Cherry

INDUSTRY ANNUAL REPORT 2011

CHERRY GROWERS AUSTRALIA INC

HAL
Horticulture Australia

Overview

The 2010/11 year has been exceedingly challenging for the cherry industry with growers experiencing one of the wettest summers in the past 100 years. Extreme summer rainfall caused a high incidence of 'cherry cracking' resulting in the loss of thousands of tonnes of fruit. As a result of this crop reduction, the levy income forecast has been reduced by 15–20% for 2010/11.

Levy investment

In 2010/11 the total levy income received was $513,027. The current levy is 7 cents/kg (4 cents for R&D and 3 cents for marketing). The amount invested into R&D projects for 2011 is forecast to be a total of $747,375 and $344,363 for marketing projects. The Australian Government provided $425,554 of matched funding to support 45 projects in the R&D levy program.

In addition to levy funds, $169,327 of voluntary contributions (VC) was provided to the industry for supplementing levy-funded projects and/or solely funding VC-only projects in the R&D programs. VC funds are matched by the Australian Government.

HAL is responsible for managing these funds and takes advice on how to invest the funds from the Industry Advisory Committee (IAC). Consultation with the IAC is essential in determining the most critical investment priorities for the industry. Priorities set by the IAC include:

Market Access	• Management techniques for Queensland and Mediterranean fruit fly, codling moth and light brown apple moth. • Methyl bromide treatment research of cherries at lower temperatures.
Fruit Quality	• Fruit specifications. • Need to review current specifications. • Need for an agreed set fruit specifications for industry.
Production	• Managing rain damage. • Development of technology transfer of rain cracking research. • Rain cover development with report to growers. • Soil health development and management. • Integrated cherry production using reduced chemical inputs through an IPM approach.

In 2010/11, Cherry Growers Australia Inc (CGA) acted as the service provider on eight R&D projects.

The industry also contributes 3% of levy and voluntary contributions to an across industry program that addresses issues that affect all of horticulture, such as water availability, climate change, biosecurity, market access.

R&D program

The 2010/11 R&D program includes 57 new and ongoing projects; 45 of these projects are levy funded and 12 are funded through voluntary contributions.

The 2010/11 R&D program has focused on maintaining market access to Taiwan and improving market access potential into China. Projects CY10015 and CY10012 have contributed to delivering this objective for the industry.

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The projects in this report have been funded by HAL using the cherry levy and/or voluntary contributions from industry with matched funding from the Federal Government for all R&D activity.

The Cherry Export Manual was updated through CY10017 and provides essential information for export protocols.

Project CY09006 delivered improvements for cold treatments for disinfestations of cherries against Queensland fruit fly (Q-fly). This R&D program also focused on understanding the quality issues post-Distribution Centres (DCs) in the domestic market through project CY10012. The results of this research and retail handling project CY09019 will contribute to improve quality at the point of sale in the domestic market and potentially increase sales.

Marketing program

The 2010/11 cherry marketing program focused on increasing sales at retail through a consumer point of sale competition during December and January. This had the co-operation of key retailers and provided consumers with a number of daily and weekly prize incentives. The aim of this campaign was to influence and increase sales. The full potential of this promotion was not achieved due to the adverse weather conditions affecting cherry quality in the domestic market. Other marketing programs continued with positive consumer reach through HAL marketing and Crossman Communications. One key project is the cherry public relations campaign. The Nielsen Homescan™ and Scandata marketing project also provided valuable consumer purchasing information during this difficult selling season.

Strategic objectives

The process for determining the industry's priorities begins with the development of the industry's strategic plan. This plan guides future R&D and marketing investment over a five year period. Activities in the 2010/11 period were therefore guided by the cherry annual investment plan 2010/11 which can be found under the cherry industry on the Horticulture Australia website: www.horticulture.com.au.

These plans are developed to reflect both the industry's priorities and the Australian Government's rural R&D priorities. The plans are reviewed regularly.

The industry's objectives, as outlined in the strategic plan, are:

- Market access/Market development.
- Resources.
- Marketing and promotions – domestic/export.
- Quality produce.
- Industry best practice.

Conclusion

This report provides an overview of project activities in the 2010/11 year. The report's sections are divided by the industry's objectives to reflect the activities being undertaken that address these industry issues.

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CLIMATE CHANGE RD&E

Climate change research is not new, but the urgency of information for growers to understand and be able to respond to the threats of climate change is. Since 2007 HAL's climate RD&E investment, through industry levies, voluntary contributions and matched Federal Government funds, has increased by 30%. Achievements include: empowerment of industry leaders, through forums and presentations; partnerships, through cross-collaborative programs; and adoption, through grower workshops and fact sheets.

Further climate RD&E is planned in 2011, including generation of information on the critical temperature thresholds of a number of horticulture crops, identification of best management practices on-farm for reducing emissions and linkages with the Climate Change Research Strategy for Primary Industries (CCRSPI). Information on Climate RD&E and links to various tools for industry are available at www.horticulture.com.au/climate.

OBJECTIVE 1

Market Access/Market Development

Retaining flavour in cherries out of storage

Storage testing has revealed that cherry varieties with higher levels of acidity and a more intense flavour at the time of harvest may be one of the secrets to satisfying customers.

Greater confidence in the storage attributes of Australian grown cherries will lead to the expansion of our export markets.

The Australian cherry industry is developing an export culture, with the percentage of total production exported currently at 20% and rising. Continuing to increase the proportion of fruit exported is critical to maintaining grower profitability in the face of an increasingly oversupplied domestic market.

Selection of fruit is a key platform for the successful long distance shipping of cherries. Some varieties used for export retain good visual appearance during a four week sea freight voyage, however flavour retention is not assured.

The cherry industry identified that locally bred, intensely flavoured varieties may provide advantages in the export market. Project CY10020 served as a platform to investigate the post harvest quality of these varieties with higher levels of naturally occurring fruit acids when subjected to long distance shipping conditions.

The completion of storage trials has provided an insight into the advantages, flavour profiles and acidity levels Australian cherries offer exporters. Knowledge gained through this project builds on existing knowledge of measured harvest maturity indices, facilitating better decisions in the export and domestic marketing of cherries.

Project CY10020

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Facilitating counter season research opportunities for the cherry industry

International cherry researcher, Dr Matthew Whiting from Washington State University, based himself in Southern Tasmania for seven months over the 2009/10 cherry season. The aim of this project was to build on international cherry research, address Australian cherry research priorities and investigate a long term relationship between the Australian cherry industry and Washington State University. Variability in fruit quality, timing of thinning, thinning targets and chemical thinning modes of action where all investigated. Whist several of the trials did not yield results due to water logging, variability in fruit quality indicated tremendous variability among fruit for every key fruit quality attribute.

Further research is necessary to determine the causes for variability in sweet cherry fruit quality, such as timing of flowering in low crop load situations and discerning the relationship between timing of thinning and the fruit quality response.

Project CY09005

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Research assists registration review of dimethoate and fenthion

Insecticides dimethoate and fenthion are currently under registration review by the Australian Pesticides and Veterinary Medicines Authority (APVMA), following concerns regarding toxicity, public health, occupational health and safety, the environment and residues in food.

They are arguably the two most important pesticides used for controlling fruit fly, due to legislation that requires their application to produce before it can be sold or transported to interstate and overseas markets.

Due to safety concerns, it is difficult for the APVMA to conclude that these insecticides are safe without addressing the need for new data, as the original data is now considered insufficient and out-dated.

The aim of this project is to generate new data for consideration by the APVMA, generated under current conditions and using modern equipment and use-patterns. This data is based on pre- and post-harvest uses across more than 150 field-sites including 40 different crops, which represented 12 crop-groups including brassica vegetables, root crops and tropical-fruit crops.

Project MT06022

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Improving the cold treatment for disinfesting cherries for Q-fly

Queensland Fruit Fly (Q-fly) is a major quarantine pest for many Australian cherry producers, particularly because treatment to combat infestation can often affect fruit quality and marketing flexibility.

The aim of this project is to assess and identify the most effective and practical cold/ high carbon dioxide (CO_2) treatment for the disinfestation of Q-fly in cherries.

A range of Q-fly disinfestation trials and fruit quality trials were conducted during the last cherry season (2010/11). Different CO_2 gas fumigation treatments and combinations were assessed to determine their mortality on Q-fly larvae. Although the results of these trials are still being analysed, so far it seems the high CO_2 treatment was the most effective.

In addition, a disinfestation trial to evaluate the possible use of Vapormate™ (BOC gases, active ingredient, ethyl formate) was conducted. Ethyl formate has been used as a fumigant of dried fruit for many years. Vapormate™ is a fumigation treatment that is already registered in Australia for use in horticulture.

Two Vapormate™ concentrations at two different treatment temperatures (3°C and 15°C) were conducted with Regina and Sweetheart cherries. Although the Vapormate™ treatment was effective in improving the mortality of the Q-fly larvae during the cold treatment, there were some issues with potential damage to the fruit stems during storage. This experiment will be re-trialled next season with the new season's fruit.

Project CY09006

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Infesting cherries with Q-fly before disinfestation treatments and cold storage

Disinfestation trials at Gosford Primary Industries Institute

Taiwan market development for the Australian cherry and summerfruit industries

In January 2006 Taiwan banned imports of all Australian produce that was host to Queensland fruit fly (Q-fly). This was an important export market for the summerfruit and cherry growing industries, worth around $20 million annually. The resulting oversupply on the domestic market further decreased returns to growers.

Biosecurity Australia with BAPHIQ developed and agreed on a protocol. On 2 August 2010 the protocol was signed and trade of mainland cherries, peaches and nectarines was officially approved.

Cherry Growers Australia Inc and Summerfruit Australia Limited worked with Biosecurity Australia, AQIS, growers and exporters to ensure that a number of facilities across Victoria and New South Wales were audited and approved by both AQIS and BAPHIQ as registered on-shore treatment facilities before the fruit was exported. Trials were mixed due to the poor season.

Project MT10054

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Providing data packages for new fruit fly control technology

Lufenuron is known as an insect growth regulator that inhibits chitin synthesis, thereby acting to kill eggs and/or larvae. This project aims to provide data packages for the development of a chemosterilisation technology for the field control of pest fruit flies in Australia.

Laboratory studies have led to the development of a new formulation that effectively attracts male and female adult Q-flies *(Bactrocera tryoni)* and stimulates their feeding activities. Preliminary field cage tests have demonstrated the efficacy of this formulation in causing the sterility of eggs laid by the female flies and the mortality of larvae in host fruits. Further experiments will be conducted to optimise the formulation for the field application of this technology.

Project MT08035

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Improving the quality and consistency of Australian cherries

Cherry fruit quality was surveyed during the 2010/11 season in selected Woolworths stores. Woolworths cooperated fully with this project and allowed access to their distribution centres, retail stores and produce cold rooms.

Fruit quality was monitored in three Woolworths stores in Western Sydney and three stores in Adelaide. Fruit samples were purchased from the retail display and from the store's cold room at weekly intervals in NSW and twice a week in Adelaide. To investigate the shelf-life of the fruit, a fruit sample was stored for an additional week at 5°C in one of the stores in NSW before a final quality assessment was conducted. The fruit quality assessments were conducted using the same quality assessment criteria at either the Gosford Primary Industries Institute (NSW) or at the South Australian Research and Development Institute (SA).

Fruit quality was measured by determining the levels and types of fruit defects, rots, stem condition, fruit firmness and overall consumer acceptability. In addition, the fruit was subjectively tasted and assessed for off-flavours, sourness (acidity) and overall flavour.

The results of this project showed some cross-seasonal trends, including variability in sugar levels, which contributed to consumer acceptability and eating satisfaction. Other factors were investigated and will be discussed at the Annual Cherry Growers meeting in Adelaide.

Project CY10012

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Asia Fruit Logistica 2010

Asia Fruit Logistica gives NSW cherry growers a unique opportunity to visit a major Asian marketplace and participate in this significant exhibition. Cherry growers from NSW met with key Asian buyers and gained a better understanding of the requirements of a sometimes complex marketplace. Growers gained a better understanding of fruit quality and packaging requirements, logistics and distribution. It provided an opportunity for NSW cherry growers to build closer personal links with buyers, traders and related parties, which is of paramount importance in doing business in Asia. In addition to participating at the trade show, the attendees visited the wholesale markets, supermarket distribution centre, trade briefings and networking function.

Although new relationships were established and existing ones were strengthened, growers were unable to export fruit to the Asian market last season due to a poor harvest. By attending the event this year, growers hoped to reposition NSW as a quality supplier which provides cherries earlier in the year than other states.

This project has allowed NSW growers to achieve one of the main items in the Cherry Growers Australia Strategic Plan in that it has fostered relationships and facilitated a better understanding of the potential markets for the cherry industry.

Project CY10701

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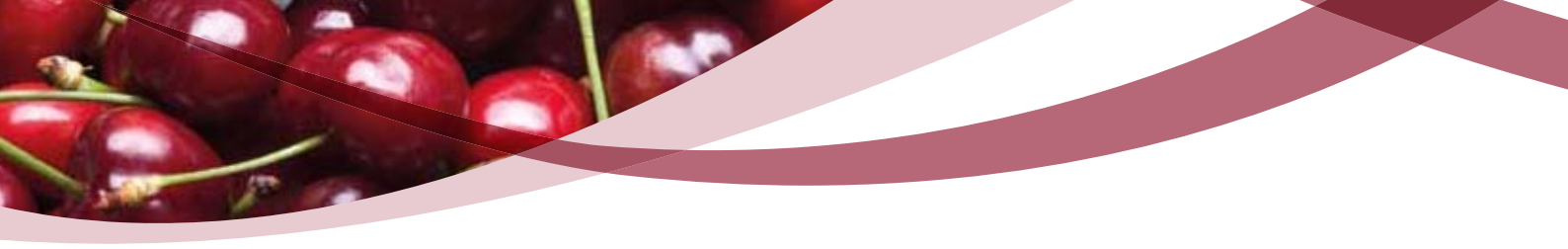

Developing market access and maintenance capacity within the Australian cherry industry

With Australian cherry production on the increase, it is essential that growers and exporters have access to all possible global markets.

A strong export sector ensures a strong domestic sector, resulting in a viable and sustainable Australian cherry industry. With increased production, if the export market is not strong and expanding, then the domestic market will collapse.

The Australian cherry industry does not have access to a number of overseas markets including China, Korea (mainland cherries), Japan (mainland cherries) and New Zealand. While we have formal access approved for Taiwan and the USA, there is a need to finalise and improve the protocols and work plans to allow commercial movement of fruit into these markets. Other markets like Thailand and Vietnam are looking to make changes to their import requirements, meaning that industry must be in a position to respond to these changes.

Market access/market maintenance is the highest priority in the Australian Cherry Industry Strategic Plan. While work has been undertaken in an ad hoc manner, there is a need to have a regular and ongoing focus by Cherry Growers Australia Inc (CGA).

This project will continue to ensure CGA makes visits within Australia and possibly to relevant countries to participate in government and industry meetings to assist in achieving market access and/or ensuring market maintenance.

Gathering relevant technical information and data on market issues including pest and diseases, treatments and potential research are essential for industry to give accurate and concise advice. Also, having immediate input into the relevant meetings and negotiations is essential to achieve practical protocols, work plans and programs.

This project provides CGA with the required resources and capacity to build on and expand the activities in the area of market access and market maintenance.

Project CY10021

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Ecology and pre-harvest control of fruit flies for systems approaches to market access

Fruit flies directly impact on crop quality and market access. Likely restrictions on the use of dimethoate and fenthion will place increased emphasis on alternative control strategies.

This project has studied the biology of Q-fly pertinent to the development of improved management strategies. Further research has quantified when and where flies forage for protein and male attracting lures, with the intention of developing a better method of application of protein bait-spray technology and male annihilation technique [MAT], respectively.

The attractancy of protein and male lures in different seasons has been quantified. Attractancy is lowest in winter and highest in spring. Within a crop, protein should be applied to the upper canopy to be most effective. The fruiting cycle of the crop influences the age structure of flies and their response to protein and lure.

Project MT08036

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Market access visits

Market access is of great importance to the Australian Cherry industry, with China being one of the countries with the highest priority. During 2009/2010, Cherry Growers Australia Inc (CGA) visited China three times; once as part of an Australia-China Agricultural Cooperation Agreement and twice to participate in the China World Fruit and Vegetable Fair.

Following these trips to China, further work has been undertaken by CGA in conjunction with the Office of Horticultural Market Access, Plant Health Australia, Biosecurity Australia and the Department of Foreign Affairs and Trade to continue to push for market access into China.

The China-Australia Forum on Horticultural Cooperation held from 14–20 April 2011 in Melbourne was part of this process and was very successful.

One of the CGA Board's highest priorities for 2011/12 is to access the Chinese market for Australian cherries. This requires a fully coordinated approach with all stakeholders both in Australia and in China.

Project CY10015

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OBJECTIVE 2 Resources

Developing communications within the Australian cherry industry

Cherry Growers Australia Inc (CGA) needs to continue to communicate regularly with Australian cherry growers to detail the issues, projects and programmes taking place in the cherry industry. This will ensure that growers are at the 'leading edge' of technology and information.

Since this project began in November 2010, there have been regular monthly updates by the CGA President and CEO and State Associations in *Tree Fruit* magazine. Reports include technical information for growers and regular discussions with State Associations about promotional activities, field days and seminars.

A mail out has been sent to growers to collect updated contact information and the database is being updated regularly; CGA is also looking to redevelop the website.

A survey was conducted in June/July and growers were asked for their feedback regarding the following issues:

- Research and development needs and ideas.
- The implementation of a grower evaluation feedback system.
- Marketing and promotions needs and suggestions.
- Best communication mediums (websites, emails and hardcopies) for growers to receive information.

Project CY10022

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Cherry Industry Development Needs Assessment (IDNA)

The IDNA process is expected to develop new ways of interacting with growers, in addition to those which industry already has in place. The objective is to identify the most effective ways of encouraging growers to adopt activities which will implement the industry's strategic plan.

The industry's IDNA action plan includes the following elements:

Technological adoption – encouraging extension-style activities, developing a project management checklist and evaluating existing orchard management software.

Training – continuing targeted study tours.

Information – maintaining effective communication with industry members.

Mentoring – supporting those growers who will take the industry forward.

Funding – seeking additional funding sources to ensure industry needs are met.

Due to a change of Chief Executive Officer (CEO) at Cherry Growers Australia, the action plan did not commence in 2010/11. The plan will be reviewed and aligned to the industry's strategic plan in 2011/12.

Project: CY09020

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Fruit Growers Tasmania Annual May Conference and Cherry Growers of Australia regional extension

The annual Fruit Growers Tasmania Conference had the theme of "Facing the Challenges ... Finding the Answers." The Conference attracted over 200 delegates from Tasmania, mainland Australia and overseas. It was backed up by a trade show and field day that looked at orchards with cherries and summerfruit and finished with a tour of an organic winery.

Key papers presented looked at fruit quality, cracking in cherries, cherry size management, plant growth regulators, new spray technology, new virus issues and export marketing.

The road show headed to Orange in New South Wales (where there were 40 attendees) and Lenswood in South Australia (where there were 30 attendees). At the road shows, Penny Measham gave her talk on Splitting headache – new research outcomes on cracking in sweet cherries.

Project CY10702

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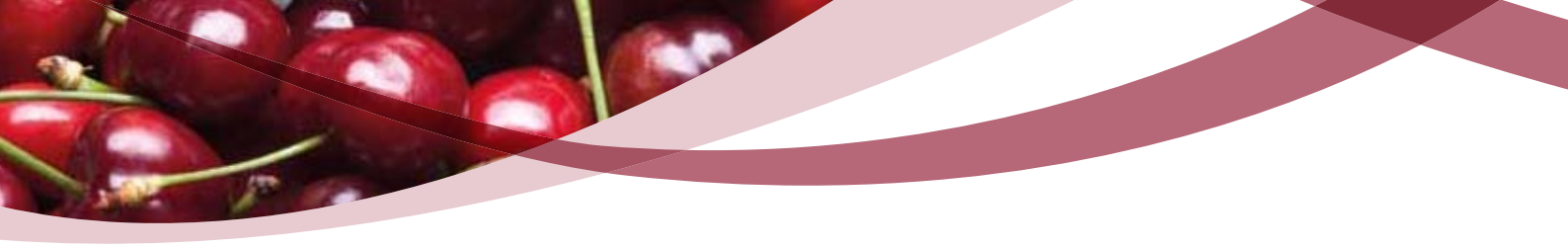

OBJECTIVE 3

Marketing and promotions, domestic and export

Cherry marketing program 2010/11

The 2010/11 cherry season was challenging for Australian growers. The devastating weather events destroyed the early fruit, which led to media speculation about a poor season and generated negative consumer sentiment in the quality of fruit leading up to Christmas.

The macro environmental factors impacted on the supply and quality of the fruit and also cherry sales.

The 2010/11 marketing program was up-scaled based on an initial industry anticipation of abundant crop supply and also marketing levy reserve built up from the previous seasons.

Summary of the 2010/11 cherry marketing program is as follows:

- The first national cherry consumer competition linked to purchase of cherries.
- National merchandising to support the consumer competition.
- An integrated PR campaign.
- The launch of the *Australian Cherry Report*.
- State based promotions.
- Consumer research insights (Homescan data).
- Category management pilot program.

Consumer research that delved into consumer attitudes, purchase behaviour, profile of a cherry consumer and their media preferences.

The consumer competition could be seen in over 1,300 supermarkets and green grocers nationally. The competition ran for 10 weeks in the summer of 2010/11 with cash prizes given out daily.

The *Australian Cherry Report*, which was launched last season, is a literature review of scientific research done on cherries globally. This report is a valuable industry asset and was initially designed to engage the media. It will be further developed into materials that can be used to promote the health benefits to consumers.

The category management pilot program was carried out over the course of 10 weeks. The program revealed that good category management practices do improve profitability. The findings from this pilot will be turned into a retailer's guide to further promote cherry sales.

Project CY10500

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Cherry Growers of Australia Annual Conference 2011

The Cherry Growers of Australia Annual Conference 2011 has been specifically tailored to meet the demands of Australian cherry growers. The program is specifically focussed on production issues which have strong "take home" messages for growers. The aim of these conferences is to inspire growers with new concepts and methodologies which they can implement on their own properties.

With increasing pressures to reduce costs and become globally competitive, the cherry industry's aim is to give growers the latest information on new and future production techniques. The HortExpo will occur again following on from the successful inaugural HortExpo in 2009. The event will be a combined field day, workshop, seminar and trade show that will appeal to growers and industry stakeholders alike. The theme of this year's event is "Growing Smarter, Growing Stronger". This theme reflects the necessity for the modern orchardist to be abreast of modern production trends to ensure that their business is economically viable and sustainable.

Project CY10703

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Export-import market intelligence

This project focuses on Australia's export and import trends and forecasts of participating industries. The multi-industry project has been funded using R&D levy from eight industries and matched contributions from the Australian Government.

The project uses the Global Trade Information System (GTIS), which is a database containing trade data from different sources for different countries. The data comes from different country departments of trade and customs organisations. Data is acquired on the volumes of trade, value of trade and per unit price. GTIS is a valuable source of data for exporting industries and local industries alike.

Besides information contained in GTIS, this project uses other international trade reports, and key contacts in export markets to delve deeper into the landscape and development of global trade. This includes further analysis on prices, market weaknesses, strengths, opportunities and threats based on researched data in the key and emerging markets for set industry commodities. Participating industries receive quarterly trade reports covering volume, value, prices and trading countries.

Project MT10022

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Cherry consumer research

The IAC Marketing and Promotions Committee for the cherry industry agreed to undertake a new consumer research project before the 2011/12 financial year. The use of levy funds was agreed to by the Committee. Activities carried out by the IAC Marketing and Promotions Committee will be used as the basis for a new Strategic Marketing Plan that will be linked to the Cherry Industry Strategic Plan, which is currently being reviewed.

This consumer research was the first to be carried out since 2008 and follows on from three years of promotional activity using levy funds of about $200,000 per annum for campaigns and promotions, including the *Love Summer, Love Cherries* promotion.

Key findings from the research project released in May 2011 show:

- Three out of four people (74.2%) usually buy cherries.
- Cherries are considered to be closer to a stone fruit than a berry.
- The biggest purchasing barriers are price and quality.
- Most decisions to buy cherries occur at point of purchase (70%).
- Supermarket and green grocers are the main purchasing channels.
- Farm-gate sales amount to less than 10%, except in Tasmania.
- 75% of cherry buyers normally eat cherries on their own.
- 29.3% of consumers add cherries to a fruit salad.
- Awareness and understanding of US cherries and Australian cherries is low and confused.
- Availability of regional cherries is very important to consumers (i.e. local product should drive purchase).
- Awareness of any cherry marketing activity is very low <3%.

Key aspects from the report show that:

- Consumers want a quality product for a reasonable price. Point of sale and shelf displays are important for consumers to buy cherries.
- Consumers want fresh cherries, local cherries and Australian cherries.

Project CY10026

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2010/11 Cherry Export Manual

The *2010/11 Cherry Export Manual* was completed in August 2010 and distributed to all cherry industry levy payers. The manual outlines export guidelines for Tasmania, Victoria, New South Wales, South Australia, and Western Australia for each coming season. The objective of this project is to produce a practical guide for exporting cherries to Western Australia and international markets.

The manual includes export spray guides, MRL and export interval guides, export protocols, state requirements and permits to assist growers in meeting the requirements for each of the export markets. The information contained in the manual is based on the best available information at the time of production. The manual is reviewed and updated on an annual basis. Work is underway for the 2011/12 manual.

Project CY10017

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Improving stem retention in cherries to meet quality specifications

The aim of this project is to enhance the quality of sweet cherries by understanding the poor stem retention in sweet cherries observed in recent seasons and investigate treatments which may help mitigate this effect. Test protocols were established from information gained in the literature review and personal communication with cherry experts and scientists.

A field trial program was conducted in 2009/10 to screen plant growth regulators, which may aid in improving stem retention and other quality characteristics in sweet cherries. A number of products were identified as showing promise in reducing this problem and improving fruit quality generally.

Six field studies were conducted across three climate zones in Victoria during the 2010/11 season. This was done to further evaluate products which showed promise in the previous season as well as investigating the inclusion of products that might provide an additive or synergistic benefit.

Field trials were carried out at Tatura on the varieties Bing and Lapins, at Yarck on Van and Lapins and at Silvan on Ulster and Lapins. The Van trial was destroyed by hail at Yarck and could not be harvested.

Preliminary data analysis has been completed and presented at the AFFCO/ Victorian Cherry Association Cherry Workshop at Alexandra on March 15th 2011.

Stem pull force was significantly higher in 2010 than the previous season, which is most likely a reflection of the differences in environmental conditions between the two seasons. None the less, significant differences in stem pull force were measured and some preliminary observations were made. Similarly, improvements in fruit firmness and size have been measured. This will assist in further development of a treatment program for 2011/12, which will also focus on various rates and timings of applications of products trialled.

Project CY08003

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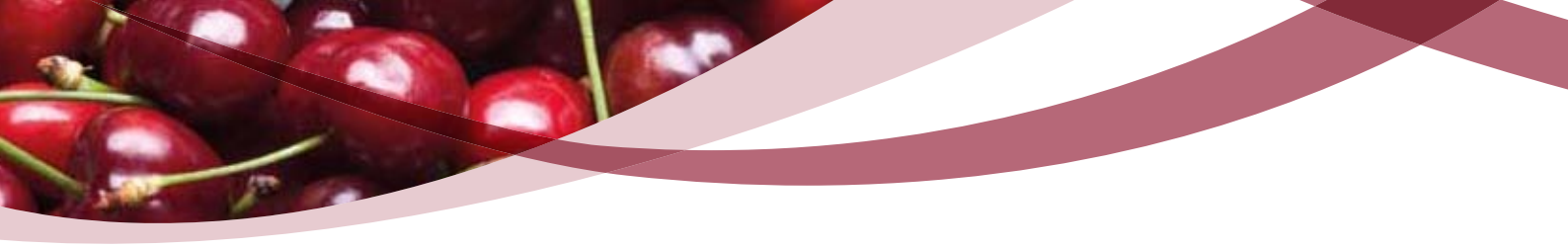

OBJECTIVE 4 **Quality produce**

Optimising cherry fruit set, crop load, fruit nutrition and size

This project is a joint initiative between Washington State University (WSU) and the Tasmanian Institute of Agricultural Research (TIAR) at the University of Tasmania. The following key areas are being studied to achieve fruit quality:

- Fruit set
- Crop load management
- Fruit size
- Fruit nutrient matrix.

Trials are being run in parallel in Washington State and Tasmania to hasten research progress through two seasons in a calendar year. Fruit set and crop load management trials were set up in the upper (Reid Fruits at Plenty) and lower (Cherries Tasmania at Old Beach) Derwent Valley.

The study of fruit set focused on natural variability in bloom ontogeny and floral bud hierarchy. Individual flowers were tagged on varieties Kordia and Simone and their progress to fruit was monitored.

The study of crop load management investigated:

- Plant growth regulators to improve fruit set: AVG and CPA sprays were applied to Regina and Kordia.
- Optimum thinning time: thinning treatments were imposed on Sweetheart (6 thinning times x 3 crop loads) and Van (5 thinning times x 3 crop loads).

Trials of crop load manipulation on cherry fruit cell division and expansion yielded no differences. This is attributed to ineffective crop load manipulations due to the poor season. Irrigation trials on Sylvia showed that fruit width was significantly greater under high irrigation treatment with no adverse effects on firmness or brix at harvest. Fruit was collected from seven orchards across the Huon and Derwent Valleys for the study of nutrient content effects on fruit chemistry and post harvest shelf life.

Preliminary analysis indicates that fruit pH and non-bleachable pigments best predicted fruit age post harvest and that fruit high in zinc and manganese and low in boron are more likely to have a longer shelf life.

Project CY10002

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Improving marketable yield of premium quality cherries

Improving marketable yield of cherries in Australia is possible through an integrated approach to management of fruit cracking. The extent of yield loss due to cracking in cherries remains unpredictable however results from project CY09002 are showing promising results both through building resilience in fruit and preventing vascular influx of excess water.

Resilience to cracking was demonstrated in fruit under high volumes of irrigation, which were better able to withstand climatic extremes, as observed by using daily growth sensors. Spray trials were also successful, with the three sprays assessed (RainGard, 24/7 and SureSeal), all showing a reduction in cracking, particularly in cuticular cracks (apical end and stem end cracks). A reduction of total cracking of up to 50% was achieved by selective pruning, with no difference in fruit size and an increase in sugars. Thinning to low levels was found to dramatically increase cracking, especially if thinning occurred at full bloom.

Project CY09002

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Advances in Australian cherry breeding

The current breeding project is developing large, well-adapted cherry varieties with improved rain cracking resistance for Australian cherry growers.

Good winter chill and a mild fruit development period saw good crop set and excellent conditions to size the abundant fruit in what looked to be a looming bumper season. Sadly, widespread regular spring rains continued into summer, damaging crops and reducing quality.

Almost as devastating was the effect the cool spring weather had in shifting the national harvest window back by up to two weeks. This created a post-Christmas glut of generally better quality but harder to move fruit in retail markets, highlighting the high dependence of pre-Christmas sales in terms of volume and price to the domestic industry.

While unusually difficult, the conditions provided an excellent opportunity to get good differentiation of the relative rain cracking susceptibility and the general robustness of lines within the breeding program.

Good progress was made this season, especially in weeding out the lines susceptible to rain cracking. Overall, fruit firmness was good and now being quantitatively measured using a Firmtech2 device.

In 2010 the breeding program contained 7,886 different cherry lines. Out of these, 1,493 lines produced fruit, 53 were assessed as promising and a further 315 produced fruit of a sufficient standard. This winter, 2,423 genetically inferior trees will be removed based on previous seasons' results.

All promising lines have been grafted for further evaluation on Mazzard F12-1 rootstock.

The national evaluation network field trial sites now contain 17 new advanced lines, many of which will begin cropping next season. Line 1H.RE has also been planted on six properties as a limited commercial release to gauge market reaction.

Project CY07000

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Retail handling training package

Cherries are often poorly displayed and maintained by Australian retailers, resulting in low sales volumes. Quite often, the 'poor experience' for consumers is a result of how the product is stored, handled and displayed in retail stores. In addition, most retail staff isn't trained in the display and maintenance of cherries.

The sales success of USA cherries in the Australian off-season has emphasised the need to educate retailers and their staff on the proper display and sale of cherries.

While this project is a good starting point to improve the retail handling of cherry fruit around Australia, retail handling and staff training need to be ongoing tasks to ensure cherry fruit is handled and presented adequately from farm gate to local stores, through to big retailers and internationally.

Project CY09019

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Improving surveillance and sentinel hive traps and 'Bee Force'

The Pollination Program, managed by the Rural Industries Research and Development Corporation (RIRDC), Horticulture Australia Limited (HAL) and the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF), aims to ensure the pollination of Australia's horticultural and agricultural crops continues to be both sustainable and profitable.

The program is guided by the Pollination five year R&D plan 2009–2014, available on the RIRDC's website: www.rirdc.gov.au.

'Bee Force' is a community engagement pilot project aimed at recruiting confident beekeepers located within close proximity to high risk points of entry, and train them to conduct in-hive surveillance for early detection of exotic honeybee pests such as Varroa mites (*Varroa destructor* and *Varroa jacobsi*). The objective is to determine whether the involvement of handpicked beekeepers is of any value to the current surveillance programs managed by the Victorian Department of Primary Industries (DPI).

These "hobby" beekeepers need to be located within short distance of the Melbourne and Geelong ports. The participants are handpicked by DPI apiary inspectors and need to be able to perform basic monitoring on a regular basis. Both reliability and commitment are needed to successfully execute the set of basic tasks underpinning this surveillance program.

This two years pilot project will evaluate the level of engagement and reliability of non-professionals, their willingness to be involved in a biosecurity project and test their level of commitment to a relatively long term pilot project that requires discipline and a moderate level of expertise.

Projects MT09086 and MT09087

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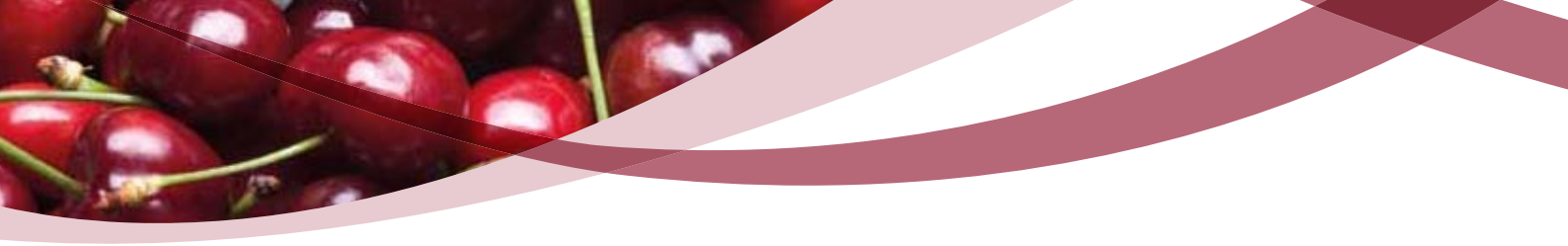

Negative effects of global warming on cherry dormancy

'Kordia' cherries are a variety developed in the Czech Republic with desired fruit quality characteristics which has been found to have poor fruit set in Australia. An examination of changes in flower bud development in 'Kordia' over the winter months compared to the low chill cultivar 'Stella' and the high chill cultivar 'Sylvia' was conducted. Flower growth within the bud shows that 'Kordia' broke from winter chilling at the same time as 'Stella' but before 'Sylvia,' indicating 'Kordia' had sufficient winter chill at this site. The two week later flowering in 'Kordia' compared to 'Stella' indicates that subsequent flower development was much slower. One possible explanation for this is that the buds ran out of a resource during their preflowering development.

It was found that the use of dormancy breakers advanced flowering by seven days, however, this was accompanied with reduced number of flowers to open and reduced initial fruit set of the flowers from 16% to 7%, causing fewer harvested fruit. The yield of fruit increased with thiourea/KNO_3 application soon after fruit harvest, where it acted as a bud building fertilizer (23% fruit set). To explore the possibility that this reduced rate of flower development was due to a limiting resources an ethrel spray was applied a month prior to flowering to slowed down the rate of demand for stored nutrients and this marginally increased the number of flowers per bud and the rate of fruit set resulting in the highest yield of fruit per tree at harvest. No treatment resulted in commercially acceptable yields of fruit.

In pollination studies it was found that availability of suitable pollen is not the cause of poor fruit set in 'Kordia'.

Project CY09012

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'Stella' flower bud September/October 2010

Improving European earwig management

This three-year project aims to understand the impact of earwigs in cherry and pome fruit orchards and to manipulate earwig numbers by identifying the aggregation pheromone used by earwigs.

Preliminary observations suggest that significant fruit damage only occurs where the fruit is heavily bunched. Speculation is that these tight fruit bunches provide the earwigs with shelter and that the earwigs then damage the fruit while sheltering within the tightly bunched fruit. Experiments designed to further investigate this hypothesis will be carried out in Huonville, Tasmania and Young, NSW during the 2011/12 season.

Successful isolation of numerous previously unidentified volatile compounds from both field and laboratory populations has been completed. These compounds are known pheromone components in numerous insect species and are being consistently emitted during aggregation. Field and laboratory testing on these compounds has commenced.

Project MT09006

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Permit applications for three Varroa mite control products

Varroa mite is a highly destructive ectoparasite of honeybees. Left untreated, affected honeybee colonies will collapse within two years of an infestation occurring.

The pest is found in all major production regions of the world, except mainland Australia. Given the importance of honeybee initiated pollination to Australian agriculture, Varroa mite has been recognised as a significant biosecurity threat with various biosecurity measures implemented. While prevention, via border security is critical, should an incursion reach an escape situation, access to management options will be needed.

Approval is being sought from the Australian Pesticides and Veterinary Medicines Authority (APVMA), on behalf of various Australian horticultural and honeybee industries, to allow the importation and use of Varroa mite control options in the event of an incursion. Following honeybee industry consultation, three candidate products were identified. These products are based on synthetic pyrethroids tau-fluvalinate (Apistan®), flumethrin (Bayvarol®), and the amidine amitraz (Apivar®).

Permit applications for these three products have been prepared and provided to the Australian Honey bee Industry Council (AHBIC) for submission. The applications for 'shelf permits' provided background information on the issue and justification for the need.

This project has been completed and the applications submitted to the APVMA by the AHBIC are currently being reviewed.

Project MT09082

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OBJECTIVE 5

Industry best practice

41st Annual Cherry Growers of Australia Conference 2010

The 41st Annual Cherry Growers of Australia Conference 2010 was held in Melbourne, Victoria from 10–12 August 2010. The theme of the conference was "Getting it Right" and it aimed to introduce industry members to the challenges in moving the industry forward.

Over 220 delegates from around Australia attended the conference. In addition to the conference sessions, delegates were provided with exhibits from 21 sponsoring organisations.

The conference was organised by a committee of representatives from the Victorian Cherry Association who appointed AAA+ Event Management as the conference organiser. This committee met regularly over an 18 month period to plan the event.

A major outcome of the conference was that growers were made aware of the need to consider their operation as a business and to incorporate modern business practices into their operations.

Growers listen to international speakers at the 2010 Australian Cherry Industry Conference

Project CY09017

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Growers discuss rain covers at Field Day held as part of the 2010 Australian Cherry Industry Conference

Building biosecurity preparedness capacity within the Australian cherry industry

The aim of this project is to ensure that the Cherry Industry Biosecurity Preparedness Plan is implemented at state, regional and grower levels across Australia so that all involved are prepared and able to undertake the necessary actions in the case of an exotic plant pest outbreak.

All state affiliates will have had the opportunity to have EPPR Deed Training within their region as part of this project, thus ensuring that a further fifty cherry growers are trained to an appropriate level.

The cherry industry, in conjunction with Plant Health Australia, will develop a training program at a range of levels that will assist growers understand their responsibilities in relation to implementing biosecurity at state, regional and property level.

The aim is to have at least six on-farm biosecurity training programs undertaken across Australia during 2011. The release of the Orchard Biosecurity Plan in August 2011 will also assist this project.

Project CY10023

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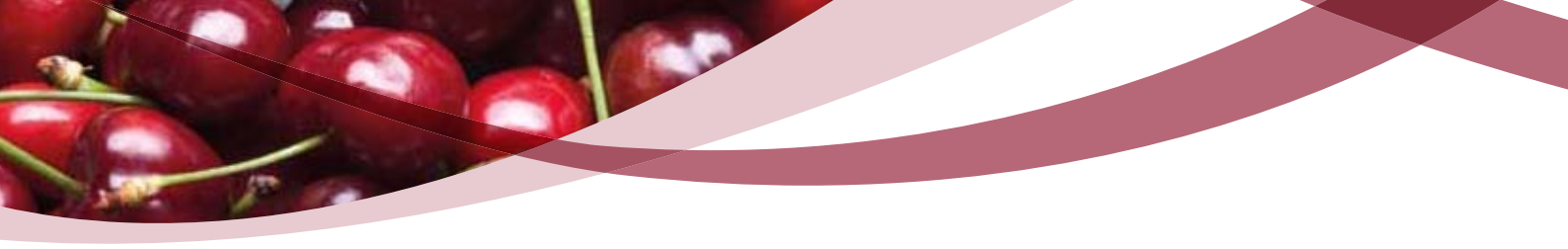

Marketing your Fruit Growing Business workshop

This workshop was created as a result of the Recognising Women Farmers forum held in November 2009. At the forum, farm gate sales marketing was identified as an area that needed to be further developed and was given priority for industry extension for the following year.

The Marketing Your Fruit Growing Business workshop was a free event for all cherry levy payers. It was held in Victoria, Tasmania, New South Wales and South Australia over the course of August 2010. The main topics discussed at the workshop were:

- Identifying local markets
- Attracting customers
- Product mixes
- Customer service
- Adding value
- Competitive advantage
- Web pages
- Utilising break-even analysis as a decision tool
- Distribution channels
- Cherry levy collection service requirements.

Feedback on the workshop was collected via a questionnaire. The results showed that 79% of growers found the content useful; 65% thought the presenter was good to excellent; and 71% of attendees believed the workshop ran to schedule and was successful.

Project CY10009

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An international standard for mobile elevating work platforms

This project was the final of a series to produce standards for mobile elevating work platforms (MEWPs) used in orchards.

The work has covered the operating standard AS 2550.10 (published late 2007), the design standard AS 1418.10 (in the process of being published), and the international design standard ISO 16653-3 published early 2010.

Prior to this cross-industry initiative, elevating work platform standards did not recognise innovations necessary to allow MEWPs to be used safely and efficiently in orchards. Growers were at risk of dispute and prosecution from safety regulators, and civil litigation in the event of an injury involving an orchard MEWP.

The final part of the project was the development of an international standard for orchard MEWPs. Courts have been known to reference higher-level standards in injury litigation. For that reason, recognition for orchard MEWPs at international level was essential.

Project MT08013

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Facilitating cherry industry communications via the *Tree Fruit* publication 2009/10 and 2010/11

Communication is a key element in the cherry industry's strategic plan.

For the past few years the industry has been utilising an independent monthly magazine called *Tree Fruit* to cost-effectively communicate with its 600 growers.

Two pages have been reserved each month in *Tree Fruit* for the cherry industry to communicate its activities. These 'Cherry Focus' pages (project CY08038) were reserved for the president and CEO to keep growers abreast of peak industry body activities, and for state associations to communicate with their members and with each other.

In 2010 CGA decided to boost its effectiveness in communicating important industry projects and issues, and doubled the number of pages devoted to cherries (project CY10019). The additional pages have included articles on cherry R&D projects, cross industry projects, and on industry marketing and promotions campaigns.

As a result, growers now have a better understanding of the Australian cherry industry, its activities and programs, R&D projects and results, export/market access issues, and promotional and marketing programs. This increases awareness and encourages greater grower participation in industry activities.

Projects CY08038 and CY10019

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AFFCO well informed cherry and summerfruit supply chain project

The aims of this project were:

- To address the lack of well-coordinated information in the relatively fragmented cherry and summerfruit industries.
- Improve grower profitability through the provision of information that leads to better decision making, improved marketing and better grower returns.

Regular information was communicated via teleconferences, email, industry meetings, field days, industry publications and one-on-one contact.

The preferred form of communication was teleconferencing, followed up by summary notes for those who could not be present at the teleconferences.

Despite the 2010/11 season being a hard one for growers, grower participation in this project remained strong, which reinforces the importance of this project and the value of timely information.

Project CY08005

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Tasmanian pest incursion monitoring

Tasmania has gained national and international recognition for Area Freedom for both Queensland Fruit Fly (Q-fly) and Mediterranean Fruit Fly, allowing Tasmania to export fresh produce to approximately 12 countries under this status.

The Tasmanian pest incursion monitoring program builds on the current pest surveillance program to expand the surveillance list to include additional pests of concern, namely Western Flower Thrip.

From the 2008/09 growing season to the 2010/11 season, Fruit Growers Tasmania has engaged the services of Quarantine Tasmania to implement, monitor and retrieve traps fortnightly from bud burst to harvest, and maintain an independent record system.

Outcomes of the project include:

- Providing supporting data to new and existing export protocols established by Tasmania.
- Providing supporting data to export destination inquiries.

Project MT07015

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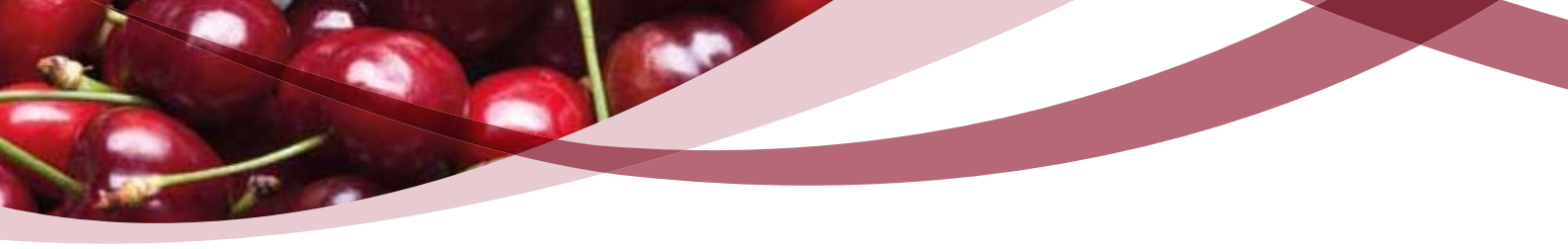

Protecting pollination for Australian horticultural industries

The Pollination Program, managed by the Rural Industries Research and Development Corporation (RIRDC), Horticulture Australia Limited (HAL) and the Australian Government Department of Agriculture, Fisheries and Forestry, aims to ensure the pollination of Australia's horticultural and agricultural crops continues to be both sustainable and profitable.

The program is guided by the Pollination five year R&D plan 2009–2014, with primary key performance indicators as follows:

- Successful implementation of best practice surveillance systems, determined by stakeholder feedback.
- Communication with Australian plant industries to inform them of the economic benefits of optimal pollination to their industry, and the importance of protecting pollination resources.
- Building awareness in the industry of the importance of pollination services.

Following stage one project completion, the almond, apple and pear, avocado, canning fruit, cherry, dried tree fruits, melons, summerfruit, vegetable and onion industries have indicated support for a number of stage two projects.

Project MT09026

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Identifying chemical or non-chemical R&D for honeybee pests workshop

The Pollination Program, managed by the Rural Industries Research and Development Corporation (RIRDC), Horticulture Australia Limited (HAL) and the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF), aims to ensure the pollination of Australia's horticultural and agricultural crops continues to be both sustainable and profitable.

The program is guided by the Pollination five year R&D plan 2009–2014 available on the RIRDC's website: www.rirdc.gov.au.

Varroa destructor (Varroa) is a serious pest of honeybees. Untreated Varroa will cause the death of affected honeybee colonies and a loss of production from plant industries dependent on honeybee pollination. It is expected that Varroa will likely infest Australian honeybee hives sometime in the future. The report summarises outcomes from two related workshops, whose purpose was to review best practice non-chemical and minimum chemical use options for management of Varroa under Australian conditions, identify research projects and to raise Varroa management awareness.

Project MT09088

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Developing a honeybee and pollination CRC bid

The Pollination Program, managed by the Rural Industries Research and Development Corporation (RIRDC), Horticulture Australia Limited (HAL) and the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF), aims to ensure the pollination of Australia's horticultural and agricultural crops continues to be both sustainable and profitable.

The program is guided by the Pollination five year R&D plan 2009–2014, available on the RIRDC's website: www.rirdc.gov.au.

This project is developing a bid for a Honeybee and Pollination Security Cooperative Research Centre (CRC) for submission in June 2012. The CRC's mission will be to generate and manage science which will deliver tools, techniques and knowledge to honeybee (and honeybee serviced) industries. The engine room of this mission will be three research programs on enhanced bee breeding and genetics, pest and pathogen control, and pollination enhancement and sustainability. The Centre's research endeavours will be complemented by an education program designed to meet end users' needs.

Project MT09090

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Communications strategy for protecting pollination for the Australian horticultural industry

The Pollination Program, managed by the Rural Industries Research and Development Corporation (RIRDC), Horticulture Australia Limited (HAL) and the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF), aims to ensure the pollination of Australia's horticultural and agricultural crops continues to be both sustainable and profitable.

The program is guided by the Pollination five year R&D plan 2009–2014, available on the RIRDC's website: www.rirdc.gov.au.

The primary purpose of the communication strategy is to facilitate adoption of knowledge outcomes from the program's investments. It is also important to ensure that those industries funding the program are provided with feedback about the projects and reassured that their money is increasing awareness of the need for biosecurity and importance of pollination. The strategy's aim is to raise the awareness of other pollination-dependent industries of the services provided by both wild and managed bees, and the impact on horticultural and other production should anything happen to those bee populations.

Project MT09091

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Industry projects return on investment evaluation program

The cherry program evaluation is part of a series of economic impact assessments being completed by Horticulture Australia Limited (HAL) on an industry basis to comply with Australian Government requirements. In 2007 the Australian Government requested that all rural research and development corporations and companies work collaboratively and on a consistent basis to provide objective evidence of the return to growers and taxpayers from levy funded R&D.

The project was discharged using guidelines produced by ACIL-Tasman on behalf of the Council of Rural R&D Corporation Chairs.

A single cluster of cherry industry R&D investments was randomly selected for evaluation. The cluster selected addressed quality, market development and workplace safety. The investment analysis yielded a positive result at a 5% discount rate, with a benefit-cost ratio of 8.8:1 (over 30 years from the final year of investment).

Project CY09033

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Understanding the purchase behaviour of fresh produce consumers

Cherries are one of Australia's favourite seasonal fruits, with around 40% of Australian households purchasing cherries in season. Good market information is vital to ensure that the market is supplied with the required quantities in balance with production. Collecting information on purchase patterns helps the industry to gain a better understanding of consumer behaviour during the main season and also provides insights into consumer behaviours during the import season. The data importantly allows for an effective promotion program.

Consumer information was collected via the Nielsen Homescan™ panel, which tracks the purchase trends of 10,000 consumers from various demographic groups, their market penetration and frequency of purchase. The other data in the project comes from Scandata, a tool that is able to track weekly sales and prices and measure the impact of promotion and volume responses to price movements.

Information from both sources helps the industry understand market development opportunities and identify areas where sectors are over or under performing.

Project MT10017

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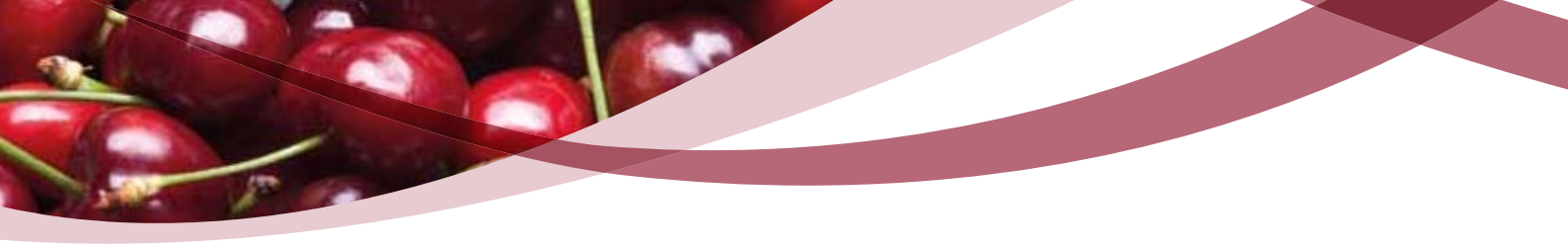

Communications and engagement project

The aim of this project was to review the cherry research and development, marketing/promotions and biosecurity programs undertaken over the past three years. The assessment of these programs was presented to cherry growers/levy payers to seek their input into future programs and funding arrangements.

The results of this project were:

- Seven regional meetings were conducted throughout the five affiliate states.
- Attendance of 144 participants across the seven meetings.
- The preparation and distribution of a number of reports highlighting the programs and projects undertaken over the past five years.
- The collation of the issues and concerns raised by the growers/levy payers.

While outside the scope of the project, the most significant result was the undertaking of another formal levy vote with the vote achieving in excess of 80% approval for all four resolutions. This resulted in the retention of the statutory levy at 7 cents/kg. The levy will be reviewed again in 2013.

Project CY09035

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Combined Fruit Growers Tasmania and Cherry Growers Australia Industry Development Officer

The Industry Development Officer (IDO) project provided support to the cherry industry in its endeavour to attain best practice by organising training, field days and newsletters. The regional extension workshops were taken to Victoria and NSW during May, following the Annual May conference.

The Marketing Your Fruit Growing Business workshop was undertaken in all of the growing states and was well received by growers. The project also provided funding for the development and distribution of the *Cherry Export Manual*.

This project works closely with both Cherry Growers Australia and Fruit Growers Tasmania, in line with each of these organisation's Strategic Development Plans.

Project MT07058

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Improved communication within the Victorian cherry industry

The aim of this project is to improve communication with cherry growers in Victoria.

Newsletter

Since the project started nine months ago, seven issues of the VCA Newsletter have been published and distributed to members of the Victorian Cherry Association, key personnel in grower associations in other states and the CGA Board. The newsletter can be viewed online at www.cherries.org.au

Workshops

Funds from this project were also used to co-fund the following workshops:

- 2009/10 Season Review Workshop.
- 2010 AFFCO Cherry Workshop.
- CGA Fertigation Workshop.
- CGA 'Marketing Your Farm Business' Workshop.

Website

The VCA website has been revised and updated.

Project future

This project ended 30 June 2011. The VCA has applied to continue the project.

Project CY09000

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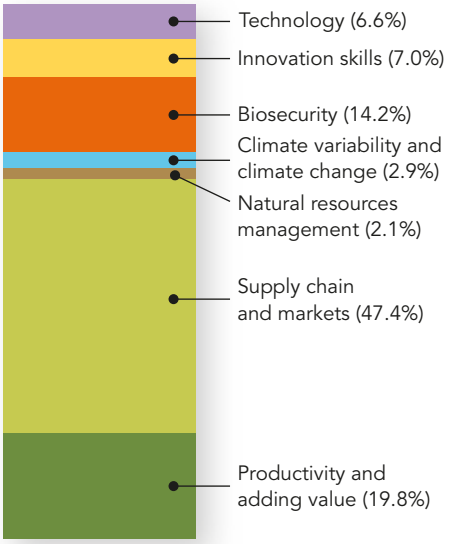
INVESTING IN AUSTRALIAN HORTICULTURE

Australian Government priorities

As part of the Australian Government's commitment to rural research and development, horticulture industries can access matching Commonwealth funding though HAL for all research and development activities.

The Australian Government's Rural Research and Development Priorities aim to foster innovation and guide R&D effort in the face of continuing economic, environmental and social change. HAL's operations are closely aligned with these priorities.

This chart shows the percentage of expenditure in HAL's cherry R&D program against each of the Australian Government priorities for rural research and development. Full details of expenditure across all industries is available in HAL's annual report at www.horticulture.com.au



Productivity and adding value

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

Supply chain and markets

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

Natural resource management

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

Climate variability and climate change

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

Biosecurity

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

Innovation skills

Improve the skills to undertake research and apply its findings.

Technology

Promote the development of new and existing technologies.

HAL partnership agreement and consultation funding

The partnership agreement between Cherry Growers Australia Inc (CGA) and HAL sets out the tasks each organisation will perform to enable the other to discharge its responsibilities related to levy payers and industry services. Partnership agreement activities are funded by HAL using the cherry R&D levy and matched funds from the Australian Government as well as cherry marketing funds.

These funds enable CGA to undertake the Annual Levy Payers' Meeting, conduct IAC meetings, attend HAL Industry Forums, attend HAL/CGA Australia Executive Board to Board consultation meetings, and other formal and informal consultation between personnel of CGA and HAL.

The full year consultation funding expenditure for CGA in 2010/11 is $105,633. This represents 8.2% of the total annual levy expenditure. Consultation funding in respect of R&D represents 8.9% of the investment in R&D expenditure and consultation funding in respect of marketing represents 6.6% of the investment in marketing expenditure.

Project CY10900/CY10910

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HAL's roles and relationships

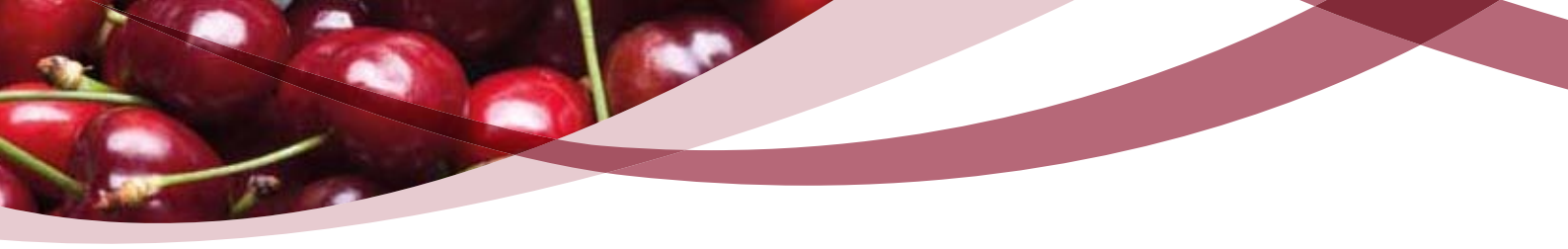
Horticulture Australia Limited (HAL) is a not-for-profit industry owned company. Its role is to manage the expenditure of funds collected by the Australian Government on behalf of horticulture industries.

In 2010/11 HAL will invest more than $90 million in projects to benefit horticulture industries.

An Industry Advisory Committee (IAC) is established for each industry with a statutory levy and annual income exceeding $150,000.

The Industry Representative Body (IRB) for an industry is responsible for recommending to HAL the establishment of, and any changes to, statutory levies. The IRB for an industry with a statutory levy recommends membership of the IAC to HAL and must demonstrate how the skills required on an IAC are met by the persons they recommend for appointment to the committee.

For more information please visit www.horticulture.com.au



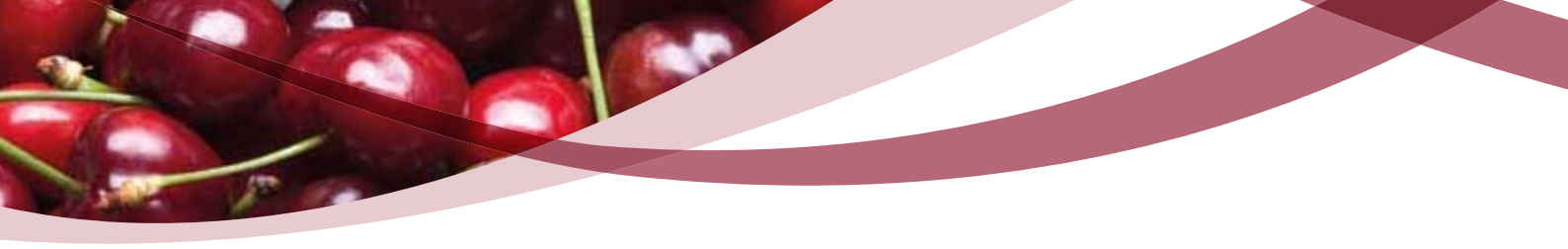
ACROSS INDUSTRY PROGRAM

The cherry industry contributes funding towards an across industry program that addresses issues affecting all of horticulture. Details of the current program are listed below. A full report of the program can be found at http://www.horticulture.com.au/industries/across_industry_program.asp

Project No.	Project title	Levy or VC	Project start	Project finish	Organisation	Contact
Objective 1: To enhance the efficiency, transparency, responsiveness and integrity of the supply chain						
AH09009	Food security discussion paper	Levy	30/7/10	28/1/11	Growcom	Troy Reeves 0408 135 003
Objective 2: Maximise the health benefits of horticulture products						
AH09023	Health and well-being in horticulture	Levy	1/11/09	1/11/10	Team Rowley Pty Ltd	Chris Rowley 02 8901 0329
Objective 3: Position horticulture to compete in a globalised environment						
AH09018	Office of Horticulture Market Access – National Director	Levy	1/4/10	28/2/12	Stephen Winter & Associates Pty Ltd	Stephen Winter 03 9832 0787
AH09019	Office of Horticulture Market Access – Technical (SPS and Research and Development) Manager	Levy	1/10/09	30/9/10	Kalang Consultants	Rob Duthie 02 6286 7151
AH09021	Office of Horticulture Market Access – Operations Support	Levy	1/9/09	31/12/11	Horticulture Australia Limited	David Moore 02 8295 2330
AH09027	Investing in Youth successful scholarship applicant	Levy	31/5/10	31/3/14	Rural Industries R&D Corporation	Ken Moore 02 6271 4127
Objective 4: Achieve long term viability and sustainability for Australian horticulture						
AH09003	Plant protection: regulatory support and co-ordination	Levy	1/07/09	30/5/14	AKC Consulting Pty Ltd	Kevin Bodnaruk 0408 567 252
AH10003	Horticulture component of the National Climate Change Research Strategy for Primary Industries	Levy	1/4/11	31/8/11	Horticulture Australia Limited	Peter Melville 02 8295 2317
AH10006	Pesticide spray drift in horticulture – a response to new guidelines from the APVMA	Levy	1/7/10	31/5/11	Horticulture Australia Limited	Peter Melville 02 8295 2317
AH10009	Response to Productivity Commission	Levy	1/10/10	31/3/11	Horticulture Australia Limited	Warwick Scherf 02 8295 2323
MT08042	Driving collaboration in Australian horticultural research	Levy	1/12/08	30/6/11	RIS Projects	Russell Soderlund 03 5968 3599
MT09043	Enhancing confidence in product integrity in domestic and export markets	Levy	1/7/10	30/6/11	Horticulture Australia Limited	Warwick Scherf 02 8295 2323
MT10029	Managing pesticide access in horticulture (cont. from AH04009 and MT07029)	Levy	1/7/10	2/7/15	AgAware Consulting Pty Ltd	Peter Dal Santo 03 5439 5916
MT10049	A multi target approach to fruitspotting bug management	Levy	1/3/11	1/4/16	NSW Department of Industry and Investment	Dr Ruth Huwer 02 6626 2451
Objective 5: Other						
AH10012	Horticulture support for the CRCNPB rebid	Levy	15/9/10	31/12/10	CRC For National Plant Biosecurity	Scott Baxter 02 6201 5067

CHERRY PROGRAM

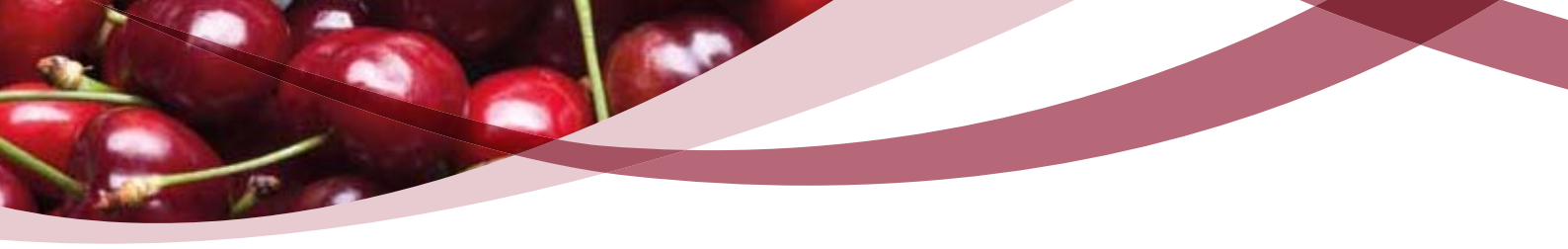
Project No.	Industry Obj	Rural R&D priorities	Project title	Levy or VC	Project start	Project finish	Organisation	Contact
CY07000	4		Developing high quality Australian sweet cherries for export and domestic markets	Levy	4/10/08	6/30/11	South Australia Research & Development Institute	Darren Graetz 08 8389 8809
CY08003	3		Cherrynet – Improving stem retention in sweet cherries to meet quality specifications	VC / Levy	6/30/09	4/30/12	Australian Fresh Fruit Company Pty Ltd	Poh Len Pek 0417 007 118
CY08005	5		AFFCO well informed cherry and summerfruit supply chain application	VC	8/1/08	4/30/11	Australian Fresh Fruit Company Pty Ltd	Poh Len Pek 0417 007 118
CY08038	5		Facilitating Cherry Industry communications via the *Tree Fruit* publication 2009/10	Levy	6/1/09	9/30/10	Fruit Tree Media	Nick Morenos 03 9740 7136
CY09000	5		Improved communication within the Victorian cherry industry	VC	10/1/09	6/30/11	Victorian Cherry Association Inc	Kath Boast 03 5825 3700
CY09002	4		Improving marketable yield of premium quality cherries	Levy	12/24/09	11/30/12	University of Tasmania	Penny Measham 0437 454 622
CY09005	1		Facilitating counter season research opportunities for the cherry industry	VC / Levy	9/30/09	9/1/10	Fruit Growers Tasmania Inc	Lucy Gregg 03 6231 1944
CY09006	1		Improving cold treatment for disinfesting cherries for Q-fly	Levy	7/1/09	5/31/12	NSW Department of Primary Industries	Dr John Golding 02 4348 1926
CY09012	4		Investigating and overcoming negative effects of global warming on cherry dormancy	VC	8/21/09	8/1/11	Scientific Horticulture Pty Ltd	Dr Gordon Brown 03 6239 6411
CY09017	5		41st Annual Cherry Growers of Australia Conference – 2010	VC	2/1/10	5/28/11	Victorian Cherry Association Inc	John Wilson 03 5825 3700
CY09019	4		Retail handling training package	Levy	11/25/10	10/30/11	Cherry Growers Australia Inc	Simon Boughey 03 6231 1229
CY09020	2		Cherry Industry Development Needs Assessment	Levy	3/15/10	7/31/10	Peter Gray	Peter Gray 03 5441 4821
CY09031	2		Cherry Industry Development Needs Assessment – operational expenses	Levy	11/1/10	11/30/10	Cherry Growers Australia Inc	Simon Boughey 03 6231 1229
CY09033	5		Industry projects return on investment evaluation program – BCA	Levy	4/15/10	8/31/10	AgEconPlus Pty Ltd	Michael Clarke 0438 844 024
CY09035	5		Communications and engagement project	Levy	5/27/10	2/28/11	Cherry Growers Australia Inc	Simon Boughey 03 6231 1229
CY10900 /910	2		2010 Cherry Partnership Agreement	Levy	7/1/10	8/10/11	Cherry Growers Australia Inc	Simon Boughey 03 6231 1229
CY10002	4		Optimising cherry fruit set, crop load and fruit nutrition and size	VC / Levy	7/1/10	6/30/22	TIAR	Dugald Close 03 6226 2776
CY10009	5		Marketing your fruit growing business workshop	Levy	7/5/10	9/15/10	Fruit Growers Tasmania	Lucy Gregg 03 6231 1944
CY10012	1		Improving the quality and consistency of Australian cherries to ensure market access	Levy	1/24/11	11/30/11	NSW Department of Primary Industries	Dr John Golding 02 4348 1926



Project No.	Industry Obj	Rural R&D priorities	Project title	Levy or VC	Project start	Project finish	Organisation	Contact
CY10015	1		Market access visits	Levy	6/25/10	4/30/11	Cherry Growers Australia Inc	Simon Boughey 03 6231 1229
CY10017	3		*Cherry Export Manual* – 2010 and 2011 editions	Levy	9/30/10	10/31/211	Fruit Growers Tasmania Inc	Lucy Gregg 03 6231 1944
CY10018	4		Increasing cherry storage life with SO_2 sheets	VC	10/18/10	4/22/11	NSW Department of Primary Industries	Dr Jenny Ekman 02 4348 1942
CY10019	3		Facilitating cherry industry communications via the *Tree Fruit* publication 2010/11	Levy	10/15/10	9/30/11	Fruit Tree Media	Nick Morenos 03 9740 7136
CY10020	1		Late season cherry variety assessment for export	Levy	11/1/10	6/30/11	South Australia Research & Development Institute	Michael Rettke 08 8303 9414
CY10021	1		Developing market access and maintenance capacity within the Australian cherry industry	Levy	11/1/2010	10/31/2011	Cherry Growers Australia Inc	Simon Boughey 03 6231 1229
CY10022	2		Developing communications capacity within the Australian cherry industry	Levy	11/25/10	11/25/11	Cherry Growers Australia Inc	Simon Boughey 03 6231 1229
CY10023	5		Building biosecurity preparedness capacity within the Australian cherry industry	Levy	11/1/10	10/31/11	Cherry Growers Australia Inc	Simon Boughey 03 6231 1229
CY10026	3		Cherry consumer research	Levy	4/1/11	7/30/11	Cherry Growers Australia Inc	Simon Boughey 03 6231 1229
CY10500	3	N/A	Cherry marketing program 2010/11		10/5/10	6/30/11	Horticulture Australia Limited	Elisa Tseng 02 8295 2341
CY10701	1		NSW Cherry Growers – Asia Fruit Logistica 2010	VC	9/8/10	9/17/10	NSW Cherry Growers Association	Joanne Wells 02 6384 3285
CY10702	2		Fruit Growers Tasmania Annual May Conference and Cherry Growers of Australia regional extension, May 2011	VC / Levy	5/2/11	8/30/11	Fruit Growers Tasmania Inc	Lucy Gregg 03 6231 1944
CY10703	2		Cherry Growers of Australia Annual Conference 2011	VC	5/16/11	10/31/11	Fruit Growers Tasmania Inc	Lucy Gregg 03 6231 1944
MT06022	1		Generation of dimethoate and fenthion residue samples to maintain market access	VC / Levy	6/6/07	8/16/10	Agronico Research Pty Ltd	Dale Griffin 03 9775 4230
MT06025	1		Developing female lures for improved market access	Levy	2/1/07	2/28/11	NSW Department of Primary Industries	Dr Jenny Ekman 02 4348 1942
MT07015	5		Tasmanian pest incursion monitoring	VC / Levy	8/1/07	6/1/11	Fruit Growers Tasmania Inc	Lucy Gregg 03 6231 1944
MT07058	5		Combined Fruit Growers Tasmania and Cherry Growers Australia Industry Development Officer	VC / Levy	7/1/07	8/31/11	Fruit Growers Tasmania Inc	Lucy Gregg 03 6231 1944
MT08013	5		Development of an International Standard for Mobile Elevating Work Platform (MEWP's) used in orchards	VC / Levy	7/15/08	8/27/10	Keith Batten & Associates	Keith Batten 0418 738 969
MT08035	1		Providing data packages for new fruit fly control technology	VC / Levy	7/1/08	5/25/12	Department of Employment, Economic Development & Innovation (Qld)	Dr Hainan Gu 07 3255 4478

Project No.	Industry Obj	Rural R&D priorities	Project title	Levy or VC	Project start	Project finish	Organisation	Contact
MT08036	1		Ecology and pre-harvest control of fruit flies for system approaches to market access for fruit fly host commodities	Levy	7/1/08	4/30/12	CRC For National Plant Biosecurity	Anthony Clarke 07 3864 5023
MT09006	4		Improving European earwig management in pome and cherry orchards through the use of pheromones	Levy	11/2/09	9/30/12	TIAR	Dr Geoffrey Allen 03 6226 2732
MT09026	5		Protecting pollination for the Australian horticultural industry Stage 2	VC / Levy	3/30/09	7/31/12	Horticulture Australia Limited	Kim James 08 6488 2209
MT09082	4		Preparation and submission of permit applications for three Varroa mite control products	VC / Levy	2/20/10	2/28/11	AKC Consulting Pty Ltd	Kevin Bodnaruk 02 9499 3833
MT09086	4		'Bee Force' – Improving surveillance and sentinel hive traps	VC / Levy	6/14/10	5/30/12	Rural Industries R&D Corporation	David Alden 02 6271 4128
MT09087	4		'Bee Force' - Developing the model for other regions	VC / Levy	6/14/10	5/30/12	Rural Industries R&D Corporation	David Alden 02 6271 4128
MT09088	5		Identifying chemical or non-chemical R&D for honeybee pests workshop	VC / Levy		6/14/10	Rural Industries R&D Corporation	David Alden 02 6271 4128
MT09090	4		Developing a honeybee and pollination CRC bid	VC / Levy		6/14/10	Rural Industries R&D Corporation	David Alden 02 6271 4128
MT09091	5		Communications strategy for protecting pollination for the Australian horticultural industry	VC / Levy		6/14/10	Rural Industries R&D Corporation	David Alden 02 6271 4128
MT10017	3		Understanding the purchase behaviour of fresh produce consumers	VC / Levy	9/1/10	8/30/12	Horticulture Australia Limited	Elisa Tseng 02 8295 2341
MT10022	3		Export-import market intelligence	VC / Levy	9/1/10	5/31/12	Horticulture Australia Limited	Ravi Hegde 02 8295 2300
MT10054	1	N/A	Taiwan market development for the Australian cherry and summerfruit industries	Levy	12/15/10	3/31/11	Cherry Growers Australia Inc	Simon Boughey 03 6231 1229

Australian Government Rural R&D Priorities: Productivity and adding value; Supply chain and markets; Natural resource management; Climate change and climate variability; Biosecurity; Innovation skills; Technology



CHERRY INVESTMENT SUMMARY

Year ended 30 June 2011

	Marketing 2010/11 $	R&D 2010/11 $	Combined 2010/11 $
Funds available 1 July 2010	**192,953**	**478,308**	**671,261**
INCOME			
Levies received	233,265	311,020	544,285
Commonwealth contributions		437,386	437,386
Other income	3,861	16,027	19,888
Total income	**237,126**	**764,433**	**1,001,559**
Budget	272,490	729,543	1,002,033
Variance to budget	(35,364)	34,890	(474)
PROGRAM INVESTMENT			
Levy programs	349,349	768,199	1,117,548
Service delivery programs by HAL	45,848	106,573	152,421
Across industry contribution		11,298	11,298
Levy collection costs	3,236	4,011	7,247
Total investment	**398,433**	**890,081**	**1,288,514**
Budget	395,532	775,480	1,171,012
Variance to budget	(2,901)	(114,601)	(117,502)
Annual surplus/deficit	(161,307)	(125,648)	(286,955)
Closing balance 30 June 2011	**31,646**	**352,660**	**384,306**

Cherry Industry Advisory Committee (IAC)

Bob Granger (Chair)
Lucy Gregg
Kym Green
Scott Coupland
Garry Fergusson
Tim Reid
Andrew Smith
Ian Sparnon
Simon Boughey (CGA ex-officio)
Owen Connelly (HAL ex-officio)

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