

ALPM Agenda

- **Welcome**
- **Registration of Levy Payers**
- **Chairman's Report (Bob Granger)**
- **Horticulture Australia Report (Brad Mills)**
- **Future Orchards Program (Richard Hawkes, APAL)**
- **'PIPS' Orchard Productivity Program (Dr Dugald Close, TIAR)**
- **Prevar – Gary Langford (Coregeo Australia)**
- **National Residue Survey (Kevin Healy, DAFF)**
- **Apple and Pear Marketing Program (Michelle Toft, HAL)**
- **Why Marketing Matters, (Dan Gregory, Smart Communications)**
- **Levy Change Vote**





Apples & Pears Levy Payers Meeting

4 August 2009

Hobart , Tas.



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Program

- **Horticulture Australia**
- **The 2008- 09 R&D Program**
- **The 2009-10 R&D Program**
- **‘PIPS’ Orchard Productivity Program**
- **Questions**





What is Horticulture Australia Ltd (HAL) ?

- **Company – under corporations law - not for profit**
- **39 industries members of HAL. 28 industries have statutory levies**
- **An industry services company. Owned by industry with the industry electing the Board.**
- **An Export Control body in certain limited circumstances**



What is HAL ? - Role



**Investor of funds for
industry benefit**

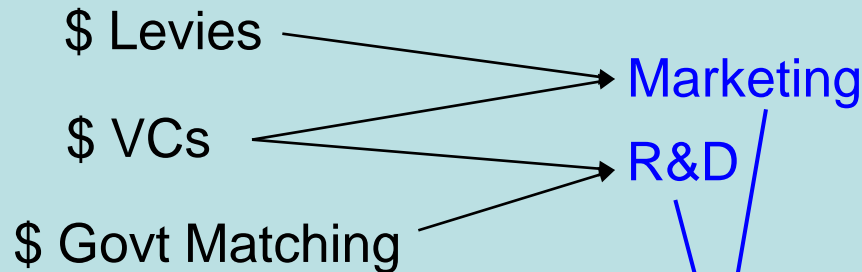


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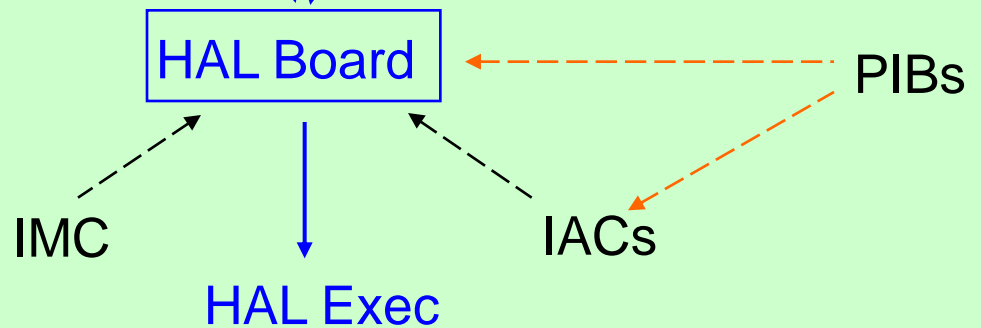


What is HAL ? – Structure

Money



Responsibility



Projects

- Service Providers
- PIBs
 - Research Agencies
 - Private Providers
 - HAL



What is HAL ? - \$

Currently managing more than 900 projects covering:

- market access
- market research
- export marketing
- consumer marketing
- supply chain management
- quality assurance
- food safety
- skills development
- industry communication
- biosecurity
- biotechnology
- breeding
- plant health
- pesticide regulation
- agronomy
- crop regulation
- physiology
- irrigation
- sustainable practices

**\$85m+ annual budget directed at R&D
and Marketing**

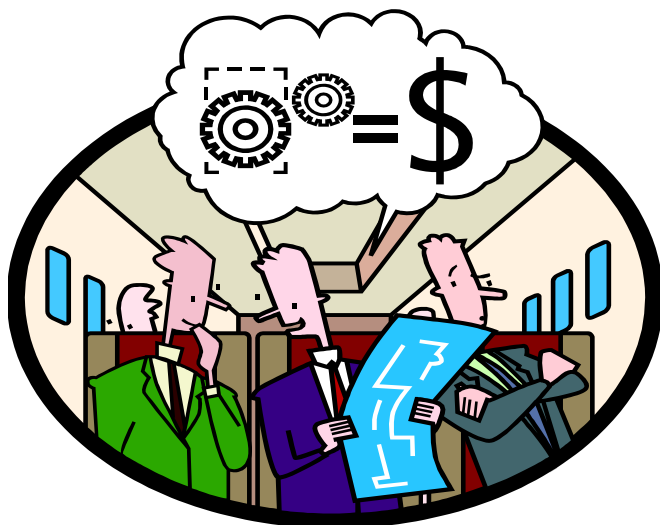


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2008/09 Apple & Pear Levy investment

Where do we spend the \$?



Industry Strategic Plan



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2009 Strategic Plan Review

- **Being reviewed this year**
- **Major issues to consider**
- **Industry involvement**
- **Darral Ashton to overview**





Apple & Pear IAC

Bob Granger – IAC Chairman

Darral Ashton – APAL Chair – NSW

Vic Grozotis – WA

Jos Driessen – Tas.

John Magarey – SA

Phil Turnbull – Vic.

John Lawrenson - Independent

Kevin Sanders – VIC

Ugo Tomasel – Qld.





A&P 2007/08 Program Reviews

- **Orchard Productivity**
- **Breeding & Biotechnology**



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2008/09 Finance Report



Year Ended 30 June 2009			
	Marketing 2008/2009	R&D 2008/2009	Combined 2008/2009
Funds available 1 July 2007	1,597,583	1,665,008	3,262,591
INCOME			
Levies Received	3,020,791	1,802,976	4,823,767
Commonwealth Contributions		1,742,814	1,742,814
Other Income	62,515	108,587	171,102
Total Income	3,083,306	3,654,377	6,737,683
Budget	2,990,254	361,045	6,600,706
Variance to Budget	93,051	43,925	136,976
PROGRAM INVESTMENT			
Levy Programs	2,082,417	3,067,794	5,150,211
Service Delivery Programs by HAL	283,625	417,833	701,458
Across Industry Funding		35,586	35,586
Levy Collection Costs	87,756	55,387	143,143
Total Investment	2,453,798	3,576,600	6,030,398
Budget	2,578,837	3,631,107	6,209,944
Variance to Budget	125,039	54,507	179,546
Annual Surplus/Deficit	629,506	77,777	707,283
Funds available 30 June 2009	2,227,090	1,742,784	3,969,874



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Apple & Pear 2008-09 R&D



Apple & Pear

INDUSTRY REPORT 08 • 09



Apple & Pear Australia Ltd.



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Apple & Pear 2008-09 R&D

Program covers wide diversity of projects including:

- Biosecurity & Market Access
- Biotech & Breeding
- Orchard Production
- Pests & Diseases
- Across industry



Overcoming replant disease



Tree growth in untreated soil (left) versus soil treated for apple replant disease (right)

- Alternative treatments to methyl bromide assessed
- Basamid and hydrated lime ($\text{Ca}(\text{OH})_2$) potential alternatives



Better Pear Rootstocks

- Early indications BM2000 outperforming other rootstocks (varietal differences)

Table 1: Influence of rootstock on yield, tree vigour (TCSA) and yield efficiency in 2009

System	Rootstock	TCSA 2008 (cm ²)	Yield/tree (kg)	Yield efficiency (kg/cm ²)	Projected yield (t/ha)
Open Tatura Trellis (OTT)	BM2000	20.45	5.48	0.27	15.1
	D6	27.07	6.38	0.24	17.5
	BP1	20.85	4.58	0.22	12.6
Central Leader (CL)	BM2000	26.98	12.81	0.47	20.3
	D6	36.84	13.77	0.37	21.8
	BP1	26.98	9.30	0.34	14.7
	Quince		3.49	0.33	5.5

Table 2: Influence of rootstock on yield, tree vigour (TCSA) and yield efficiency in 2008

System	Rootstock	TCSA 2008 (cm ²)	Yield/tree (kg)	Yield efficiency (kg/cm ²)	Projected yield (t/ha)
Open Tatura Trellis (OTT)	BM2000	12.66	10.78	0.85	29.63
	D6	16.39	5.52	0.34	15.17
	BP1	9.85	4.62	0.47	12.69
Central Leader (CL)	BM2000	20.57	14.95	0.73	23.69
	D6	23.93	9.67	0.40	15.33
	BP1	18.66	6.54	0.35	10.36



Pink Lady Bulk Shipment trials



Bulk bins of Pink Lady™ fruit on shed floor and packed fruit in cartons



Export bulk bins and cartons shipped in same container



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National Apple Breeding Program



- ‘Western Dawn’ newest variety – non browning
- **4 stages:**
- **Crossing/ production/ selection**
- **Advanced selections/ sensory evaluation**
- **Superior selections trialed diff. environments**
- **Superior selection/ Commercialization**

‘Western Dawn’ is a naturally non-browning apple. Fruit will be sold under the trade mark name Enchanted®



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Improving shipping protocols for apples to Japan



- Trial container fumigated apples June 2008
- Multiple variety access – Golden Dels, G/Smith, Red Dels, Pink Lady™, Red Jonagold, Royal Gala
- Some varieties more susceptible



Rot Management in apples

- High incidence of Post harvest rots in exports (Pink Lady™) also Gala, Fuji & Sundowner™
- Fungicide loss for some export markets
- Survey identified pre harvest infection
- Rot management guidelines developed



Target rot caused by *Phlyctema vagabunda*



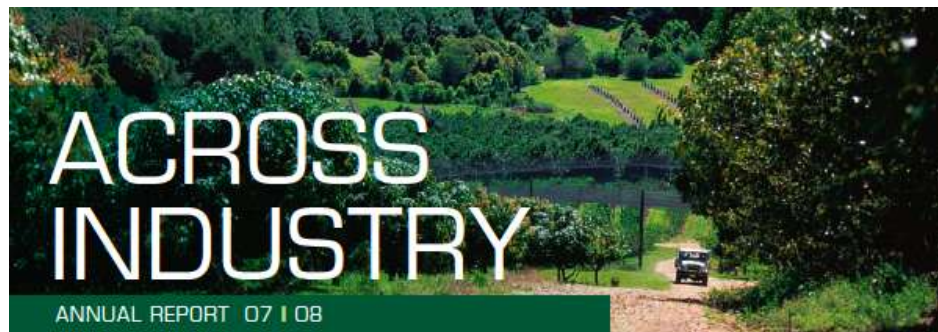
Blue mould rot caused by *Penicillium* spp.



All across industry-funded projects are reported on in the Across Industry Annual Report. Copies available from the HAL Website:

<http://www.horticulture.com.au/industry/acrossindustry.asp>

A list of projects is included in Apple & Pear Annual report



ACROSS INDUSTRY PROGRAM ADDRESSES INDUSTRY AND GOVERNMENT PRIORITIES



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The across industry program invests in projects that aim to provide wide benefit across the horticulture sector. Many of the projects funded would be difficult for industries to conduct on an individual basis. However, through this collaborative approach across all horticultural industries, major issues can be effectively addressed.

Recommendations on investment in the across industry program are made by the Industry Management Committee (IMC). The IMC is a subcommittee of HAL and its members consist of the CEOs (or equivalent) of the eight largest HAL member industries (based on HAL marketing and R&D income). At least one should be a B class member (i.e. no statutory levy). Committee membership is reviewed, amended and advised to industry at each HAL AGM based on the previous year's HAL income, effectively immediately following the AGM.

In 2007/08, HAL invested \$1,207,925 in R&D projects which address the across industry priorities and also align closely with the Government's R&D priorities.

Productivity and adding value

In the area of productivity and adding value, a project is continuing to improve the coordination of minor use permits across all horticultural industries. During 2007/08, over 102 permits have been issued across 18 different horticultural industries.

Another project is providing coordinated horticulture input to pesticide reviews, ensuring the industry needs are fully understood and considered in these processes.

Addressing labour issues, the program is supporting a joint initiative with the Australian Farm Institute to obtain an objective assessment of the current and projected future human resource needs of

the farm, farm-service and agribusiness sectors in Australia.

Supply chain and markets

The program provides resources to assist export market access via the HAL Horticulture Market Access Committee (HMAC) process. In consultation with industry, HMAC and the market access coordinator consider, prioritise, strategise, promote and communicate all export market access issues in relation to horticulture.

In the domestic market, the program is continuing to provide coordination of the national fruit and vegetable consumption campaign, based on Go for 2&5®.

Natural resource management

Three key projects have been addressing this area. Firstly, the Horticulture Water Initiative (HWI) which addresses national horticulture industry water issues such as the drought and the Government's National Water Plan. Over the past four years, the project has: maintained awareness of national water issues and their implications for horticulture; supported innovative approaches to efficient and environmentally responsible water use; provided relevant and up to date information on water issues to industry, and provided key information about horticulture and water to a variety of stakeholders.

The second project is the Horticulture Industry Environment Communication Plan which aims to demonstrate the positive environmental performance of the horticulture industry.

The third project is working to develop a toolkit of information sources to better equip industries to respond to peri-urban issues affecting horticulture industries.

Biosecurity

Although biosecurity is generally being addressed by individual industries through their own biosecurity planning, the program assisted with preparation of a submission to the Independent Quarantine and Biosecurity Review. This project enabled the industry to ensure that the quarantine and biosecurity concerns of the Australian horticultural industry are known by the review panel and the Australian Government via the review panel's report.

Climate variability and climate change

This is an area which is receiving increased attention and in 2007/08 two important projects were supported through the across industry program. One project, initiated in 2006, is undertaking a review and assessment of the impacts of climate change on the horticulture industry to position horticulture in an increasingly variable and changing climate and to make informed decisions on future research, development and extension.

The second initiative is in collaboration with all Rural Research and Development Corporations to support the National Climate Change Research Strategy for Primary Industries (CCRSP), a joint initiative of Federal, state and territory governments, the CSIRO and the Rural RDCs, managed by Land & Water Australia (LWA).

This annual report presents a snapshot of the across industry projects supported during 2007/08.

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Across Industry (cont.)

Project examples:

- Horticulture Water initiative
- Climate change
- Promoting Health advantages of fruit & vegies.
- Co-ordination of market access
- Coordination of Minor use chemical permits for horticulture



2009/10 A&P Program

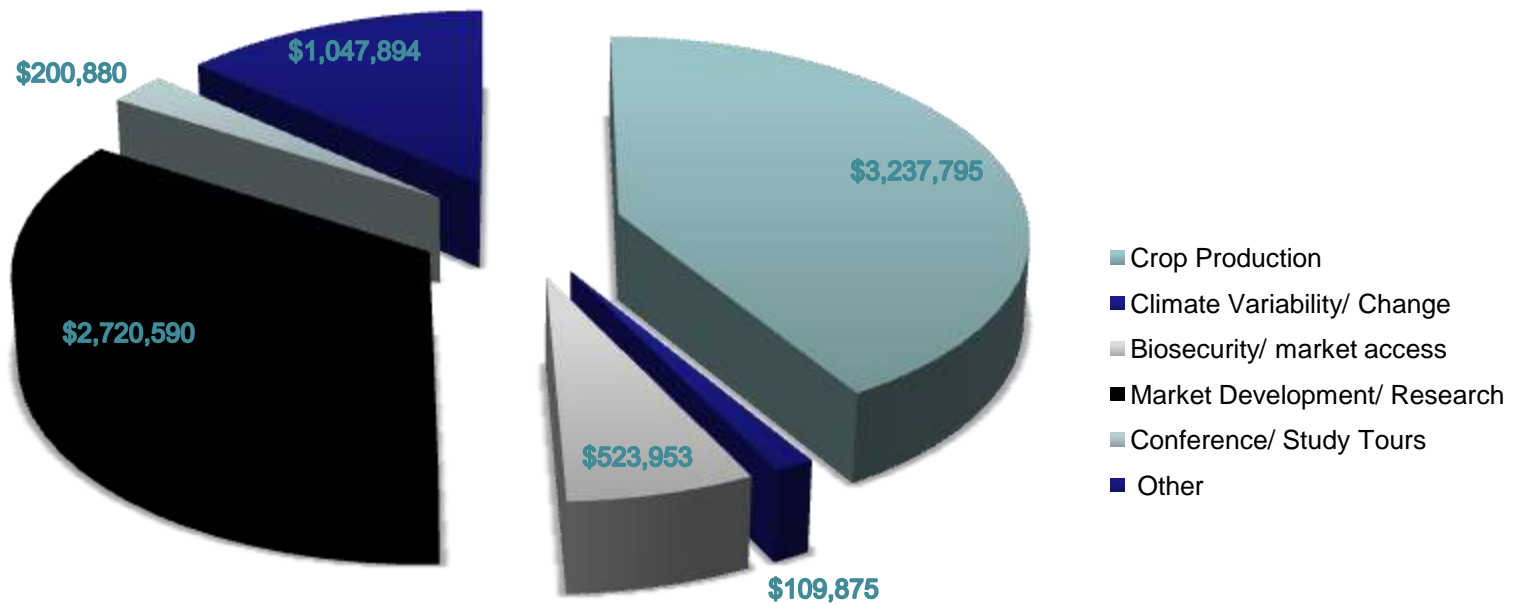
Industry Annual Investment Plan 2009-10

Apple & Pear	Budget - R&D Levy 2009-10	Budget - R&D VC 2009-10	Budget - Marketing 2009-10 - Apple	Budget - Marketing 2009-10 - Pear	Budget - Total 2009-10
Opening Industry Reserve 1 July 2009	\$1,547,603	\$0	\$1,574,626	\$499,962	\$3,622,192
Income					
Levy receipts	\$1,800,000	\$1,151,370	\$2,200,000	\$760,000	\$5,911,370
Commonwealth matching grants - levies	\$2,091,774	\$1,128,518			\$3,220,291
Interest	\$30,952		\$32,000	\$17,000	\$79,952
Royalties and other Income	\$0		\$0	\$0	\$0
Total Income	\$3,922,726	\$2,279,888	\$2,232,000	\$777,000	\$9,211,613
Program Expenditure					
Objective 1: Crop Production	\$1,841,406	\$1,396,389	\$0	\$0	\$3,237,795
Objective 2: Climate Variability/ Change	\$109,875	\$0	\$0	\$0	\$109,875
Objective 3: Biosecurity/ market access	\$523,953	\$0	\$0	\$0	\$523,953
Objective 4: Market Development/ Research	\$363,050	\$206,540	\$1,520,500	\$630,500	\$2,720,590
Objective 5: Conference/ Study Tours	\$7,000	\$193,880	\$0	\$0	\$200,880
Objective 6: Other	\$790,055	\$173,207	\$70,244	\$14,388	\$1,047,894
Total Program Expenditure	\$3,635,338	\$1,970,016	\$1,590,744	\$644,888	\$7,840,987
Levy Collection Costs	\$20,664		\$69,408	\$27,838	\$117,910
HAL Corporate Cost Recovery - Levy	\$548,209	\$287,019	\$239,884	\$97,249	\$1,172,361
Across Industry Contribution	\$42,170	\$22,852			\$65,022
Total Expenditure	\$4,246,382	\$2,279,888	\$1,900,036	\$769,975	\$9,196,280
Operating Surplus/(Deficit) for Year ended 30 June 2010	(\$323,656)	\$0	\$331,964	\$7,025	\$15,333
Estimated Closing reserves	\$1,223,948	\$0	\$1,906,590	\$506,987	\$3,637,525





2009/10 Program Expenditure





2009/10 Program – key projects

- **Orchard Productivity Program**
- **Future Orchards 2012 extension**
- **Strategic Plan/ Industry Dev./ Bus. Case Reviews**
- **Breeding**
- **Market Access**
- **Climate Change**



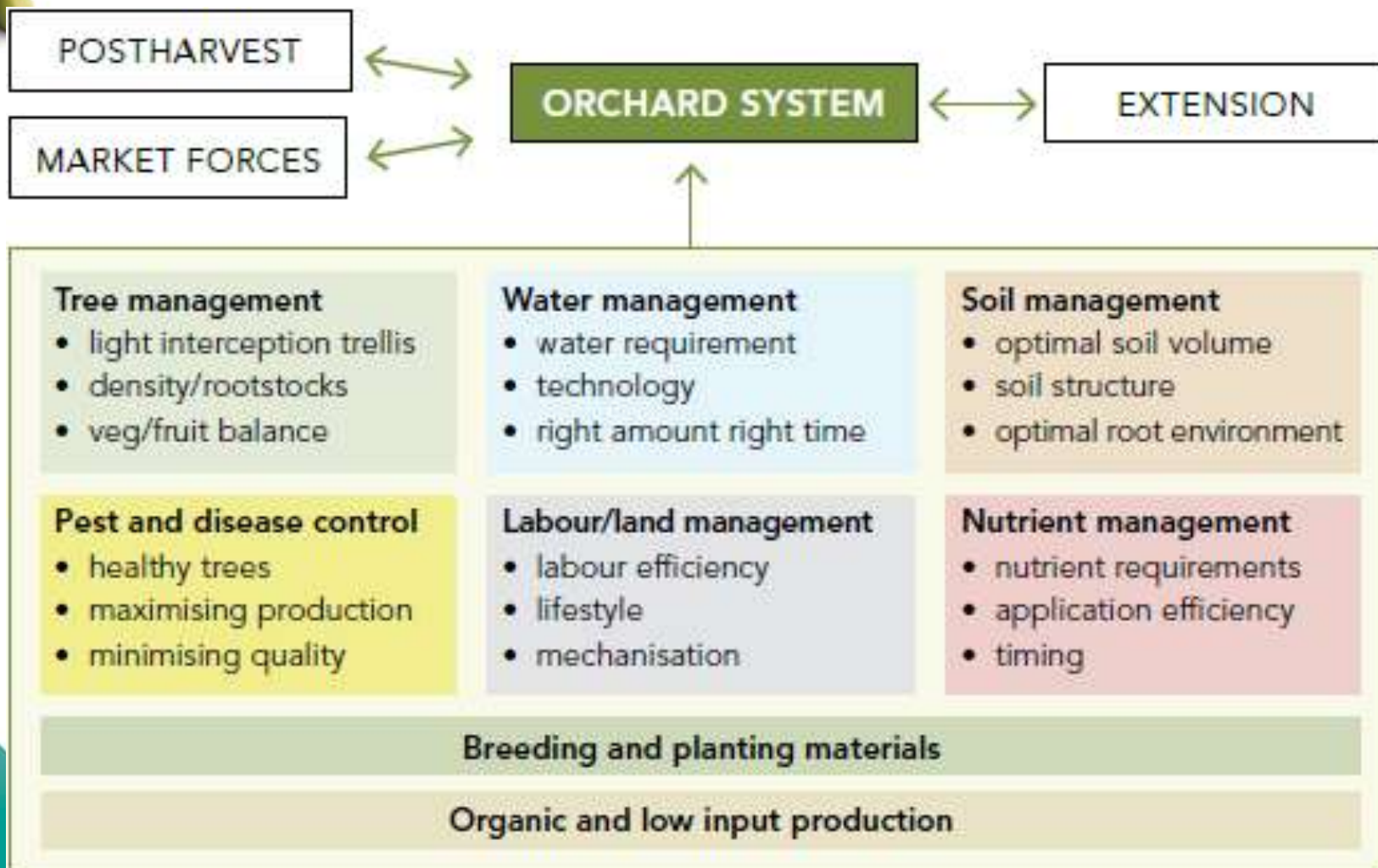


A&P Orchard Productivity Program

- **Program development**
- **Need for productivity improvement/ F02012**
- **PIPS Program**



Orchard Productivity Review





Orchard Productivity Review cont.

NHRN A&P Review:

- DPI's /SARDI/ CSIRO etc.
- Develop Program approach

PISC Review:

- National R&D Framework
- National 'R' with regional 'D&E'
- Improve the efficiency and effectiveness of national RD&E capability.
- Centre's of R&D excellence
- Rationalization of some research sites





Orchard Productivity Review cont.

Expression of interest:

- DPI's /SARDI/ CSIRO/ PFR (NZ) etc.
- Joint funding/ proposals for R&D

Program Development:

- Selection of joint R&D partners
- Round table discussions between collaborators
- Program developed





Questions ?



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The End



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