75,371
		137,262	149,450	50,000	50,000	129,115 ^b	515,827
	1.2 Sustain required industry supply channels and supply levels	16,081 ^a	13,645 ^a	10,644 ^a 5,000 ^b	17,500 ^{ab} 5,000 ^b	17,500 ^{ab} 5,000 ^b	75,370 15,000
TOTAL - OBJECTIVE 1		169,424	176,741	148,991	145,687	169,115	809,958
2.Increase demand of Australian Pineapples through improved product performance and positioning.	2.1 Improve consumer experience and perceptions of pineapples	13,000 ^c 20,000	135,000 ^c 40,000	60,000 ^c 10,000 ^b	60,000 ^c 10,000 ^b	60,000 ^c 35,000 ^b	328,000 115,000
	2.2 Position pineapples more effectively in the marketplace	0	4,256	4,256	4,256 ^b 20,000 ^b	4,256 ^b	17,024 20,000
TOTAL - OBJECTIVE 2		33,000	179,256	74,136	99,256	104,256	480,024
3.Ensure the Australian pineapple industry is resourced and aligned to lead and facilitate evolving supply and demand	3.1 Have effective industry representation	38,348 ^d 7,855 ^e	38,949 ^d 7,978 ^e	40,492 ^{bd} 8,294 ^{be}	41,823 ^{bd} 8,566 ^{be}	43,062 ^{bd} 8,820 ^{be}	202,674 41,513
	3.2 Maintain sufficient resources to support industry development and organisation	88,125	117,151	90,640 ^b 20,000 ^b	93,359 ^b	54,802 ^b	444,077
TOTAL - OBJECTIVE 3		134,328	164,078	159,426	143,748	106,684	708,264
TOTAL R&D#		315,897	377,097	314,379	315,125	306,235	1,628,733
TOTAL Marketing		20,855	142,978	68,294	68,566	68,820	369,513
TOTAL INVESTMENT		336,752	520,075	382,673	388,691	380,055	1,998,246

* levy income minus CCR, LRS and AIC costs ^a DEEDI Project (Simon Newett) ^b Indicative unallocated funds for this strategy ^c Promotions activities from marketing
levy ^d consultation agreement (R&D 83%) ^e consultation agreement (marketing 17%) # R&D costs including market research



QuickTime™ and a decompressor are needed to see this picture.

Further information about Pineapple Industry strategic planning and investments can be obtained from:
Growcom: www.growcom.com.au
Horticulture Australia Limited: www.horticulture.com.au