Horticulture Australia

STRATEGIC PLAN

AUSTRALIAN PERSIMMON INDUSTRY

2003-2008

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Executive Summary

The Australian Persimmon Industry Strategic Plan outlines a managed growth of the industry from the present (2003) until 2008. It addresses the major issues facing the industry as identified by growers, and aims to provide a structure for economical and cost effective solutions to these issues.

Significant funding will be required to carry out the plan. A levy applied to all persimmons at the first point of sale is recommended as the best and fairest option for providing this funding. A large portion of levies - those collected as Research & Development levies - will be eligible for matching by Horticulture Australia, providing greater overall funds available to invest in the program.

The following summary shows specifically what the plan aims to address.

Summary of Objectives and Strategies

Objective 1.
Obtain a secure source of funding for Industry Development by February 2004

Strategy 1.1
Introduce national R, D&E and Marketing and Promotion Levies to support the industry strategic plan by February 1 2004.

Strategy 1.2
Create an industry management structure under Horticulture Australia (HAL) guidelines to develop investment plans for marketing and R&D funds.

Objective 2.
Have access to control options for all major pests and diseases by the 2004 season.

Strategy 2.1
Continue current program of minor use permits to provide access to appropriate and necessary control methods for pests and diseases.

Strategy 2.2
Investigate better Integrated Pest Management options for pests and diseases.

Objective 3.
Improve industry communication and management by December 2003

Strategy 3.1
Have planned a cost effective industry management structure with a central contact point by February 2004. Activities to commence when funding from levy income becomes available in mid 2004.

Objective 4.
Increase domestic consumption of persimmon by 30 percent over four seasons from 2004 to 2007.

Strategy 4.1
Pursue all possible means of obtaining cost effective publicity in the food media and general media.

Strategy 4.2
Implement a professional promotional program on the Australian domestic market by mid-season 2004.

Strategy 4.3

Encourage growers to become "ambassadors" for their fruit within their area/region and provide appropriate resources.

Objective 5.
Expand the volume of persimmon exported to 200,000 trays by 2007.

Strategy 5.1
Conduct preliminary research into market development opportunities using knowledge of current exporters by December 2004. Identify barriers to developing these markets and prioritise.

Strategy 5.2
Undertake research and development activities to overcome barriers to entering these markets.

Objective 6
Have available suitable methods of fruit treatment overcoming market access issues related to quarantine for the 2006 (if possible within timeframes) harvest season.

Strategy 6.1
Research all current knowledge related to market access in potential markets and post-harvest handling of persimmon by June 2004.

Strategy 6.2
Commission research into post harvest treatments to satisfy quarantine requirements identified under **Objective 5** for export markets.

Strategy 6.3
Have a replacement for dimethoate dipping for Queensland Fruit Fly in domestic markets by the 2007 harvest season.

Objective 7
Improve the ability of growers to become more profitable by better meeting market quality requirements and increasing orchard productivity.

Strategy 7.1
Within the industry management structure, have a central source of information and referral to allow growers to report quality and production problems by June 2004.

Strategy 7.2
Commence an industry development program to address fruit quality and orchard productivity by June 2004, based around a series of regional farm walks.

Strategy 7.3
Undertake research to improve management of soft fruit, fruit size and general orchard productivity issues.

The plan is purposely ambitious in what we hope to achieve. The Industry is aware that the achievement of the milestones within the timeframes will depend on funds available, which will be limited, but we are confident that with careful use of available resources the targets are achievable.

The Persimmon Industry Association, as the peak industry body, will be responsible for assembling the Industry Advisory Group to oversee the implementation of the plan.

Its success will ultimately be measured against the central purpose of the growers' investment in industry development – to provide for their continued and improved profitability.

Development of an Industry Plan

Australian Persimmon growers have recognised for some time the need for a more cohesive direction for the Persimmon industry, and the need to secure ongoing funding to allow essential research and marketing activities to be undertaken.

In response to grower demand, the executive of the Persimmon Industry Association have compiled this plan after extensive formal consultation with growers in each of the major production regions, and many informal discussions and consultations.

Five planned and well attended grower meetings were held at:

Nambour QLD	*24 May 2002*
Cobram VIC	*17 July 2002*
Swan Hill VIC	*19 July 2002*
Renmark SA	*21 July 2002*
Harvey WA	*24 July 2002*

At these formal meetings, growers were presented with information outlining the current status of the Persimmon Industry and a range of scenarios of possible future directions. The growers participated in open discussion, and then were asked to rate a list of six major areas where the industry could direct it's resources – *Industry Management, Domestic Market Development, Export Market Development, Cultural Practices/Orchard Management, Pests and Diseases, and New Varieties/Rootstocks.*

Within each area, a number of possible projects were suggested, and participating growers were asked to rate the importance of these to their business and the industry, and to add any other ideas that they might have. From the ratings, priorities expressed by the growers are able to be drawn into this plan.

At all the meetings, the consensus was overwhelmingly one of support for the steps being taken toward a national levy and a planned future for the industry.

In preparation for these meetings, a small focus group of growers and researchers was held at Maroochy Research Station in May 2002. This meeting led to a discussion draft that was used at the meetings. The development of this plan has been greatly assisted by the involvement of staff of the Queensland Department of Primary Industries, who provided a situation analysis report to outline the present state of the industry.

The initial draft of the plan was circulated to growers for comment over five weeks in May and June 2003. The final result is now presented to the industry as the Strategic Plan of the Australian Persimmon Industry.

Vision

"By 2008, the Australian Persimmon Industry will have improved the ability of it's growers to conduct a profitable enterprise by

- having more growers using best management practices;
- overcoming the current major soft fruit and quality problems
- giving a stable supply of quality fruit to existing markets
- expanding the domestic market with more Australians consuming the fruit;
- opening new export markets and expanding existing export markets"

Mission Statement

"TO profitably and sustainably produce a quality product to meet the demand for sweet persimmons from a range of domestic and export markets, and ensure the product is marketed and promoted to best advantage for growers."

Industry Situation Analysis

History and Industry size

History

Astringent persimmons have been a common backyard tree in Australia for 100 years. Many Australians who grew up in the older suburbs of cities and towns know them for the fact that they must be eaten when very soft, or they leave an unpleasant astringent aftertaste. For this reason, they are not popular within the Australian domestic market.

In the early 1980's, Japanese cultivars of non-astringent persimmon were first brought to Australia. They can be eaten when crisp, and are sought after through many Asian markets for their sweetness and attractive colour.

The industry grew slowly through the 1980's, with rapid expansion taking place in the 1990's after an RIRDC funded project to overcome some of the problems growers were facing in adjusting overseas crop management techniques to Australian conditions. Much work was also done in establishing export markets.

Australian industry size

- Approximately 250 000 trees of non-astringent cultivars
- Estimated current production is 450 000 trays annually or about 1 900 tonnes.

- Gross value of the industry is currently estimated at \$6 M to \$8 M
- In comparison with world production (600 000 tonnes), Australia production is relatively small (<1%).
- About 250 growers
- The average orchard size is about 1000 trees.
- Tree yields range from 10 to 35 tonnes per hectare due to variable orchard management.
- Only 40% of the plantings are freestanding and the rest are trellised palmette.
- The most commonly planted variety in Australia is Fuyu making up 78% of plantings, followed by Izu, Jiro, and Suruga.
- Production occurs in South East Queensland (south from Bundaberg, and west to Kingaroy and Toowoomba), North Coast New South Wales, Sydney region, Northern Victoria (most major irrigation districts along the Murray River), South Australian Riverland and around Perth and the south west of Western Australia. Isolated production occurs outside these regions

Production Trends

- Accurate production forecasts difficult to obtain
- Based on estimates of plantings over past five years, production is expected to increase to 750,000 trays by 2008, as young trees reach their yield potential
- A crop forecasting mechanism would help with industry planning

MARKETING

Domestic

- Australia's production period starts in the warmer semi-tropical regions of Queensland in late February and finishes by late June in the cool temperate regions of southern Australia.
- Prices in all major Australian cities are highly variable reflecting the variability in quality and supply.
- Good quality fruit can receive on average \$12-16 (wholesale) per tray during the peak season, in contrast, poor quality fruit may receive as low as \$3 per tray.
- Strong price pressure occurs when northern and southern seasons overlap for a couple of weeks in April because of a large increase in volumes.
- Our major competitor on the Australian and export markets is New Zealand whose fruit are available from late May to August.
- Fruit of non-astringent cultivars is little known on Australian markets with an estimated <10% of people having tried the fruit.
- Asian ethnic groups appear to prefer eating the fruit because of their sweetness and low acidity.
- <u>A promotional program is urgently needed to increase consumer awareness of this fruit.</u>

Export

- Exports of persimmon have steadily increased from virtually nil in 1990 to about 100 000 trays in 2002.
- Early prices for high-quality fruit on these markets is relatively high varying from \$15 to \$25 per tray.
- Southern production overlaps with New Zealand, and resultant price competition in export markets means that most of this fruit must be marketed domestically.
- The Australian Persimmon Export Company is the largest Australian exporter exporting about 60 000 trays per annum.

- The major export markets are Singapore and Malaysia with smaller markets in Hong Kong and Thailand.
- The Taiwan market has recently been opened to Australian persimmons offering potential, but an acceptable disinfestation treatment for Queensland and Mediterranean fruit flies is required before the market can be accessed
- Lack of export quality fruit has been a major problem limiting expansion.
- The major fruit quality problems have been rapid softening of fruit during transit and in store, immature fruit and uneven and poor colouring.
- Exports from the major competitor New Zealand have risen to 600 000 trays over the same period.
- However, Australian fruit has a comparative advantage over New Zealand fruit in that it is sweeter (>16°Brix).
- New Zealand's competitive advantages are large, well coloured fruit of high quality, and sea freight technology which reduces cost of freight to market.
- Australian exporters rely on airfreight. This is more expensive than sea freight

Fruit Quality

- Fruit quality problems vary from region to region and State to State.
- In the past the percentage of marketable fruit has been reduced by as much as 60% due to blemish marks (wind rub, petal adherence marks, sunburn, spots and speckles and fruit fly), calyx separation and cracking, and fruit fly damage.
- However, blemish marks have been significantly reduced by training trees onto trellis systems.
- In coastal regions of Queensland and northern NSW, fruit does not develop a deep orange skin colour due to lack of cooler night temperatures.
- In contrast, in South Australia, fruit colour is excellent but fruit size may be reduced by up to two size grades by water stress caused by saline water and soils. Small fruit achieves much reduced returns.
- Rapid softening of fruit in transit and storage continues to be a major problem from most regions and the causes are poorly understood
- Poor quality in early season fruit has an overall negative impact on the image of Australian sweet persimmon in export markets
- The sweet persimmon industry has no existing R & D program that can address fruit quality and production issues

SWOT – Industry Analysis

Strengths

The Australian persimmon industry has a counterseasonal supply to all the major existing persimmon markets in the Northern Hemisphere.

Northern production regions currently have limited competition in Asian export markets.

The capacity to produce exceptionally sweet fruit.

Geographic spread of production gives us a greater potential for continuity of supply over a four month period in spite of adverse conditions

There is an existing marketing group which has potential for expansion and which is successfully coordinating supply of fruit to markets.

Industry has access to good basic production information and a committed core group of growers and researchers to build from.

Weaknesses

Limited domestic market - large numbers of Australian people associate Sweet Persimmon with an unpleasant prior experience as a result of eating Astringent Persimmon that was not fully mature.

Many Australian consumers don't know the fruit at all.

No resources for effective industry management. (eg. chemical registration, Grower communication.

Minimal resources currently available for market development, promotion and research and industry development.

Industry is dominated by a large number of small growers over a wide geographical area making it difficult to

- achieve critical mass and co-ordinate supply
- obtain funds for tackling industry issues
- getting growers together is difficult and expensive

Promotion to date has been ad hoc with the fruit being promoted variously as sweet persimmon, fujifruit, fuyu and persimmon.

Confusion exists among consumer about the difference between astringent and non-astringent persimmon.

Currently have a limited number of export markets

High cost of production eg. wages, packaging

Threats

Other southern hemisphere sweet persimmon producers targeting our export or domestic markets

Competition for market share from other well organised fruit industries within Australia and overseas

Declining fresh fruit consumption among younger generations worldwide.

Opportunities

Australian production volumes are very small compared to what is produced locally in the major Northern Hemisphere markets. There is an opportunity to expand counterseasonal supply for these markets.

Northern production regions (North Coast NSW and Queensland) have a window of opportunity in March and early April where limited fruit is available from anywhere else in the world.

Australian persimmons are among the sweetest in the world providing an opportunity to build on the "Sweet Persimmon" image.

Close proximity to potential markets in Asia.

Large potential domestic market is untapped. Anecdotal evidence suggests that most people who try the fruit like them.

Many health benefits associated with eating sweet persimmons – there is a good story to sell about the qualities of the fruit.

Major Issues Prioritised

	High $ Impact Action will have measurable $ returns to industry	**Medium $ Impact** Action may have measurable $ returns to industry	**Low $ impact** Action unlikely to have measurable $ returns to industry
High Urgency/ Importance Action needed in next 12 months	Market Development – Domestic & Export Access to control methods for significant pests and diseases Fruit Quality - Soft fruit - Retail level	Industry Management	
Medium Urgency/ Importance Action needed within 3 years	Orchard Productivity - Canopy Management - Nutrition Disinfestation for Qld & Med. Fruit Fly	Rootstock Improvement Irrigation Management	
Low Urgency/ Importance Action needed within 5 years		New Varieties	

Action Plan

Objective 1

Obtain a secure source of funding for Industry Development by February 2004

Strategy 1.1
Introduce national R, D&E and Marketing and Promotion Levies to support the industry strategic plan by February 1 2004.

	Description	Due Date	Resp.	Budget
Action 1	*Strategic Plan and levy proposal forwarded to growers for ballot*	July 2003	PIAI Exec.	$3500
Action 2	*Levy submission prepared and presented to HAL*	July 2003	PIAI Exec.	$500
Action 3	*Levy submission presented to Federal Govt.*		HAL	

Measures: Successful implementation of levy

Strategy 1.2
Create an industry management structure under Horticulture Australia (HAL) guidelines to develop investment plans for marketing and R&D funds.

	Description	Due Date	Resp.	Budget
Action 1	*Formulate structure for Industry Advisory group (IAG) with independent chairman*	February 2004	PIAI Exec	TBA

Objective 2

Have access to control options for all major pests and diseases by the 2004 season.

Strategy 2.1
Continue current program of minor use permits to provide access to appropriate and necessary control methods for pests and diseases.

	Description	Due Date	Resp.	Budget
Action 1	*Complete current research into residue levels as per project FRO2020 for Lorsban, Supracide and Mimic*	June 2003	Henry Drew/PIAI/QFVG	$14500
Action 2	*Apply to NRA for Minor Use permits for chemicals studied in FRO 2020*	July 2003	PIAI/QFVG	
Action 3	*Monitor need for future pest management options as per pest management Strategy and maintain current minor use permits as required*	Ongoing	PIAI/IAG	

Measures: Suitable controls available for major industry pests
Pest Management strategy is being successfully pursued

Strategy 2.2
Investigate better Integrated Pest Management options for pests and diseases.

Objective 3

Improve industry communication and management by December 2003

Strategy 3.1.

Establish a cost effective industry management structure with a central contact point by February 2004.

	Description	Due Date	Resp.	Budget
Action 1	*Define roles of industry management.*	February 2004	PIAI Exec	
Action 2	*Appoint and Industry Development Officer/Industry Management agency*	February 2004	PIAI Exec	
Action 3	*Set up data collection system for staying in touch with growers and mapping production trends*	June 2004	Industry Manager	TBA

Measures: Industry management is being undertaken at reasonable cost to industry

Objective 4

Increase domestic consumption of persimmon by 20 percent over three seasons from 2004.

Strategy 4.1

Pursue all possible means of obtaining cost effective publicity in the food media and general media.

	Description	Due Date	Resp.	Budget
Action 1	*Collate a database of serving suggestions and health and nutrition facts. Compile library of suitable persimmon images*	Ongoing	PIAI	TBA
Action 2	*Compile a list of media contacts in food and general press Australia wide.*	Ongoing	PIAI/HAL	TBA
Action 3	*Prepare releases at commencement of and during the season*	Ongoing	PIAI	TBA
Action 4	*Review campaign and plan consecutive campaigns based on this review*	Ongoing	PIAI	TBA

Strategy 4.2

Implement a professional promotional program on the Australian domestic market by mid-season 2004.

	Description	Due Date	Resp.	Budget
Action 1	*Appoint marketing agency/ies*	February 2004	IAG/HAL	TBA
Action 2	*Identify best medium or mediums for promoting the fruit.*	March 2004	Marketing Agency/ IAG	TBA
Action 3	*Conduct promotional campaign*	Ongoing	Marketing agency	TBA
Action 4	*Review campaign and plan consecutive campaigns based on this review*	Yearly	IAG	TBA

Measures: **1.** Compare wholesale price vs volume relationship in markets before and after promotion

2. Investigate sales volume trends in stores where promotions conducted

Strategy 4.3
Encourage growers to become "ambassadors" for their fruit within their area/region and provide appropriate resources.

	Description	Due Date	Resp.	Budget
Action 1	*Make available to interested growers a media kit to assist them becoming local contacts for media*	February 2005	PIAI/HAL	TBA

Objective 5

Expand the volume of persimmon exported to 200,000 trays by 2007.

Strategy 5.1
Conduct preliminary research into market development opportunities using knowledge of current exporters by December 2004. Identify barriers to developing these markets and prioritise.

	Description	Due Date	Resp.	Budget
Action 1	*Appoint research agency*	March 2004	IAG	TBA
Action 2	*Conduct research*	October 2004	Research Agency, IAG	TBA
Action 3	*Communicate research results to industry*	February 2005	PIAI	TBA
Action 4	*Prioritise markets by development potential that can be achieved with available research funds*	February 2005	IAG, PIAI	TBA

Measures : Research report received by industry, communicated to growers
Action plan formed for Strategy 3.2

Strategy 5.2
Undertake research and development activities to overcome barriers to entering these markets.

	Description	Due Date	Resp.	Budget
Action 1	*From strategy 3.1, prepare action plan for developing markets*	March 2005	IAG	TBA
Action 2	*Undertake development work, eg. Overcoming market access barriers, promotion in markets, as per priorities and as afforded by available budget*	June 2007	Research Agency, IAG	TBA
Action 3	*Communicate results to industry*	February 2005	PIAI	TBA

Measures: Survey export volumes and compare with target of 200 000 trays exported

Objective 6

Have available suitable methods of fruit treatment overcoming market access issues related to quarantine for the 2006 harvest season.

Strategy 6.1

Review all current knowledge related to market access in potential markets and post-harvest handling of persimmon by December 2005.

	Description	Due Date	Resp.	Budget
Action 1	*Compile quarantine pest species list for domestic and international markets. Prioritise according to Objective 2 and Objective 3*	Dec 2004	Industry Management/Extension agency	TBA
Action 2	*Conduct review of treatments for controlling quarantine pests and match with known post-harvest treatments for persimmon*	June 2005	Industry Management/Extension agency	

Measure: Information presented to growers

Strategy 6.2

Make available to industry post harvest treatments to satisfy quarantine requirements identified under **Objective 5** for export markets.

	Description	Due Date	Resp.	Budget
Action 1	*Communicate to industry suitable treatments and handling practices identified in Strategy 7.1*	June 2005	IAG/HAL	
Action 2	*Commission research into post-harvest disinfestations for quarantine pests to priority markets as required*	Commence February 2005	IAG/HAL	TBA

Strategy 6.3

Have a replacement for dimethoate dipping for Queensland Fruit Fly in domestic markets by the 2007 harvest season.

	Description	Due Date	Resp.	Budget
Action 1	*Relate to suitable handling practices as identified in Strategy 7.2*	June 2005	Research Agency/ IAG	
Action 2	*Conduct research into post-harvest disinfestations for QFF suitable to domestic trade if practices identified in Strategy 7.2 are inadequate*	December 2006	Research Provider	TBA

Objective 7

Improve the ability of growers to become more profitable by better meeting market quality requirements and increasing orchard productivity.

Strategy 7.1

Have a central source of information and referral to allow growers to report quality and production problems by June 2004.

	Description	Due Date	Resp.	Budget

Action 1	*Identify best way to provide a central referral service where growers can seek assistance and report difficulties/issues. eg. Toll free number*	March 2004	PIAI Exec	
Action 2	*Set up communication system to serve this purpose*	June 2004	Industry Manager/ IAG	TBA

Measures: Communication is occurring and system being used

Strategy 7.2
Commence an industry development program to address fruit quality and orchard productivity by June 2004, based around a series of regional farm walks.

	Description	**Due Date**	**Resp.**	**Budget**
Action 1	*Define roles of industry development service provider*	February 2004	PIAI Exec	
Action 2	*Appoint industry development service provider to work in conjunction with industry development officer.*	March 2004	PIAI Exec	TBA
Action 3	*Prepare an extension plan including annual regional field days*	June 2004	Extension /Industry Manager/ PIAI	TBA

Measures: Field days conducted and attended by growers

Strategy 7.3
Undertake research to improve management of soft fruit, fruit size and general orchard productivity issues.

	Description	**Due Date**	**Resp.**	**Budget**
Action 1	*Prioritise fruit quality and orchard productivity issues by dollar impact to industry*	June 2004	Industry Manager/ IAG	
Action 2	*Commission research into priority areas as allowed by available funds*	June 2004	IAG	TBA
Action 3	*Annual review of research program, revised priority list created*	June 2005 Annual ongoing	IAG/HAL	
Action 4	*Results communicated to growers*	Annually	PIAI/ Extension provider/ Industry Manager	TBA

Measures: Incidence of soft fruit and other quality problems is better controlled
Industry data gathered indicates increase in average yield of orchards

Review of Strategic Plan

This Strategic Plan should be reviewed annually to ensure objectives are being met. Every two years the plan should be updated by the Persimmon Industry Association to create a rolling five year plan.