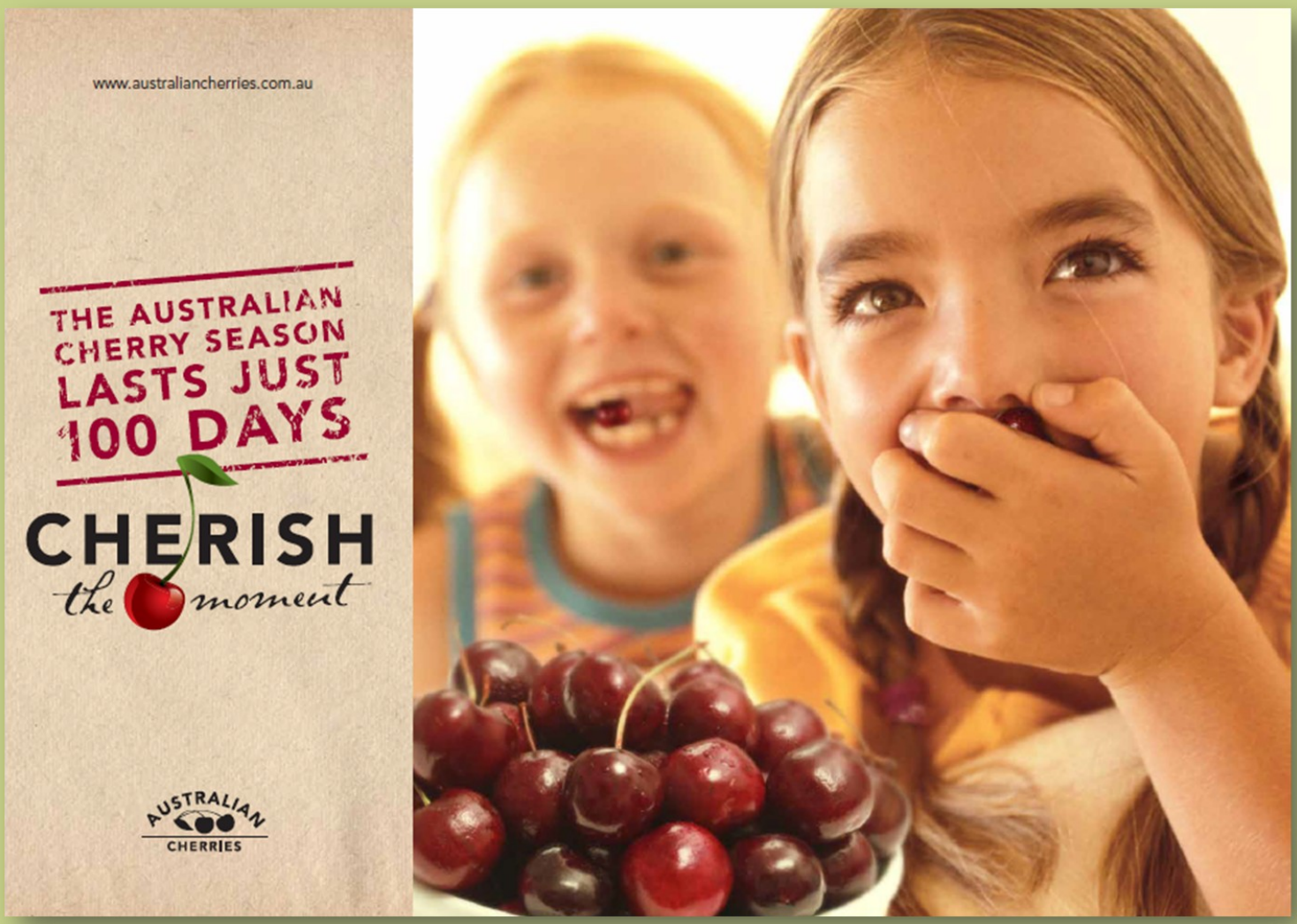
Australian CHERRIES

October 2012 - No 7



INCLUDED IN THIS ISSUE:

CHERRY GROWERS AUSTRALIA INC

In this issue.....

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Contact CGA office
for advertising & any other matters
relating to

Australian CHERRIES

CGA 2012-13 Associate Members

CGA Associate Membership offers industry stakeholders and other associated groups the opportunity to participate more closely with industry and CGA activities.

We are very pleased to acknowledge the support from the following organisations who have now taken up Associate membership with CGA -

Agricultural Contracting Australia
Campbell Chemicals
Favco
Flight Plastics (Plastic Packaging)
Melpat International
NetPro
OakSun Consulting
Plant & Food Research
Sumitomo Chemical Australia
Tasmanian Insitute of Agriculture
Wobelea

Please visit the new CGA Website www.cherrygrowers.org.au for links to our Associate Members websites and for more information on becoming an Associate Member of CGA.

Andrew Smith - President CGA

Over the past month we have seen one of the best blossom periods in recent seasons with a strong showing of bloom on many varieties. This combined with good weather around many of the growing regions has given the potential for a positive fruit set. These signs indicate that we might expect to see some good volumes of cherries to be harvested this coming season.

Last month Simon and I met with Trade Minister Emerson to discuss how, if at all, he may be able to help the CGA in the market access area. We spoke on the Thailand and China markets and our options for supply and protocol issues. This meeting gave us the opportunity to push our case at the highest level, we now have the ear of the Minister and we will continue to use his office in this area.

The Board has been working through all the market access issues and assessing all the latest information that has been put forward. This has been done with face to face meetings, teleconferences and many emails. Gathering all the relevant information and keeping BA up to date with our preferred direction has kept Simon and the Board very busy. With the next round of market access bilateral talks with China scheduled for the end of October, it has been a very important period for the CGA and we all look forward to some good news in this area shortly.

November will see Simon and I travel to China for the World Fruit and Vegetable Fair in Beijing. This will give the CGA continued exposure to our potential Chinese customers by promoting the Australian Cherry Industry. It's very important that we continue to sell our industry and the key advantages we have over our trading competitors in this emerging market. This trade fair will give us another great platform to showcase our industry and continue relations with the Chinese Officials.

All the Marketing and Promotion activities are in place and we await the start to the Cherry Season. The marketing messages and activities will form the basis of another strong media campaign to position cherries for our consumers in the market place. Like any campaign it needs to be backed up with quality product so that return sales will be generated at retail level. Our consumer research work that has been done over past years has stated overwhelmingly that this is an area that we as growers must all continue to work on throughout the whole growing season.

In closing I wish all our growers a good start to the season and let's hope that we can all achieve the results we are looking for over the harvest period.

Andrew Smith

President—Cherry Growers Australia

Simon Boughey - Chief Executive Officer

Welcome to the Seventh Edition of "Australian Cherries" Newsletter.

The CGA Board and I hope the previous six editions of the newsletter have been well received by the industry. We have also had some feedback on print size and content, which is much appreciated, as your feedback helps us to continually improve and refine this newsletter, so please get in touch if you have any suggestions.

We want to ensure this newsletter caters for the wide spectrum of cherry growers we have around Australia, from the large commercial producers through to the smaller growers.

We also want this newsletter to be an opportunity for you, the growers to have your say on a range of issues and to let others in the industry know what is happening around the country, so please send in your views, ideas, photos and stories.

Since the last edition, the CGA Board and Committees have been busy with a range of issues, including:

Finalised the 2012-17 Cherry Industry Strategic and Investment Plan. **This provides a pathway for the industry to follow when investing <u>your</u> levies**. The Cherry Industry Strategic Plan / Investment Plan has been written as the overarching document to guide industry direction and investment. There are a number of complementary plans that are intended to sit below this document and support the implementation and evaluation process. These plans include:

- Industry Research and Development Framework / Investment Plan;
- Export Roadmap;
- Industry Communications and Extension Plan;
- Strategic Marketing Plan / Investment Plan.

A copy of this is up on the CGA website so please read it when you get the chance.

I hope everyone has had a look at the new website www.cherrygrowers.org.au. Please give us any feedback and suggestions for the site and for the new facebook site http://www.facebook.com/cherrygrowers.

CGA President Andrew Smith and I met with Minister Emerson on 21 September 2012 for an hour to push our case forward on a range of issues such as market access, biosecurity, funding, the future for our industry and to discuss how we are still looking for the extra funds the Cherry Industry.

I went to Bangkok for 3 days to talk with DAFF and DFAT in Bangkok and the Thai Department of Agriculture about access back into Thailand. I also met with key staff from TOPS and MARKO to get them to help with access issues and to pull through from their end. There will be a Thai DOA Audit held here in Australia from 25th November to 7th December as part of signing off on a protocol.

Simon Boughey - Chief Executive Officer

Market Access into China is pushing along and there will be a Bilateral held in Beijing in late October between DAFF and AQSIQ. CGA has requested that it have a meeting with both organisations in Beijing to push our case for access from around Australia.

CGA and Tasmanian Institute of Agriculture (TIA) are developing a national extension program to roll out in August 2013 and will run an annual program in each State over the next 4 years with workshops on technical and production matters as well as marketing and consumer research. Any suggestions for topics please let me know.

The 2012/13 Marketing and Promotions campaign is ramping up with a number of key projects for the season that will be run through Crossman Communications in Sydney and continue to push out key messages and branding as we did in 2011/12 and our consumer research. Other projects include:

- Your own State promotional events and activities, so please see your State website and also talk with your State Association or if in Queensland, the Brisbane Markets.
- Distributing 1000 promotional kits via the States for retail collaboration and POS merchandising through IGA stores and independents and some for each State body, these should available in late October.
- A Radio campaign from a consortium of companies and some levy funds focussing in on Adelaide, ACT, Sydney, Melbourne and Brisbane that will run from mid/late November to mid December to cover the period just before Christmas.
- Woolworths, Coles and IGA have all indicated that they could use the key slogans and health messages for promoting cherries this year in some form linked to their promotions and in-store campaigns. These slogans are:
  - "Cherish the Moment"
  - Australian Cherries (that are locally grown)
  - "The Australian cherry season lasts just 100 days"

All of the images and artwork we used last year are available for any member of CGA to use, including the photos of Jessica Watson, so please use them too. If you need to access them please get in touch with CGA office.

There has been such a rapid change in so many areas in the last 18 months but this all points to a stronger and more robust Cherry industry in the next 5 to 10 years in all States around Australia.

Let's hope the weather plays its part so we all have a great 2012/13 season.

Simon Boughey

CEO—Cherry Growers Australia

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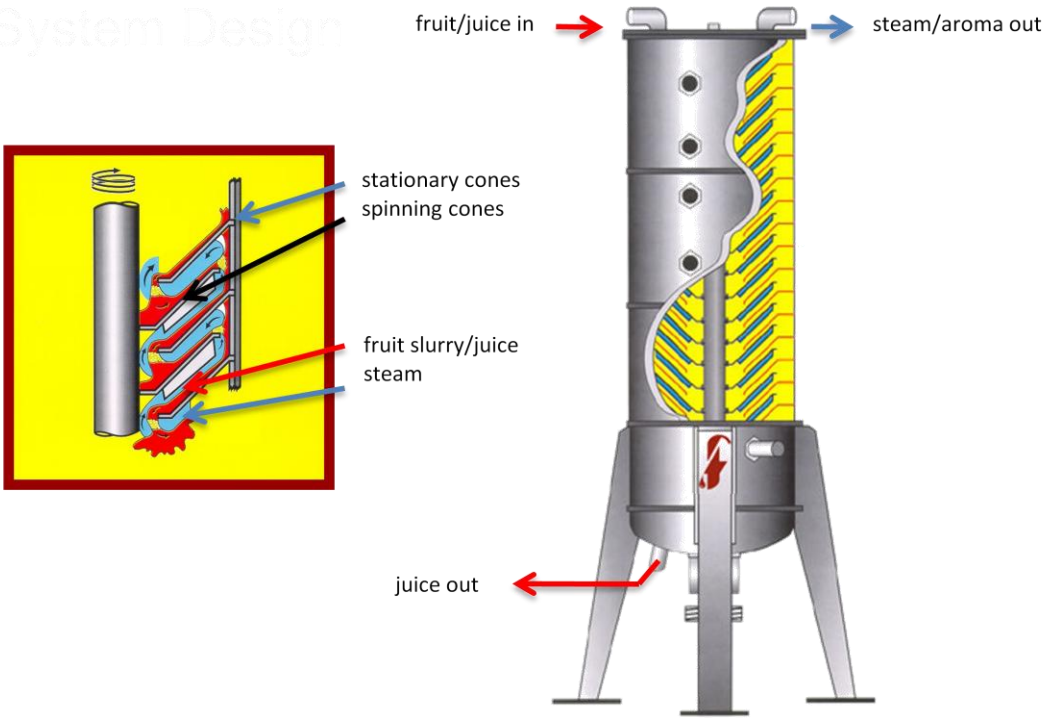
CHERRY FLAVOUR – adding value for growers?

In conjunction with industry, TIA has been developing practical solutions for long term consistency in cherry yield and quality. In 2011/2012, 12,000 tonnes were harvested nationwide, with 1,207 tonnes of that exported at a value of A$15.6 million[1]. Still growers continue to seek ways to improve their processes and to remain proactive when looking for future value-adding potential.

Of course, some of the greatest challenges to industry are rain damage, brown rot and the limited season for fresh fruit. Inconsistent quality has been identified in the CGA strategic plan as a cause for poor sales and disappointing grower returns[2]. Notwithstanding the increases in yield of premium fruit achieved with optimisation of horticultural practices, not all fruit are going the make the grade. Many farmers have looked to value-add to the cherries that don't suit the fresh fruit market.

The University of Tasmania has been working with Fosters Pty. Ltd on a project which may have application to the cherry industry. The need to be innovative and produce value-added products has long been recognised by the Fosters group who installed a Spinning Cone Column (SCC) into their fruit juice processing line at the Hobart factory in Tasmania. The SCC is an Australian technology that has been developed by Flavourtech Technologies (with a pilot-scale SCC plant in Griffith) which uses a steam based stripping process to enable the production of low volume, high concentration flavours. With the support of HAL, a team comprising researchers from the Perennial Horticulture Centre at TIA, Industry Partners (the Cascade label under the auspices of Fosters Pty Ltd), marketing companies (MacTavish-West & Agrimark) and applied technology professionals (Flavourtech) have developed new flavour products from blackcurrant and raspberry.

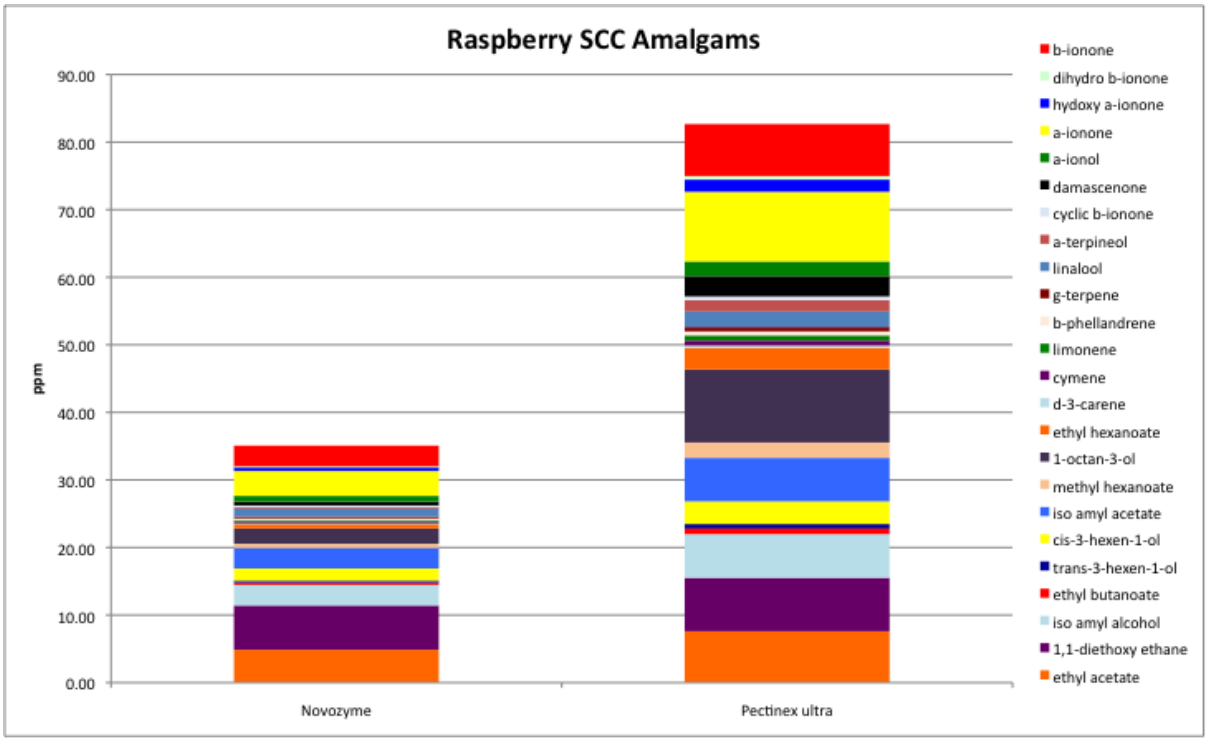


Schematics of a Spinning Cone Column (provided by Flavourtech)

Over the previous two years the collaborative effort has resulted in the production of raspberry and blackcurrant flavours to rival those produced by international companies such as Treatt and Dohler. With prices ranging from $10 per litre to as high as $200 per litre for premium quality extracts and with a projected 5% yield per tonne of mash, there is potential for a significant financial return from reject fruit. Unlike fresh fruit, the SCC product is stable for long term storage. In addition extracted fruit mash can continue down the processing line to make cherry juices and purees. The aroma compounds recovered by SCC do not detract from the taste and flavour of down-stream products as most of these impact volatiles are generally lost in the concentration and pasteurisation processes.

The project followed the production and loss of volatiles through the fruit juice and SCC processing line. It was found that high cooking temperatures resulted in the loss of volatiles and the de-activation of enzymes that had been added to break down pectin. Condenser temperature, the rate of steam input (stripping rate) and the chemistry behind the production of aroma chemicals were among the parameters investigated. Not confined to production aspects, MacTavish-West introduced the final product to major flavour houses in Europe. The raspberry product in particular had the desired characteristics and requests for price and availability ensued.

Blackcurrants being loaded into a hopper & the top of the SCC unit at Cascade



Comparison of raspberry aroma product produced using the standard enzyme, Novozyme, compared to an enzyme with aroma-release functionality.

A panel assessing the aroma impact of raspberry extract.

When considering that on average, half of the crop does not make premium grade, it makes good sense for growers not to base their economic projections solely on high yields of premium grade fruit. In an unpredictable environment made more so by climate change, there needs to be a rethink of product and marketing strategies. It's not so much about utilising a waste product! It's about making a return from the fruit that has taken as much effort and resources to grow as those sold at a premium.

[1]Fresh Intelligence Consulting
[2]CGA Newsletter, June 2012

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tia
TASMANIAN INSTITUTE OF AGRICULTURE

Australian CHERRIES

Australian Cherries is published in February, April, June, August, October and December annually.

Closing dates for lodgement will be -
1st day of each publication month, ie 1st October and so on.

2012-13 Advertising Rates

All advertising will be in colour & page sizes based on A4 page.

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CHERRY GROWERS AUSTRALIA INC

Cherries – More Than Just Antioxidants

Article from Euromonitor International - 20 March 2012

Like a number of "superfruits", cherries boast a formidable antioxidant content. However, it appears that they may have more specific health benefits to offer in a number of very promising growth areas, such as sports nutrition, pain management and combating sleeplessness.

Cherries more dynamic than blueberries and cranberries

Cherries are enjoying a surge in popularity. Euromonitor International's fresh food statistics show that global volume sales of fresh cherries rose by 17% over the 2006-2011 review period, outperforming other high-end fresh fruit "treats" like strawberries and grapes. In 2011, cherries emerged as the second most dynamic fresh fruit category, achieving a 4% volume gain, ahead of cranberries/blueberries.

Global volume sales of cherries amounted to 1.3 million tonnes in 2011, which was only marginally below that of cranberries/blueberries and less than half of the volumes achieved by strawberries. Although an ongoing hit with consumers, the market for fresh cherries remains constrained by both seasonality and a short shelf life. Unlike some types of berries, such as strawberries, blueberries and raspberries, which are also highly perishable but whose seasonality can be artificially prolonged, for example through the use of polytunnels, cherries only manage to make a comparatively short-lived annual appearance.

Luckily, in order to enjoy the taste and health benefits of cherries, consumers are not limited to eating them in their fresh state, but can resort to frozen, dried and powdered formats as well as drinking cherry juice. Needless to say, this inherent versatility is good news for a range of players engaged in the health and wellness industry.

Antioxidants and beyond

As already alluded to, cherries are high in antioxidants. This goes particularly for tart cherries (also often referred to as "sour" cherries). Contrary to what one might expect, tart cherries have the same natural sugar content as sweet cherries but contain more sour and bitter tasting phytochemicals – the very substances which afford them their antioxidant prowess.

The ORAC (Oxygen Radical Absorbance Capacity, a measure of the antioxidant potency of foods) value of fresh tart cherries is around 1,500. For comparison, fresh strawberries hover around the 1,000 mark, and cranberries come in just below tart cherries. Blueberries, which are famed for being antioxidant powerhouses, achieve an ORAC value of around 2,400.

Their high antioxidant content makes cherries and cherry products instant candidates for several health and wellness positioning platforms, including cardiovascular health, brain health and memory, beauty from within and anti-ageing. Being a rich source of carotenoids (which are grouped in with antioxidants) means that cherries potentially also lend themselves well to a vision health positioning.

In recent years, several pieces of research have emerged which indicate that cherries may hold promise for three further – and potentially very popular – health and wellness applications. They may provide relief from pain and inflammation, act as a sleep aid and become a rising star in the area of sports nutrition.

Relief for painful joints

Fresh cherries are a traditional remedy for alleviating the pain associated with gout and arthritis. Some research has shown that they help the body excrete excess uric acid, which causes gout, and also that certain phytochemicals present in cherries may combat the inflammation responsible for arthritic pain.

Anti-inflammatory drugs currently constitute the mainstay medical treatment for arthritis management, and consumers are always looking for natural alternatives, enabling them to reduce the amount of medication they are taking, and cherry products may prove to be an ideal and highly palatable adjunct.

Driven by global population ageing, bone and joint health is destined to become an important positioning platform. For the 32 markets covered by Euromonitor International's in-depth health and wellness research, sales of foods and beverages with a prime positioning focus on bone and joint health amounted to US$13.8 billion in 2010.

Sleeping pills are not the answer

Insomnia is a prominent health issue. Euromonitor International's consumer health data show that calming and sleeping products were the eighth most popular type of OTC medication purchased in 2011 at a global level. The category accrued worldwide value sales of nearly US$1.7 billion, registering a value growth rate of 36% over the 2006-2011 review period.

Sleep difficulties, which affect most people at some point in their lives, are of serious detriment to health and wellbeing as well as productivity. Due to concerns about side effects, many consumers turn to natural remedies before considering the more medicalised end of OTC products or, as a last resort, opting for prescription medication. In February 2012, the prestigious British Medical Journal (BMJ) published a study which is bound to send droves of consumers searching for natural alternatives to hypnotics, the medical term for prescription sleeping pills. The study examined the medical records of over 10,500 patients across the US and discovered that the incidence of early death

increased more than three-fold in people who had been prescribed more than 18 pills a year. The incidence of cancer, in particular, was found to be elevated in patients taking sleeping pills, including zolpidem, temazepam, other benzodiazepines, barbiturates and sedative antihistamines.

Cherries and cherry products could well play a part in satisfying the growing need for natural sleeping aids. In August 2011, the European Journal of Nutrition published another piece of research backing up cherries' sleep-enhancing properties. Tart cherries, like the Montmorency variety used in this study, contain high levels of melatonin, a substance intricately involved in the regulation of human sleep patterns. The researchers concluded that the ingestion of tart cherry juice concentrate did indeed improve sleep duration and quality in healthy men and women.

Cherries still missing from the sports nutrition market

On the sports nutrition front, cherries and cherry products may have an application in speeding up post-exercise recovery and improving performance. The American College of Sports Medicine published an article in August 2011 in its journal Medicine & Science in Sports & Exercise which suggested that cherry juice was able to reduce muscle damage caused by intensive strength exercise. The researchers stipulated that this effect was due to cherry juice's high antioxidant content attenuating the oxidative damage caused by this type of exercise.

At present, cherry ingredients are not commonly employed as functional ingredients by mainstream sports product manufacturers. For example, GlaxoSmithKline's Lucozade branded sports drinks, despite offering cherry flavour varieties, makes nothing of cherries' potential in the realm of post-exercise muscle recovery. Lucozade Sport Lite Cherry, launched in the UK in August 2011, only contains cherry flavouring, as does Lucozade Body Fuel Drink Cherry.

Cherry juice positioned as a functional product is being left to specialist producers. UK-based CherryActive, founded in 2005, for instance, offers CherryActive Concentrate made from Montmorency cherry juice, available bottled or in pouches. The product is primarily positioned at the sports nutrition market, although the company makes reference to joint health, sleep and other antioxidant-related health benefits. In addition to juice, CherryActive also offers freeze-dried powdered cherries in capsules and dried Montmorency cherries for snacking.

In the future, we should start to see more mainstream products in the sports drinks arena, such as, for example, sports drinks employing a significant proportion of cherry juice in order to appeal to people seeking sports drinks with a more natural positioning. Protein shakes with added cherry powder (from freeze-dried cherries) and snack bars with dried cherries and/or cherry powder are also likely to appeal to consumers interested in sports nutrition products.

Cherry juice hard to find

Although a number of packaged food and beverage categories will be able to benefit from the rise of the cherry as a superfruit, it is the fruit/vegetable juice category which holds the most promise. Fruit juice is widely perceived as being almost as “natural” as the fresh fruit, while having the added advantage of year-round availability. The cherry juice category is only just emerging, with many gaps waiting to be filled.

For instance, it is currently a challenge to find 100% cherry juice on retailer shelves. Cherry juice products, even those consisting of 100% fruit juice, tend to be blended products, ie consisting of a mixture of fruit juices. Ocean Spray Cranberries Inc launched its new Ocean Spray Cherry range in February 2012, with the tagline “Real Cherries. Real Good”. The four new offerings are juice drinks, combining cherry juice with other juices, such as cranberry and orange.

UK-based Cherrygood Ltd, whose range of cherry juices is available from most of the country's major supermarkets, and which makes much of the health and wellness benefits of cherry juice in its marketing, launched Cherrygood Premium Cherry in January 2012. The product is promoted as possessing “a higher antioxidant content than any other leading chilled juice”, devoid of additives, preservatives, sugar and 100% natural. However, its cherry juice content is just 40%, with the rest consisting of apple juice.

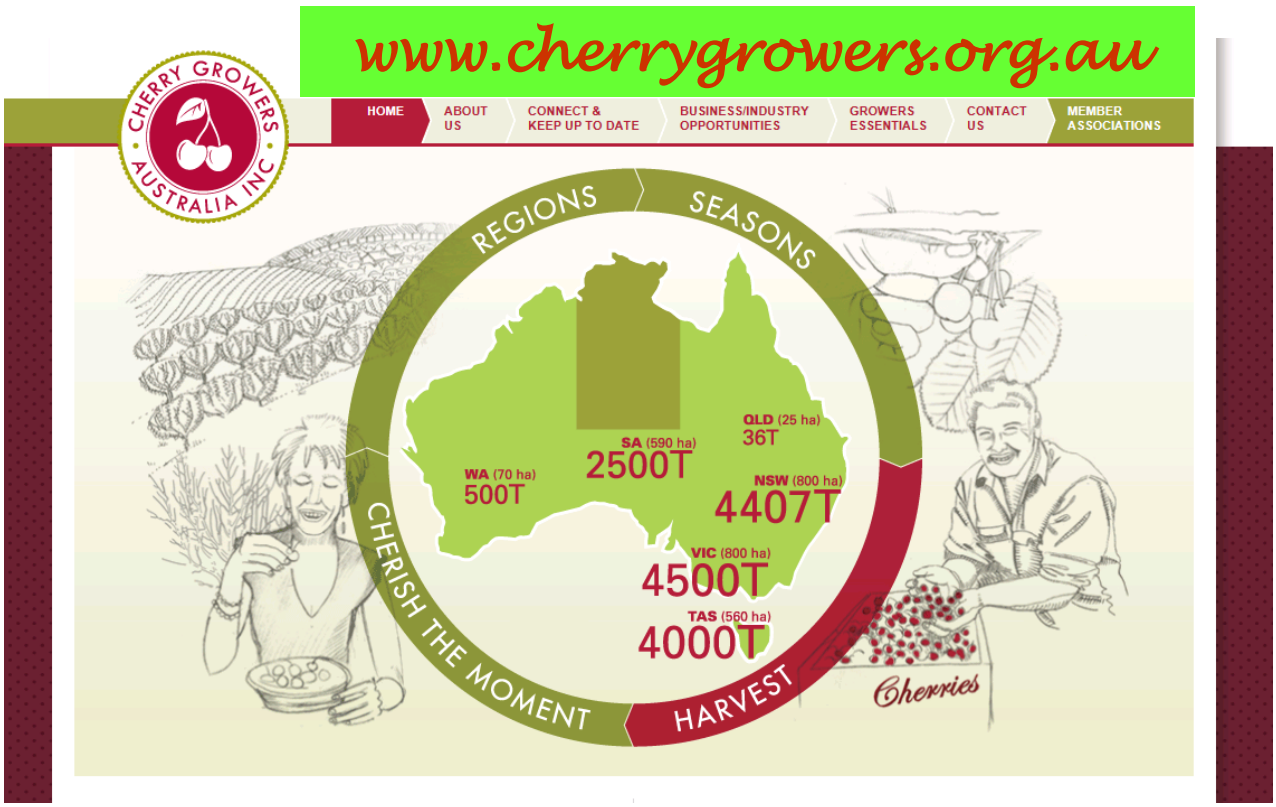
Even Voelkel, a German beverage company specialising in high-quality natural and organic juices, only offers cherry juice as a combination product of apple and cherry juice.

The issue hinges on both taste and price. Pure 100% cherry juice has quite a strong taste, which is not unpleasant, but it may not be appreciated by all consumers. It is also expensive to produce. The 100% cranberry juice category remains a niche for those same reasons. Pure cranberry juice is mainly purchased on medicinal grounds by women suffering from recurring urinary tract infections.

However, 100% or near-100% cherry juice has much greater potential than the cranberry equivalent. Compared to cranberry juice, which centres its high antioxidant value on urinary tract health, cherry juice's health and wellness remit is far broader, encompassing more mainstream health concerns like insomnia and pain management. In the past, when cherry juice was mainly purchased because of its flavour, a satisfactory flavour profile could be achieved with a fairly low proportion of cherry juice (or none at all!), and consumers had no or few qualms about this. Now, however, with cherry's unstoppable emergence as a superfruit sporting a number of specific health benefits, a growing number of consumers will start to seek out products with high cherry juice content, and will be happy to contend with the more robust flavour.

For further insight, please contact Ewa Hudson, Global Head of Health and Wellness Research at Euromonitor International, at ewa.hudson@euromonitor.com.

Point of View



Have you visited the newly launched CGA Website yet? Go to www.cherrygrowers.org.au for the latest industry news, R&D Articles, to download previous editions of "Australian Cherries" newsletter and much more.

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office@cherrygrowers.org.au

HORTICULTURE AUSTRALIA

Horticulture Australia Limited Update

HAL Funding Call - now open

You may be aware that the 2013/14 Funding Call opened yesterday. This call for projects period closes on November 9th 2013.

HAL is charged with funding quality Horticultural R&D on behalf of its members and the wider community. You will note that HAL has moved to a 'single call' or 'one call' process which is a significant shift from the previous two call process. You can access the flow chart illustrating the new one call process on the HAL website at www.horticulture.com.au. Also on the HAL website are the latest HAL policies that govern our funding process, and the Proposal Assessment criteria that HAL Research & Development staff assess each proposal against. In giving proposals the best chance in this competitive process, it is strongly suggested that each of these criteria is addressed in proposals. Unfortunately there are a number of proposals that do not address these criteria, resulting in delays within HAL or rejection of the proposal.

The Funding Call is for industry-specific proposals involving levies and/or voluntary contributions (VCs). Proposals are reviewed by the relevant Industry Advisory Committee (IAC) and a recommendation on funding made to HAL. Proposals must align with the industry strategic investment plan and annual investment priorities. All HAL investment must also align with the Australian Government's Rural Research and Development Priorities.

The Funding Call is also for proposals that are seeking to be funded solely by Voluntary Contributions (VC). HAL can co-invest with a proposal applicant on a dollar for dollar basis. The funds contributed by the applicant are referred to as Voluntary Contributions (VCs). HAL is able to provide matching funds from the Australian Government for VCs for projects which fall within the definition of R&D and are in line with the Australian Government's Rural Research and Development priorities.

Commissioned & Tender Projects and Extraordinary Calls

Throughout the year HAL commissions or tenders projects which can be industry or topic specific. You should check the HAL website for more information, or sign up to be directly notified each time HAL advertises for expressions of interest for project funding. Public tenders may also be advertised in the "Public Tenders" section of The Weekend Australian. You can also sign up to be notified when tenders are advertised.

Should you have any further questions please contact your Industry Services Manager or the relevant R&D Portfolio Manager as shown on the website.

Stuart Burgess
Cherry Industry Services Manager
Stuart.Burgess@horticulture.com.au

HAL
Horticulture Australia

LATEST CHERRY RESEARCH

Management of cracking – results continue to show promise

"Improving marketable yield of premium quality fruit" is possible. Two successful seasons of this HAL funded project run by the Tasmanian Institute of Agriculture have shown it is possible to reduce cracking and improve yields without losing quality. The 2010/2011 season showed that spray applications, high crop loads, high volumes of irrigation and removing extension growth during a rainfall event all reduced cracking significantly. Cracks in the cuticle at the top and the base of the fruit were reduced with sprays and high crop loads, and large side cracks in the flesh of the fruit were reduced under high irrigation, and with extension pruning.

The 2011/2012 season has again yielded reductions in cracking, and the project can now provide more confidence in the initial results. Several very large trials were completed this past season and strategies again focused on four key areas; Crop load manipulation, spray treatments, selective pruning and irrigation. In addition treatments were combined to assess interactions between strategies.

A very large trial (360 trees) considering the combined impact of crop load, timing of thinning, pruning and spray applications was undertaken on variety 'Sweetheart'.

Treatments included;

- A low, medium and high crop load, achieved by hand thinning each spur to 1, 2 or 4 floral buds respectively.
- Thinning at pre or post-bloom; dormant buds in winter and fruit 4 weeks after full bloom (close to pit-hardening).
- Pruning extension growth just prior to a rainfall event during the last week of fruit maturity.
- Five spray treatments; Pretect, RainGard™, SureSeal, VaporGard® and a control.

As with the 2010/2011 season, there was a significant reduction in cuticular cracking with all sprays, which accounted for the overall reduction in the total amount of cracked fruit. The sprays VaporGard®, RainGard™ and SureSeal were all particularly effective in this regard (see Figure 1). There were no interactions between the combined treatments meaning one strategy did not influence the outcome of another; for example the sprays were neither more nor less effective under different crop loads. The crop loads achieved under the different thinning regimes were significantly different, and the higher crop loads again saw less total cracking, mostly through a reduction in cuticular cracks (see Figure 2). This season, there was no effect of crop load on side cracks. Also this season no reduction (or increase) in cracking was seen with pruning of extension growth however the timing of pruning was different. The 2010/2011 reduction in cracking resulted from removal of extension growth one week prior to harvest *during* a rainfall event. This season (with 180 trees to prune) removal during a rainfall event was just not possible. Instead pruning was undertaken the day prior to a rainfall event - this had no impact on cracking levels.

Thus, using sprays and maintaining crop load again come out as viable techniques to reduce cracking. Without spray treatments the equivalent of 2.3 tonnes of fruit per hectare was lost due to cracking. The best performing spray treatment reduced this loss to 1.9 t/ha. Furthermore, fruit quality does not seem to suffer under these treatments – marketable yield can be improved by reducing cracking. In fact, some sprays significantly increased the average fruit size (See Table 1). Very little difference was noted in flesh texture, skin puncture force or fruit firmness. More importantly, the increase in size is not just significant on paper, but actually increased the number of trees with fruit in the larger class sizes (See Figure 3) therefore having the potential to increase margins.

This season, removing extension growth on a larger scale was trialled by heading using a cutter bar. This was undertaken three weeks prior to harvest. Unfortunately (for the trial!) there was no rainfall following this treatment, and no cracking observed. The treatment did however increase sugars and firmness (See Figure 4). Removing the extension growth was also trialled at different growth stages (during Stage II, and one week prior to harvest during Stage III) and cracking incidence and fruit quality was compared to trees with no pruning or removal of extension growth. Side-cracked fruit was significantly reduced in trees which had been pruned in the later stages, and these trees also produced fruit with more sugars. However, pruning at Stage II had the opposite effect; increased cracking and reduced sugars (See Figure 5).

Fruit from trees under low irrigation (50% standard grower application) again exhibited significantly more side cracks this year (See Figure 6). The reduction in side cracks contributed to the overall reduction in cracking in this trial. Furthermore, over two consecutive years now, low irrigation resulted in fruit with a higher cracking index value. Fruit properties under the different volumes of irrigation are shown in Table 2. Trees under high irrigation (150% standard grower application) produced larger fruit, and fruit from both the high and low irrigation treatments showed significantly higher firmness and skin puncture force properties.

These results, combined with previous research undertaken in the last few years is now leading towards a more comprehensive understanding of management of cracking in Australia. There are practical techniques available to build some resilience to late season rainfall. Results will now be further assessed to incorporate seasonal climatic differences. Comments and feedback from growers is welcome – cracking is a complex and interesting phenomenon, and any experience of cracking contributes to understanding and future research direction. For more information please contact Dr. Penny Measham.

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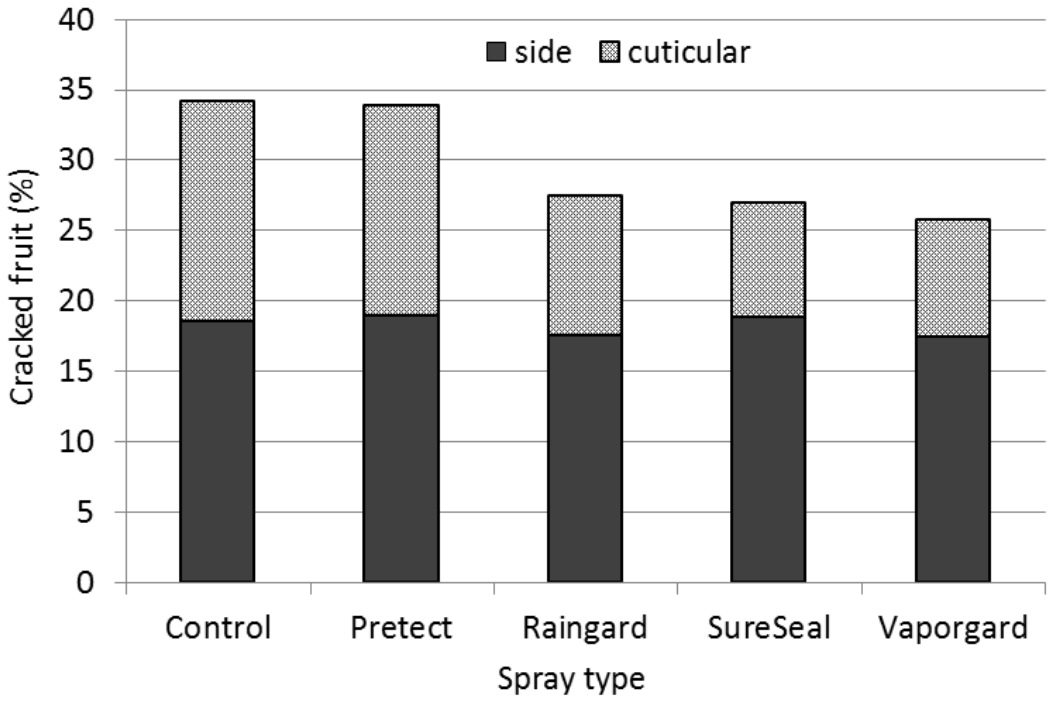


Figure 1 (above): The percentage of cracked fruit (separated within columns by crack type) from trees treated with five different spray applications.

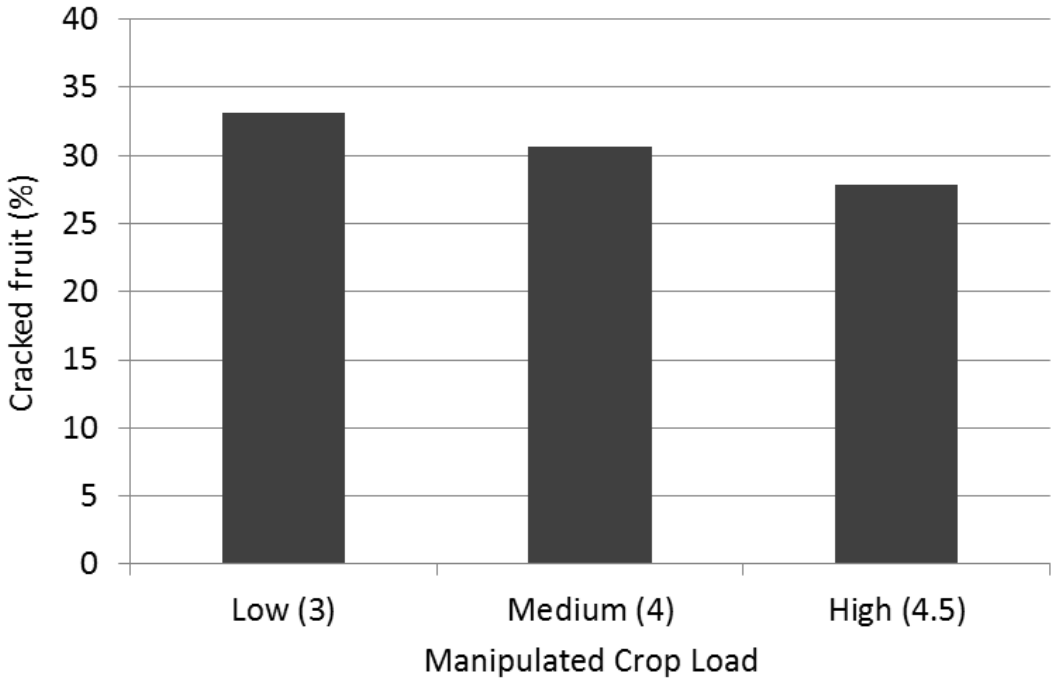


Figure 2 (above): The percentage of cracked fruit from trees with low, medium and high crop loads (3 – 4.5 fruit per trunk cross-sectional area).

Table 1 (below): Fruit quality values of fruit from trees treated with five different spray applications.
Within columns, values followed by the same superscript letter are not significantly different.

	Weight (g)	Width (mm)	Flesh (kg)	Skin (kg)	Firmness (g/mm)	Tss (^{o} brix)
Control	11.19 ^{a}	28.36 ^{a}	0.16 ^{a}	0.46 ^{a}	433.97 ^{a}	21.62 ^{a}
PreTect	11.59 ^{ab}	28.93 ^{a}	0.14 ^{a}	0.42 ^{b}	419.51 ^{a}	21.40 ^{ab}
RainGard	11.31 ^{ab}	28.46 ^{a}	0.13 ^{b}	0.44 ^{ab}	440.48 ^{a}	20.19 ^{b}
SureSeal	11.87 ^{b}	29.04 ^{ab}	0.15 ^{a}	0.43 ^{b}	426.69 ^{a}	21.89 ^{a}
VaporGard	12.55 ^{c}	29.95 ^{b}	0.13 ^{b}	0.36 ^{c}	417.21 ^{a}	18.94 ^{b}

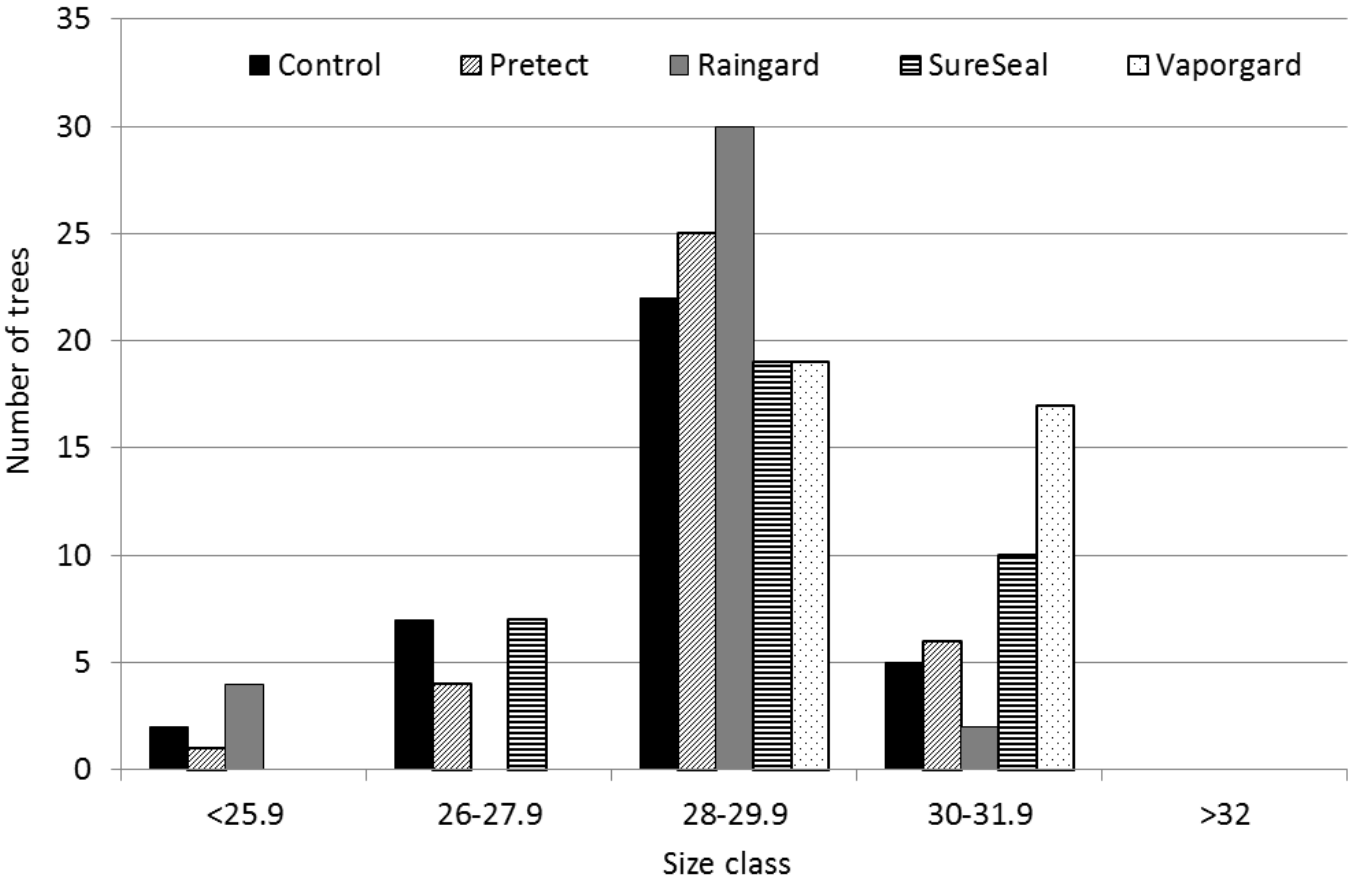


Figure 3 (above): The number of trees from each spray application treatment bearing fruit (average fruit size) within different class sizes.

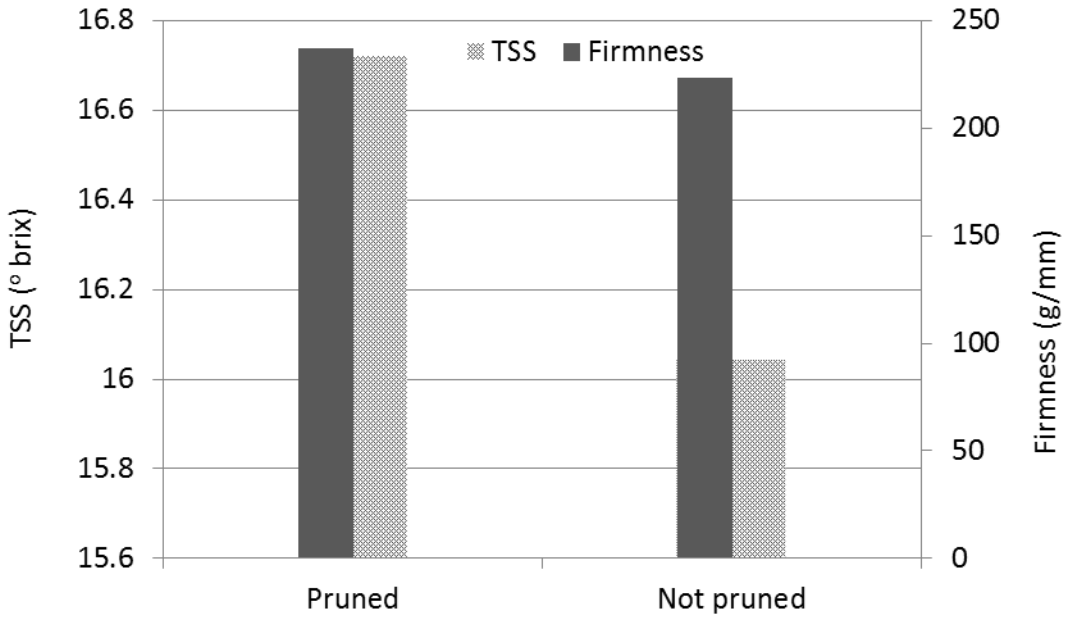


Figure 4 (above): The total soluble solid levels (A) and percentage of side-cracked fruit (B) from trees not pruned (control), pruned at Stage II and Stage III of fruit development.

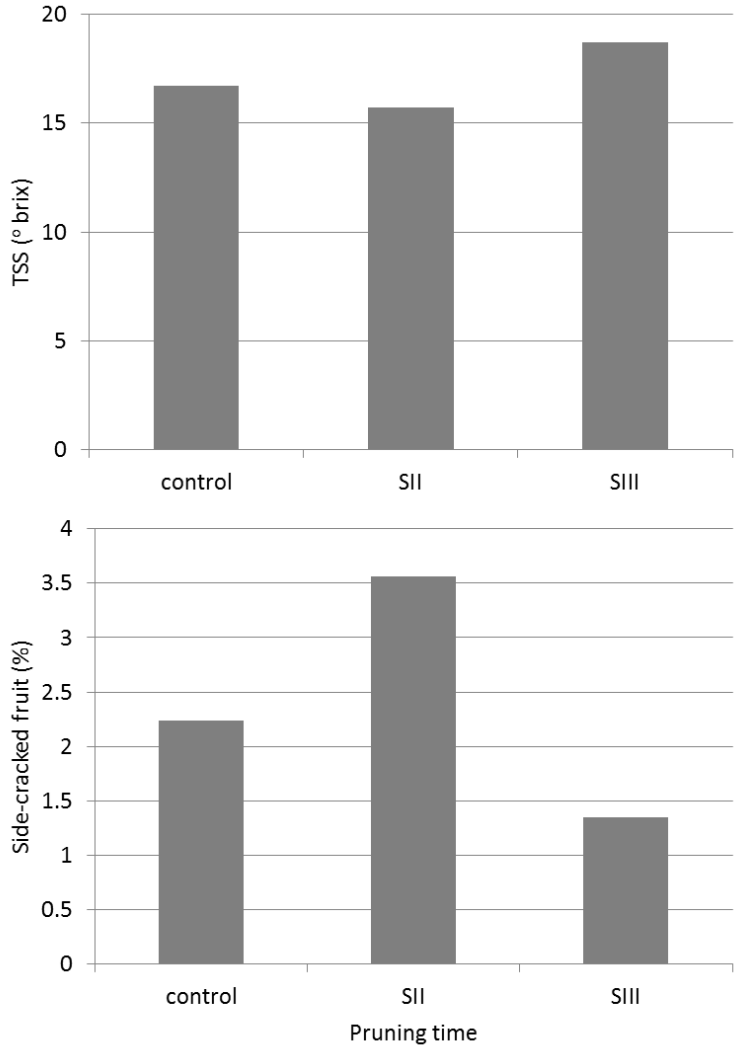


Figure 5 (bottom of previous page): The total soluble solid levels (A) and percentage of side-cracked fruit (B) from trees not pruned (control) , pruned at Stage II and Stage III of fruit development.

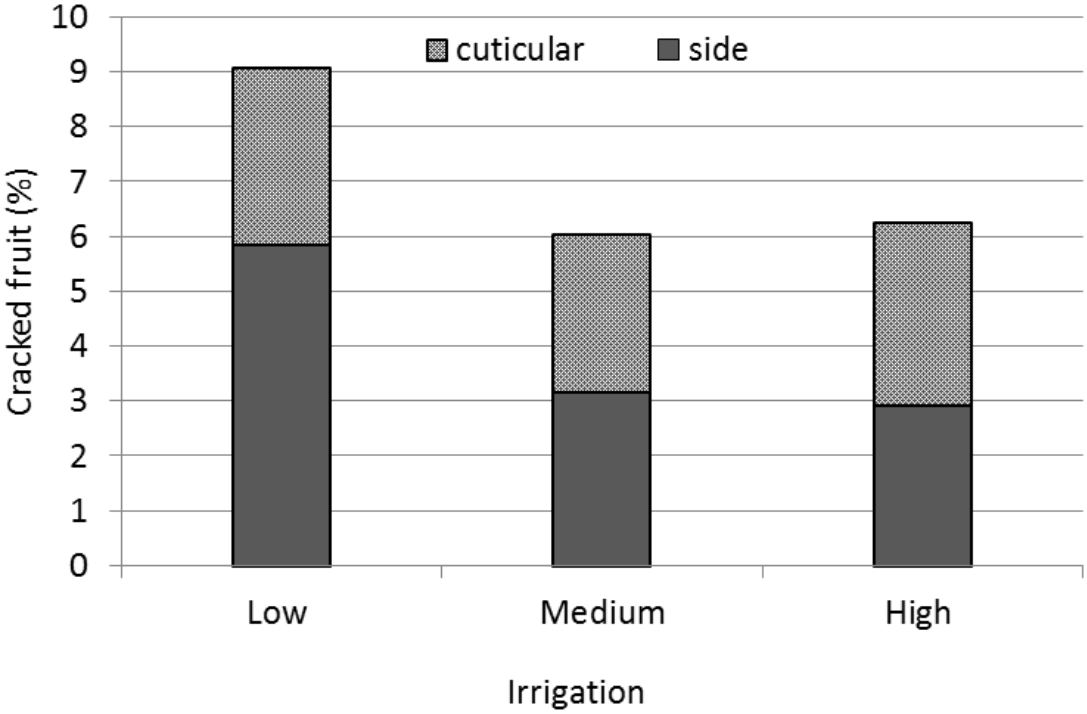


Figure 6 (above): The percentage of cracked fruit (separated within columns by crack type) from trees under low, medium and high irrigation volumes.

Table 2 (below): Fruit quality values of fruit from trees under low, medium and high irrigation volumes. Within columns, values followed by the same superscript letter are not significantly different.

	Weight (g)	Width (mm)	Flesh (kg)	Skin (kg)	Firmness (g/mm)	Tss (^{o} brix)
Low	12.096 ^{a}	29.596 ^{a}	0.421 ^{a}	0.103 ^{a}	274.08 ^{ab}	16.033 ^{a}
Medium	12.279 ^{a}	29.938 ^{ab}	0.407 ^{a}	0.099 ^{a}	266.193 ^{a}	15.371 ^{b}
High	13.328 ^{b}	31.305 ^{b}	0.424 ^{a}	0.102 ^{a}	279.583 ^{b}	15.931 ^{ab}

CGA-HAL Projects for 2012-2013

CY11026 — Maintenance and ongoing Development of Communications across the Australian Cherry Industry

CY11026 is a 3 year funded project with the key objective to provide strong communication amongst all stakeholders in the Australian Cherry Industry. It is vital for the major stakeholders and in particular growers, to be able to make informed decisions when facing future challenges and opportunities.

The aim of this project is to maintain and build on progress made with project CY11018.

Proposed key objectives of this project include:

1. Ongoing publication of Industry magazine "Australian Cherries" to be distributed 5-6 times annually.
2. Other mailouts of relevant information as required.
3. To deliver information to growers and other industry stakeholders, through facilitation with State Associations.
4. Ongoing maintenance and development of industry website, to include updated and relevant information and links.
5. Ongoing collection and evaluation of feedback from stakeholders to gain a better understanding of which communications media are most effective, plus evaluation of emerging and future communications technologies.
6. Keeping growers informed of and encouraging their participation in National marketing campaigns.
7. Promote strong communication with State Associations to facilitate effective planning and marketing projects.
8. Development of a strong export focus amongst growers and State Associations.

CY12007 — Export Development for Australian Cherries

CY12007 is a 3 year funded project and is a continuation of Project CY11017 to ensure that the market access and development work on behalf of the Australian Cherry industry continues. This is particularly important in regard to maintenance of existing markets and ensuring opportunities for further development in those markets are taken up.

A key focus of the project will be to build on the export culture already being developed amongst Australian Cherry growers across the growing regions, with a focus on key export markets such as Thailand to regain access and new markets like China.

EXPORT Culture

UNITED KINGDOM

Fact Sheet

General information:

Fact sheets are updated biannually; June and December

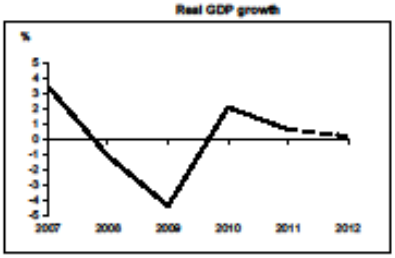
Capital:	London	**Head of State:**	
Surface area:	243 thousand sq km	HM Queen Elizabeth II	
Official language:	English	**Head of Government:**	
Population:	62.6 million (2011)	Prime Minister The Rt Hon	
Exchange rate:	A$1 = 0.6464 Pounds (Apr 2012)	David Cameron	

Recent economic indicators:

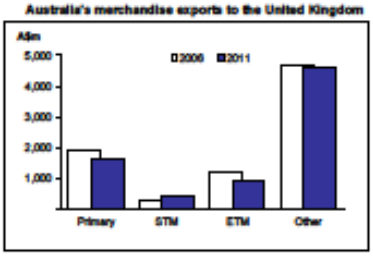
	2007	2008	2009	2010	2011 (a)	*2012 (b)*
GDP (US$bn) (current prices):	2,814.0	2,657.3	2,180.7	2,263.1	2,417.6	*2,452.7*
GDP PPP (US$bn) (c):	2,179.9	2,203.7	2,129.6	2,199.2	2,260.8	*2,308.5*
GDP per capita (US$):	46,149	43,298	35,287	36,371	38,592	*38,891*
GDP per capita PPP (US$) (c):	35,751	35,907	34,460	35,344	36,090	*36,605*
Real GDP growth (% change yoy):	3.5	-1.1	-4.4	2.1	0.7	*0.2*
Current account balance (US$m):	-69,710	-36,607	-31,784	-75,089	-46,469	*-42,324*
Current account balance (% GDP):	-2.5	-1.4	-1.5	-3.3	-1.9	*-1.7*
Goods & services exports (% GDP):	26.0	28.5	27.3	29.5	31.6	*32.2*
Inflation (% change yoy):	2.3	3.6	2.1	3.3	4.5	*2.4*

Australia's merchandise trade with the United Kingdom

Real GDP growth



Australia's merchandise exports to the United Kingdom



Australia's trade and investment relationship with the United Kingdom (d):

Australian merchandise trade with the United Kingdom, 2011:		*Total share:*	*Rank:*	*Growth (yoy):*
Exports to the United Kingdom (A$m):	7,539	2.9%	8th	-9.2%
Imports from the United Kingdom (A$m):	6,730	3.0%	10th	16.0%
Total trade (exports + imports) (A$m):	14,269	2.9%	9th	1.1%

Major Australian exports, 2011 (A$m):		**Major Australian imports, 2011 (A$m):**	
Gold	4,246	Medicaments (incl veterinary)	925
Coal	921	Passenger motor vehicles	672
Alcoholic beverages	410	Silver & platinum	558
Lead	328	Printed matter	285

Australia's trade in services with the United Kingdom, 2011:		*Total share:*
Exports of services to the United Kingdom (A$m):	3,923	7.8%
Imports of services from the United Kingdom (A$m):	4,817	8.2%

Major Australian service exports, 2011 (A$m):		**Major Australian service imports, 2011 (A$m):**	
Personal travel excl education	1,861	Personal travel excl education	1,783
Prof, tech & other business services	623	Prof, tech & other business services	1,051

Australia's investment relationship with the United Kingdom, 2011 (e):	*Total:*	*FDI:*
Australia's investment in the United Kingdom (A$m):	192,944	*52,105*
United Kingdom's investment in Australia (A$m):	470,846	*69,747*

United Kingdom's global merchandise trade relationships:

United Kingdom's principal export destinations, 2011:			**United Kingdom's principal import sources, 2011:**		
1	United States	13.3%	1	Germany	12.6%
2	Germany	11.2%	2	China	9.0%
3	France	7.8%	3	United States	8.1%
19	*Australia*	*1.4%*	*33*	*Australia*	*0.6%*

Compiled by the Market Information and Research Section, DFAT, using the latest data from the ABS, the IMF and various international sources.

(a) All recent data subject to revision; (b) IMF/EIU forecast; (c) PPP is purchasing power parity; (d) Total may not add due to rounding; (e) Stock, as at 31 December. Released annually by the ABS. na Data not available. np Data not published. .. Data not meaningful.

UNITED KINGDOM

By Wayne Prowse

It is hard not to have noticed the United Kingdom this year ! … Diamond Jubilee, London 2012 Olympics and Paralympics, not to mention ongoing infatuations with Will and Kate!! It has been good see some positive news from a region still in the wake of the GFC.

As many already know the United Kingdom boasts one of the world's most sophisticated fresh produce markets and despite its distance offers some good opportunities for growers and exporters prepared to meet the stringent demand from the retail sector. In fact being able to successfully implement a program with UK buyers is valuable experience for dealing with the new Asian trade. Just ask exporters who have been there already!

Mention Tesco, Sainsbury, Wal-Mart-Asda, Waitrose, Marks & Spencer and you know of some of the famous UK retailers with some of the world's toughest demands for high quality food. Their reputation depends on it and they import fresh produce from around the world to have it in their stores year round. And they are taking their expertise to Asia – another story in itself!

The UK fresh produce supply chain has certainly undergone numerous changes in the last decade, with large supermarket retailers becoming increasingly powerful. These retailers account for over 84 per cent of the fresh produce sales in the UK according to research reports. Their marketing systems are based on category management, a model that arguably enables a high level of collaboration through the vertical supply channels from grower to consumer and underpins relationship development.

For those not familiar with category management which is already developing in Australia, it is where a retailer appoints a preferred supplier to take greater responsibility for the entire supply chain of a given product category.

Differentiation Strategies

Category managers are always on the lookout for new ways to maximise their returns for the retail customers and invariably this falls to two key areas – price leadership and product differentiation.

Price leadership implies a lower price and may not necessarily be in the realm of where Australian suppliers are likely to target. However price leadership does not always mean the cheapest. It does need to represent the best value for the quality, consistency, service levels and promotional support for a product line over a given time frame.

As the table below illustrates the main supplier during the southern season is Chile with recorded price points of around 25 per cent (A$5.52) of the value of Australian cherries. Notwithstanding that top line data masks a plethora of information; the Chilean price points are 25 per cent higher than in the northern season of A$4.16 indicating already a higher price is achievable.

Cherry Imports by United Kingdom
July - June 2012

Supplier	2012			
	Value	Quantity	$ per kg	share
	A$ million	Tonnes		
Chile	$ 15.28	2,768	$ 5.52	16%
Argentina	$ 1.82	351	$ 5.20	2.1%
South Africa	$ 0.21	26	$ 7.95	0.2%
Australia	**$ 0.04**	**2**	**$ 20.16**	**0.01%**
S Hemisphere	$ 17.35	3,147	$ 5.51	18%
N Hemisphere	$ 57.98	13,952	$ 4.16	82%
Total imports	**$ 75.33**	**17,100**	**$ 4.41**	**100%**

Source of Data: Her Majesty's Customs & Excise

Product differentiation is critical if we are able to provide a different variety at a higher price point that may be sweeter, larger or perhaps a richer colour than the "everyday" varieties and UK category managers

like to differentiate products between "good, better, and best" lines. Having market knowledge is critical for enabling strategic decisions to be made on whether it is worthwhile to offer a special line of Australian cherries to a UK retail category manager for a set price and program leading into Christmas sales and before the competitor season is underway.

The catch is commitment. Yes we are prone to bad weather in Australia however that will not be their concern if we fail to deliver due to being short in the domestic market which is pushing up prices here. Our competitors know about servicing category managers and are taking this knowledge to Asian customers.

As you can see from the earlier table, the UK imported 17,100 tonnes of cherries in the 12 months to June 2012 worth A$75.3m. Of this 3,147 tonnes (18 per cent) were from the Southern Hemisphere indicating a possible imbalance of counter seasonal supply in a market that enjoys importing fruit all year round.

It is worth noting that the UK population is almost 3 times Australia's yet they consume only 30% of our equivalent volume during the southern season – albeit their winter. However there is also Christmas!

Chile accounts for most of the Southern season supply at average recorded price points of $5.52 per kg (AUD equivalent) which of course may not be viable for Australian exporters to match. However our recorded price for our 2 tonnes was $20.16 per kg.

Whilst initially this information may suggest that Australia is not competitive in the UK we need to do the sums to see if we can do better – taking some costs from the system, increase the volume and still make a viable return along the supply chain. It is important to look more closely at the opportunities using air freight for even say a 4 week period before Christmas. Ask if we have something better to offer for a set period? Market research is essential as is collaboration with others to ensure a larger more efficient supply base.

Loss of Competitiveness

I was interested in a study that I came across recently looking at the issues affecting the loss of competitiveness of Italian growers. The study highlighted that the loss of competitiveness among Italian growers had been due to the ongoing weakness of multiple small farms and poor logistic structures compared with the recent consolidation and innovation processes within Spain, Italy's traditional competitor and also the new fresh produce specialised countries which included Chile and Peru.

How does one overcome these weaknesses? According to the research involving a broad cross section of industry leaders and supply chain stakeholders, marketing strategists there were three key suggestions:

Horizontal Integration - at the agricultural level to achieving network efficiencies in the production and selling activities

Quality improvement - and better exploitation of the comparative advantages producers have with respect to weather, natural conditions, product variety and consistency.

Better relationships – particularly with big retailers that sell more 60 per cent of the production and are the only players in the distribution channel that actually can "persuade" consumers to buy the product.[i]

Developing relationships and then programs that build to sustainable volumes will take some time and is not something to dip into and out of according to the success of the season or otherwise. Marketing costs will involve visits to customers and possibly visiting Fruit Logistica (Berlin) in February to gain a better understanding of customer needs, then start with a small program with a high end retailer and deliver on promises regardless of what happened in our domestic market.

This is not going to be right for everyone however more efficient working together in managing trade through the category management model in the UK is a valuable experience for embracing the new Asian trade that is following suit.

Fresh Intelligence Consulting is providing market and trade information to the fresh produce industry including analysis of import at export trade statistics, market share and strategic market intelligence. For more information contact:

wayne.prowse@bigpond.com

[i] Sodano V – Channel Management and Differentiation Strategies

STATE REPORTS

I would like to begin by thanking Grant Wotton for all his time and hard work over the past 5 years as President of CGSA. For the past 18 months he has managed the association without the help of a secretary making his role all the more time consuming and for this we would like to sincerely thank him. I look forward to continuing to work with him in improving and leading our industry.

The current SA Cherry Growers Executive consists of:

- Andrew Flavell (President)
- Ian Greene (Vice President / Minute Secretary)
- Simon Cornish (Treasurer)
- Glyndon Flavell (Promotions Committee)
- Kym Green (R&D)
- Ian Sparnon (State Rep)
- Grant Wotton
- David Leonard
- Malcolm Parker
- John Caldicott
- Serena Flavell (CGSA Secretary)

There are still a couple of vacancies on our committee, anyone who is interested can nominate at our pre-harvest meeting – it would be great to see some new faces around the table.

With the recent change of office bearers, I would like to take the opportunity to thank those who have stepped down, in particular Nick Noske and Alan Mayne for their tireless support of the industry and the hard work they have put in.

The promotion committee have been working on producing our 6th edition of the SA Cherry Map ready for the upcoming season. They have also planned a media campaign to promote South Australian cherries throughout the season.

A group of local growers attended an emergency meeting of Fruit Fly Industry Stake Holders at the Riverland Field Days on 19th September 2012 to discuss the proposed Victorian and New South Wales change for managing fruit fly. We were encouraged that our State Government plans to continue to protect our state by maintaining our current quarantine protocols.

Grant is working with PIRSA and local growers in planning for the upcoming Thai audit as we are all well aware that we need to continue to expand marketing opportunities.

We have had a cold winter and a mild spring which has resulted in an ideal flowering period so we are all now hoping for a good fruit set.

Andrew Flavell
President CGSA

STATE REPORTS

Cherries
The Victorian Cherry Association

There is a huge concern amongst all growers in relation to the Victorian Governments recent decision not to fund the trapping and work with QFF. They have had meetings in many regions to explain the decision on how they believe QFF is endemic across Victoria. Their current wish is to make changes in two stages. Phase 1 would be across Northern Victoria and then Phase 2 across the rest of the state. Time frame is still undecided.

This action will make it extremely difficult to export and to get decent protocols within our desired markets. Area freedom can be considered but will cost an exorbitant amount of money annually. Hopefully we will have a much clearer direction shortly but I urge growers not to change their cultural practices of last year and make sure they are registered for the Melbourne area.

Most cultivars in Northern areas are past full bloom but just waiting to see what actually sets. Obviously later regions are still to finish. Winter chill was very good this year so I expect crops to be reasonable.

The VCA will be holding our Annual Meeting on October 26 at the Lillydale Estate, Seville. The AGM will commence at 10 am and will include guest speakers, Les Mitchell of Agrisearch who will present on the Stem Retention project, and Dugald Close from TIA who will provide an overview of the recently completed HAL-Cherry Industry funded project "Optimising cherry fruit set, crop load, fruit nutrition and size".

An Orchard Tour will immediately follow the AGM. This will be a guided tour focussing on rain covers in Oaksun Orchards, Seville.

The promotional campaign for the VCA this year will commence with Cherry Week at the Queen Victoria Market with an official opening on Saturday 17 October. First major event on Tuesday 20th Nov. is "The Biggest & Best" box of cherries to be auctioned at a ticketed breakfast run by Melbourne City Mission. All Victorian growers will be invited to submit a 5kg box of cherries to be judged by a group from or associated with the Queen Vic Market. Second is our Cherry Pip Competition on Friday 23rd run by Vikki Leng.

Stuart Pickworth

STATE REPORTS

At this stage it is a little too early to tell what the crop is like but early indications are for a large crop. The winter rains have been good and there is plenty of sub soil moisture available to finish the crops. After the rains of the last two seasons growers are mindful of the nutrients that have been leached from their soils, nitrogen and sulphur seem to be the main ones.

There is some concern just how big this year's crop will be from NSW as it has been four years since there was a reasonable year. There are a lot of new trees that have not been harvested due to the seasons but they are now close to full production. It was estimated that only 10-15% of the states cherries were harvested last year and just under 1000T was sent to the market last year, so now growers are very nervous about access to China and when that may happen.

As for market access, there is a large misunderstanding of the potential for exports from mainland Australia. Most of the media seem to report that it is Tasmania that has the most potential but they seem to forget just what the potential is for the mainland. While Tasmania has done well to promote its pest free status they will still need to compete with Chile who is in the same time slot. The mainland needs to promote the fact that we have the market to ourselves and an opportunity to supply without a lot of competition and have the potential to grow our exports. It is expected that Chile could supply China with 2000 - 40' containers this year.

The Young district has set up its own Biosecurity committee to tackle some of the challenges of pests and disease. Over the last few years we have seen a greater number of abandoned orchards as returns have been poor and fruit has been spoilt by weather. This has raised concern over pest pressure from those orchards. The main focus will be on fruit fly as we are now losing some of the management options available to us. There has been some very good support from both the Young and Harden shires and a good cross section of people now sit on that committee.

The National Conference next year will be held in Canberra from August 5th to 8th. Early in the New Year there will be some further details about this conference and in the meantime please refer to the "save the date" advertisement at the bottom of the next page. One of the venues will be the Australia War Memorial where there will be drinks and a light show under the WW2 bombers.

Our AGM was held in Young this year and well attended by members. The meeting was quick and there were presentations from BioAg fertilisers, AustSafe Super, NSWDPI and Biosecurity Australia. Geoff Hall after many years of loyal service to the industry did not seek re-election and Tom Eastlake and John Odell were elected to join our committee.

Scott Coupland

STATE REPORTS

Fruit Growers Tasmania have had their annual Export Registration Training for 2012 and updated all growers on trapping and spray requirements for this upcoming cherry season. Export registrations are at a similar level to last year although growers voiced concern over what might happen in 2013-2014 when the Federal Government subsidy on packing shed registrations is unavailable. Many small to medium sheds indicated that once fees jump to $8500 per annum they will find it hard to justify registering for export.

Fruit Growers Tasmania held a seminar for cherry growers on Cherry Cultivars and Chill Hours based on the work done through project CY 11010. Rebecca Derbyshire, who is completing her studies at the University of Melbourne, travelled to Tasmania and held a workshop using the chill hour calculator which growers found very helpful.

With many growers finding Farm Gate and Farmers Markets a good aside to their business, FGT has also held a Start Your Own Facebook Page class for growers. The workshop was especially focussed on beginners and those uncomfortable with modern technology and highlighted the difference between personal and business Facebook sites. Growers set up their own sites at the class and learnt how to upload photos and maximise the benefits of Facebook.

Fruit Growers Tasmania attended Asia Fruit Logistica for the 5th time in September and showcased cherries, apples, stonefruit and berry growers from the state. Four export companies were represented at the trade show which illustrates the increasing commitment we need to have in developing Asian markets. Fruit Growers Tasmania will also be attending the China World Fruit & Vegetable Fair in Beijing in November.

Lucy Gregg
Business Development Manager
Fruit Growers Tasmania