



Apple & Pear Australia



Know-how for Horticulture™

# ANNUAL INVESTMENT PRIORITIES

## APPLE & PEAR INDUSTRIES

2006-07



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*30 September*

## Introduction

In 2002, the apple and pear industry developed the 'Apple and Pear Industry Strategic Plan 2002-2007'. This document formed the basis 'to provide a framework for systematically determining where scarce industry funds should be focused and deciding what should be done and who will be responsible'.

As part of this continuing process of evaluation of where scarce industry funds should be focused, in September 2004 Apple and Pear Australia Limited (APAL) reviewed its strategic plan to set annual investment priorities for 2005/06. A fuller review of the Strategic Plan is currently under way and due to be finalized shortly.

## Executive Summary

The 'Apple and Pear Strategic Plan 2002-2007' indicated three major areas that the industry needed to address:

1. Increasing consumer satisfaction
2. Improvements in varieties, rootstocks and orchard systems
3. To defend vigorously Australia's disease free status

The review of these priorities conducted during September 2004 identified that the major issues in the strategic plan had not changed dramatically, although there had been an added urgency identified with issues relating to globalization. The need to achieve world's best production to compete at import parity pricing is such an example.

It should also be noted that the Apple and Pear industry was the beneficiary of funding under the Australian Government Department of Agriculture, Forestry and Fisheries (DAFF) 'Industry Partnership Program (IPP)'. As part of these funding, 3 projects were funded looking at the following areas:

1. 'Strategic Review and a Needs and Situational Analysis of the Apple and Pear Industry'
2. 'A strategy and Work plan for the Demonstration of Intensive Orchard Systems'
3. 'A Scoping Study of Supply Chain Efficiency for Apples and Pears'

These reviews have provided the basis for a formal update of the industry Strategic Plan which is due to finalize shortly. It will potentially see further DAFF IPP funding allocated to the industry for funding of projects identified in these reviews. For this reason, some of the funding priorities identified for levy/ matching Government

funding may be skewed as a result. The overall funding proposals in these Annual Investment Priorities will, therefore, need to be considered in light of the funding priorities identified in the 2004 review of the strategic plan together with other funding options.

## Major Issues

As part of the 2005 review of the industry strategic plan, a number of objectives fundamental to sustaining a profitable industry value chain for the industry’s future were identified:

- To improve the understanding of the commercial reality facing participants in the apple & pear supply chain
- To ensure that apple and pear supply chains meets market expectations
- To better service and support partners in all key market segments
- To improve the yields from apple and pear orchard production
- To protect the integrity of the product supply chain in terms of biosecurity relying on pure science
- To build a positive culture within the industry and a corresponding positive external image to improve its attractiveness as a destination for skills and capital

## Strategic Plan Priorities

### 1. Improving market value

Strategy 1.1 Create a strong value proposition for Australian consumer based on quality and affinity

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Develop a promotion / marketing plan with accent on quality and affinity. Include supply chain partners.	Ongoing	High
Implement the plan. <u>Timely</u> communication to all parties the plan and on an on-going basis (magazine, meetings, conference etc)	Ongoing	High
Measure the impact of the previous plan	Ongoing	Med
Seek co-investment from supply chain partners	Ongoing	High

Strategy 1.2 Create a Buy Australian program in key markets

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Integrate the “Australian” message in marketing program.	0-12	High
Develop a marketing program to strengthen consumer loyalty to Australian product.	mths & ongoing	High

Strategy 1.3 Develop strategies to better understand, service & support all segments of the market (retail, food service, processing)

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Review available research and commission research to fill any clear gaps in the information available.	0-12 mths	Med
Coordinate all available information to gain a full picture of supply and demand of product.	ongoing	High
Create appropriate supply chain fora and conduct periodic (pre-season) meetings as required by participants	ongoing	High
Develop a market strategy to address food service and convenience opportunities	ongoing	High

Strategy 1.4 Protect the integrity of the supply chain in terms of biosecurity based on science

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Remain involved in PHA and biosecurity projects	Ongoing	High

Strategy 1.5 Better transparency in the supply chain of costs and returns

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Check available research to find out where the costs in the supply chain are incurred. Publish this information to the grower sector.	12 months	Med
Keep the research up to date and publish on a regular basis	Ongoing	Med
To evaluate data capture and market reporting systems and implement a better system if required	12 months	Med

Strategy 1.6 Improve the sharing of packing facilities (inc collective marketing)

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Carry out economic research to ensure that consolidation of packing facilities will have a major positive impact on both packing and marketing.	12 months	Low
Communicate to industry the benefits of collaboration and rationalisation.	12-24 months	Low

## **2. To improve the economic sustainability of Australian apple and pear production**

Strategy 2.1 To promote and facilitate intensification of orchard production

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Evaluate the plan put forward in the IPP report and recommend the best method to implement and fund the plan. The key elements of this plan are tools, performance benchmarks and clear communication of the outlook	12 months	High
Support APFIP in its work to improve the quality of nursery stock available in Australia.	Ongoing	High
Link predicted production scenarios with the marketing plans	Ongoing	Med

Strategy 2.2 Increase Labour Efficiency

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Research options for accessing increased labour resource	12 mths	High
Encourage the use of labour saving technology in orchards and packhouses	Ongoing	Med
Increase skill development opportunities	Ongoing	Med

Strategy 2.3 Create a culture of learning from and cooperating with others to improve business

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Find and highlight cooperative activities in the industry		Low
Assist grower groups that wish to work together		Low
Establish and support "mentoring circles"		Med
Improve access to information resources		Med
Assess the opportunities to provide training and implement where required		Med

Strategy 2.4 Improve communication of technical information

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Explore the possibility of establishing deciduous fruits IDOs in each state	12 mths	Med
Continue the publication of TTT	ongoing	Med
Establish an interactive website with R&D information	12 mths	Med
Explore the possibility of establishing technical forums	12 mths	Med

### 3. Provide strong leadership to improve industry capacity

Strategy 3.1 Create awareness of the reality of the industry situation

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Publish a series of articles in the industry magazine regarding the future situation.	12 mths	High
Present addresses at annual conference.	12 mths	High
Organise a series of meetings around the states to disseminate the content of the IPP reports and the strategic plan.	6 mths	High
Work with state associations to disseminate the messages of the IPP reports.	6 mths	High
Improve the awareness of export requirements and opportunity	ongoing	High

Strategy 3.2 Foster necessary leadership models to create unity and confidence

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Identify industry leaders and provide opportunities for them to be recognised.	12-24 mths	Med
Link identified industry leaders into mentoring programs and/or young grower groups.	12-24 mths	Med
Work with state associations to coordinate their strategic plans with the national plan and vice versa.	Ongoing	Med
Create a better value proposition for industry leaders to become involved in	12 mths	Med

industry activities.		
Provide industry scholarships that will combine practical learning, study tours and formal training.	Ongoing	Med
Highlight to the growing community opportunities for scholarships and leadership programs as they arise.	Ongoing	Med

Strategy 3.3 Work with other sectors of hort/food in common interest areas

<i>Action</i>	<i>Time</i>	<i>Priority</i>
Work with HAL to identify areas of duplication and potential collaboration.	6 mths	Med
Continue to contribute to cross-industry R&D	Ongoing	Med
Conduct an audit of common need issues with other hort sectors.	12 mths	Med