Olive

2015/16
Annual Report

Horticulture Innovation Australia

Content

The projects in this report have been funded by Horticulture Innovation Australia Limited using sources including the olive levy, Australian Government contributions and, in some instances, co-contributions from a variety of sources.

Executive summary

During 2015/16, Horticulture Innovation Australia (Hort Innovation) was focused on investing the olive levy and Australian Government contributions into R&D projects to improve growers' productivity and profitability and ensure the long-term sustainability of the industry.

Hort Innovation invested close to $400,000 during 2015/16 in projects to improve grower returns, including research to identify and overcome export market hurdles and work to increase olive exports to China, enhance the industry's competitive advantage, and develop a code of practice for formal certification. The industry also had a presence at the International Olive Council conference to facilitate networking and knowledge sharing with global producers. The export market emphasis was driven by a need to expand growers' marketing options and raise consumption levels.

At a farm level, researched centred on developing a national industry biosecurity plan with input from growers and industry stakeholders, who helped identify weed and pest priorities and develop practical but effective on-farm responses.

Strategic Investment Advisory Panel

Hort Innovation has established Strategic Investment Advisory Panels (SIAPs) to provide advice to help ensure R&D and marketing investment decisions are balanced and prioritised by the current needs of each horticulture levy industry.

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About industry SIAPs

The key function of Hort Innovation's levy-industry SIAPs is to provide transparent and robust advice on potential investment opportunities, helping to guide the way industry levies and Australian Government contributions are put to use. Each SIAP has clearly defined objectives associated with the provision of this strategic investment advice, and is guided by the priorities set out in the Strategic Investment Plan for each levy industry.

During the 2015/16 financial period, 18 SIAPs were formed, with others appointed in the 2016/17 period.

Each industry SIAP is made up of panellists from that industry – most of whom are levy-paying growers – with appointments made based on skills criteria and considering geographic and sectoral diversity.

Each SIAP also has a chair, as listed on the industry grower pages of Hort Innovation's website. The chair appointments selected by the Hort Innovation Board reflect a broad range of horticulture and agriculture experience, as well as solid foundations in former chairing roles.

Olive SIAP panellists

Name	Organisation	Location
Lisa Rowntree	Longridge Olives	SA
Leandro Ravetti	Boundary Bend	VIC
Tim Smith	Boundary Bend	VIC
Kevin Whithear	Mount Bernard Olives	VIC
Rita Bikins	Red Rock Olives	VIC
Peter Herborn	Hunter Olive Processing	NSW
Michael Harbison	Nangkita Olives	SA
Robert Spooner-Hart	University of Western Sydney	NSW
Rod Mailer	Australian Oils Research	NSW

Panel meetings

Summary notes from each SIAP meeting will continue to be available on the olive grower page on Hort Innovation's website, at *www.horticulture.com.au/grower-focus/olive*. Below is a brief overview of the industry's meetings to date.

April 8, 2016

Held in the 2015/16 period in Melbourne, Victoria, this meeting provided an outline of the objectives, governance and scope of operation of the panel, and an overview of Hort Innovation's funding model, innovation process and procurement framework.

The panel then participated in an independently facilitated strategic planning workshop to help guide the development of the industry's Strategic Investment Plan (SIP), building on feedback from an industry-wide survey and grower discussions at the end of 2015.

Short-term investment priorities for the industry were discussed, including International Olive Council participation, consumer research, and pest and disease management.

August 11, 2016

Held in the 2016/17 period in Melbourne, Victoria, this meeting included an update on the development of the SIP, including the feedback received from other growers consulted since the last meeting and the process for finalising the SIP.

The panel focussed on refining and prioritising the strategies outlined in the draft SIP and determining how the investments could best be monitored and evaluated to determine their success.

A presentation was made on opportunities for olives stemming from investments within Hort Innovation's strategic co-investment fund (outside of levy investment) and developments in the trade space.

The panel was provided with an overview of the existing R&D investment program (all current projects) and the financial position of the program. The process of commissioning projects and ways to ensure the involvement of growers was also discussed.

R&D project list 2015/16

PROJECTS CONTRACTED

OL15000	Determination of a derived smoke point for olive oil
OL15001	Australian Olive Industry Strategic Investment Plan 2015-2020
OL15002	International Olive Council Committee
MT15032	Monitoring and evaluation framework for the industry Strategic Investment Plan

PROJECTS IN PROGRESS

OL13007	Australian Olive Industry Code of Practice implementation
OL14003	Essential work to facilitate increased exports to China, removing roadblocks and enhancing competitive advantage
MT14006	Export – Import Market Intelligence Project 2014-2016

FINAL REPORTS ISSUED

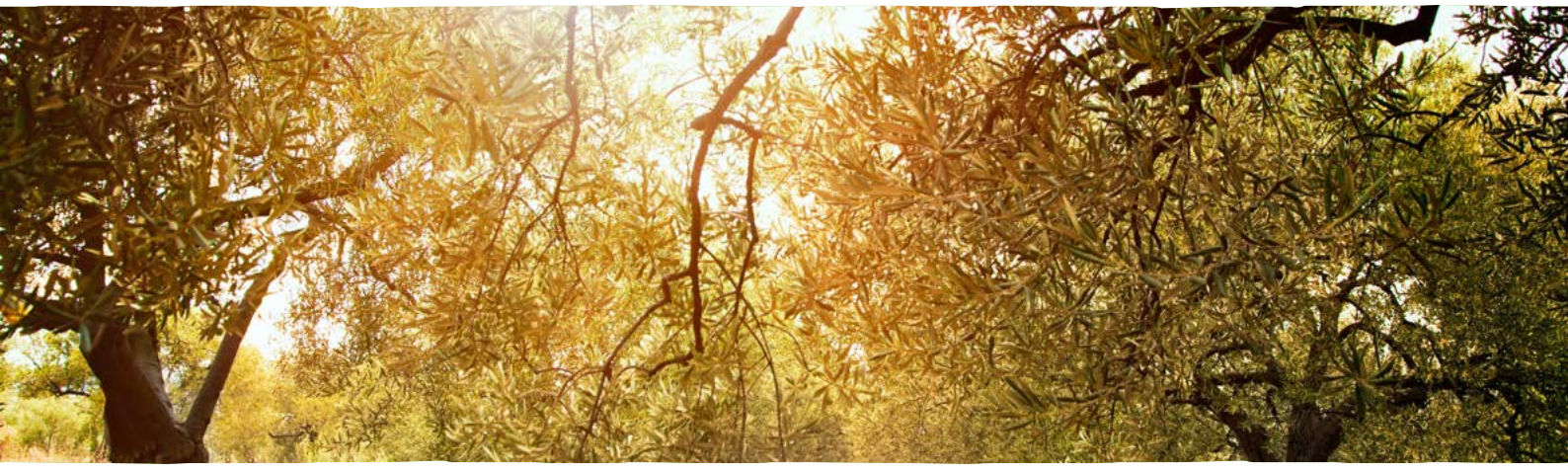
OL14008	Review and development of Olive Industry Biosecurity Plan (IBP)
MT14055	Driving collaboration in Australian horticultural research

VC PROJECTS CARRIED OVER FROM HORTICULTURE AUSTRALIA LIMITED

OL13700	2014, 2015 and 2016 National Olive Industry Conference and Trade Exhibition

There were also minor use projects and related outcomes for the olive industry during 2015/16 – see p8 for more.

During the 2015/16 financial year, all Australian levy paying horticulture industries also contributed to across-industry projects addressing issues that affect horticulture as a whole.



R&D report

Take a closer look at some of Hort Innovation's key projects for the olive industry below. To keep up to date with the latest information on new and ongoing R&D for the industry, visit *www.horticulture.com.au/grower-focus/olive* and keep an eye out for Hort Innovation's quarterly Hortlink publication, also available from the website

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Essential work to facilitate increased exports to China, removing roadblocks and enhancing competitive advantage (OL14003)

Beginning in 2015 and concluding at the end of the 2015/16 period, this project was established to help grow Australia's share of the Chinese market for extra virgin olive oil.

A key component of the project was the development of the Olive Industry Export Handbook. To support the industry in meeting required standards for access into China, it provides guidelines for product standards, food safety, traceability, quality, packaging, labelling and product distribution. It also provides tips and advice across areas from planning and shipping to finance and insurance, plus brand development and communication.

The handbook also provides information to help producers brand their products and take their story to Chinese consumers with a scannable QR code, which links consumers to a short video about the olive grower and farm. A second security QR code was developed to help demonstrate product authenticity and traceability, and provide provenance verification. Purchasers can now scan this to establish that the product is genuine and see when and where it was produced.

To order a copy of the Olive Industry Export Handbook, email will.gordon@horticulture.com.au.

Project OL14003 also involved consumer research in China to scope and validate the demand for Australian extra virgin olive oil, the insights of which were captured in the handbook. It developed the Export Code of Practice for the industry – an essential tool for assuring quality to China and other markets; involved training workshops for olive oil producers intending to export to China; and delivered a producer roadshow in six locations across the country to talk export – with grower input from these face-to-face interactions helping in the preparation of the handbook and code.

The project also addressed the capacity of Australian laboratory services, increasing the capacity for sensory analysis of oils among others, and appointed a sister laboratory for the export program in China.

Australian Olive Industry Code of Practice implementation (OL13007)

The ultimate goal of this project is to enhance consumer confidence in Australian olive products by:

- Providing a formal mechanism for certification of Australian olive products in both domestic and export markets (including the registration of certification trademarks for olive products)
- Supporting and monitoring industry compliance with the Australian Standard for olive oil (AS5264-2011), the ANZFA Food Standards Code, and Australian Consumer Law, through undertaking regular national market surveys
- Building olive industry skills and capacity through training programs.

The project has supported *Essential work to facilitate increased exports to China, removing roadblocks and enhancing competitive advantage* (OL14003), and will continue through to the 2017 calendar year.

International Olive Council Committee (OL15002)

This project is responsible for supporting olive industry attendance at International Olive Council Chemists' meetings, which are held twice yearly and involve discussion around the technical analysis, grading and regulation of olive oil among other things. Participation helps ensure Australian olive growers and industry stakeholders are prepared for any changes to international regulations that may affect trade, and means Australia's accredited laboratories that certify domestic products can continue achieving international accreditations.

Monitoring and evaluation framework for the industry Strategic Investment Plan (MT15032)

Among other things, this project helps support the monitoring and evaluation of individual industry Strategic Investment Plans (SIPs). SIPs are the roadmaps that help ensure levy investment decisions align with individual industry priorities. They are used to guide decision-making in levy spending, and represent a balanced view of stakeholders in each industry.

Review and development of Olive Industry Biosecurity Plan (IBP) (OL14008)

The Industry Biosecurity Plan (IBP) developed under this project provides a framework to coordinate biosecurity activities and related investment for Australia's olive industry. It provides a mechanism for industry, government and other stakeholders to better prepare for, and respond to, incursions of pests and diseases, and will assist growers in evaluating risks within their businesses.

This includes helping growers to identify and prioritise exotic plants pests that are not currently present within Australia, and to focus on future biosecurity challenges to protect valuable markets.

The plan provides industry workers with general procedures for handling an emergency plant pest incident and lists key organisations and contacts responsible.

The development of the plan involved consultation with all levels of the olive industry as well as government and scientific experts. It was coordinated by Plant Health Australia in collaboration with the Industry Biosecurity Group (IBG) – a select group of industry, pant health and biosecurity experts.

The IBP includes threat summary tables listing almost 90 exotic plant pests. Each pest on the list has been given an overall risk rating based on four criteria: entry, establishment potential, spread potential and economic impact. Endemic pests of significance for the olive industry are also listed.

The plan details mitigation and surveillance activities and contingency plans and includes fact sheets and diagnostic protocols. It gives the industry and government a mechanism to identify exotic plant pests and to identify strengths and weaknesses in the industry's current biosecurity capabilities and is expected to be reviewed in five years.

The *Biosecurity Plan for the Olive Industry* is available at *https://www.australianolives.com.au/article-detail/bio-security*.

The work of *Review and development of Olive Industry Biosecurity Plan* (IBP) (OL14008) provides a framework to coordinate biosecurity activities

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A wooden box with appropriate ventilation and a built-in light source helped to prevent air draught, to help with the *Determination of a derived smoke point for olive oil* (OL15000)

Determination of a derived smoke point for olive oil (OL15000)

Established in the 2015/16 financial year and completed in the 2016/17 period, this project investigated whether the chemical composition of oil, or technology, could be used to predict smoke point.

As part of this project, the NSW Department of Primary Industries Australian Oils Research Laboratory used the American Oil Chemists Society's (AOCS) official method to test 200 olive oils, from most growing regions in Australia. The samples were analysed to find relationships between chemical constituents and smoke point.

The free fatty acid (FFA) concentration of the oil was the only component measured to have a significant effect. Oils with low FFA generally had a higher smoke point and those with higher FFA a lower smoke point. As a result, an equation based on FFA concentration can be used to predict smoke point to an acceptable level of accuracy, but only when the FFA level has been determined.

As smoke point measurements may vary between laboratories even when the same method is used, this project recommended the development of certified reference material or a reference oil to ensure consistency across laboratories.

The project recommended that more research is done to understand the performance of extra virgin olive oil and investigate its nutritional characteristics under different cooking conditions.

Full details of all completed research can be found in project final reports, which are available to order at *www.horticulture.com.au/about/resources-publications-final-reports* (final reports are free to Australian horticulture levy payers, registered Hort Innovation members and industry representative bodies).

Financial summary

Financial operating statement 2015/16

	R&D ($)	TOTAL ($)
	2015/16 July – June	2015/16 July – June
Opening balance	**167,515**	**167,515**
Levies from growers (net of collection costs)	321,837	321,837
Commonwealth funds	195,641	195,641
Other income	7,227	7,227
Total income	**524,705**	**524,705**
Project funding	308,324	308,324
Consultation with and advice from growers	37,945	37,945
Service delivery	45,015	45,015
Total matched expenditure	**391,284**	**391,284**
Levy contribution to across industry activity	8,744	8,745
Closing balance	**292,192**	**292,191**
Levy collection costs	10,334	10,335
Additional expenditure through VC	**52,486**	**52,486**

Minor use permits

Pesticides are a valuable tool for the olive industry. While the use of pesticides is being modified through the increasing uptake of integrated pest management, there is still a need for the strategic use of specific pesticides.

Pesticide companies submit use patterns for registration to the Australian Pesticides and Veterinary Medicines Authority (APVMA) and the olive industry is therefore provided with limited registrations because of its minor crop status.

Minor use permits are required in the olive industry where the market size is considered too small and therefore not adequate commercial returns for the research and development investment by the pesticide companies.

Below is a list of all current minor use permits for the olive industry, as of November 28, 2016:

Permit ID	Permit description (pesticide/crop/pest)	Date issued	Expiry date	Permit holder
PER14414	Natrasoap insecticidal soap spray / Olives / Lace bug	04-Oct-13	30-Sep-23	AOA
PER11360 v3	Copper / Olives / Fungal leaf spot and fruit rot.	24-Mar-09	30-Nov-21	AOA
PER82184	Insegar (fenoxycarb) / Olives / Black Olive Scale	4-Mar-16	31-Dec-18	EE Muir
PER13999 v4	Dimethoate / Olives / Olive Lace Bug, Green Vegetable bug and Rutherglen bug	19-Apr-13	05-Oct-17	AOA

Permit ID	Permit description (pesticide/crop/pest)	Date issued	Expiry date	Permit holder
PER14528	Paraquat and Diquat (Spray Seed) / Olives / Range of broadleaf and grass weeds (as per label)	18-Nov-13	30-Sep-17	NRIA
PER14580	Azoxystrobin (Amistar) / Olives / Anthracnose	23-May-14	31-Aug-19	AOA
PER14575	Chlorpyrifos (Lorsban) / Olives / Ants, African black beetle, light brown apple moth	23-Dec-13	31-Mar-19	AOA
PER14460 v2*	Ethephon / Olives / Fruit loosening	1-Jun-14	30-Jun-22	AOA
PER14791 v3*	Alpha-cypermethrin / Olives / Curculio Beetle/Apple weevil and Cutworms	6-May-14	30-Nov-21	AOA
PER13703	Bifenthrin / Olives / Olive Lace bug (6 week WHP)	31-Jan-14	31-Mar-17	AGAWARE
PER80718	Methyl Bromide / Fruit & Fruiting Vegetables, Food producing plants and ornamentals / Fruit Fly, Silverleaf Whiteflies and Thrips for Biosecurity decontamination (all States)	12-Apr-15	31-Mar-25	Biosecurity SA
PER14908	Pyraclostrobin + Metiram (Aero) / Olives / Anthracnose	8-Jan-15	31-Mar-20	AOA
PER13859	Dimethoate / Orchard cleanup - fruit fly host crops following harvest / Fruit Fly	9-Feb-15	31-Jul-24	Growcom
PER14897	Clothianidin (Samurai) / Olives / Olive Lace Bug	4-Mar-15	31-Mar-20	AOA
PER80751*	Fluazifop-P (Fusilade Forte) / Olives / Grass weeds (Qld only)	7-Aug-15	31-Jul-20	COMVITA Australia
PER81949*	Esfenvalerate (Sumi-Alpha Flex Insecticide) / Olives / Olive Lace Bug (14 day WHP)	20-May-16	30-Nov-21	AOA

* During the 2015/16 financial year, Hort Innovation prepared and submitted to the APVMA renewals or applications for these flagged permits. A further application, relating to the use of pyganic organic insecticide for the control of olive lace bug, was also submitted and remains with the APVMA for assessment.

During the 2015/16 year, minor use funds also provided for residue-data generation and the subsequent preparation of a further two permit applications, also currently with the APVMA for assessment, as described in project OL14006 below.

All efforts have been made to provide the most current, complete and accurate information on these permits, however it's recommended that you confirm all details on the APVMA website, portal.apvma.gov.au/permits. Details of the conditions of use associated with these permits can also be found on the APVMA site.

AOA = Australian Olive Association; NRIA = New Rural Industries Australia

Minor use R&D projects active in the 2015/16 period

OL13003	Minor use permits for the olive industry
OL14006	Generation of residue data for pesticide minor-use permit application in olives 2014/15 This project funded the generation of pesticide residue data, which was used to support minor-use permit applications to the Australian Pesticides and Veterinary Medicines Authority (APVMA). The key aim of the project was to gain approval from the APVMA for use of the plant growth-regulator ethephon (for fruit loosening) and the insecticides alpha-cypermethrin and esfenvalerate via renewal of existing APVMA minor use permits, and the issue of a new permit for esfenvalerate for olive lace bug.
ST15027	Generation of residue data for pesticide minor use permit applications in horticulture crops 2015/16 – Eurofins

Horticulture Innovation Australia Limited
ACN 602 100 149
Level 8, 1 Chifley Square
Sydney NSW 2000
Telephone 02 9295 2300
Fax 02 8295 2399
www.horticulture.com.au