Victorian Potato Industry Strategic Plan

2015/16 -2019/20

September 2015

ViCSPA

VICTORIA State Government

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About this plan

This plan has been developed under the guidance of representatives of the Victorian potato industry. It commenced with a workshop hosted by the Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR) in January 2015 involving over 30 people. Participants included producers of fresh, processed and seed potatoes, merchants, potato processors and representatives from DEDJTR, ViCSPA, VFF, HIA and AUSVEG. A working group was subsequently formed to help with and oversee the development of the plan (see Appendix 1 p39).

This plan has been produced to help guide areas of focus for future investment and research and development for the Victorian potato industry. A key component of it has been obtaining grass-roots input into its development, with workshops held in Ballarat and Warragul involving producers, processors, researchers and service providers.

List of Abbreviations

ABS	Australian Bureau of Statistics
ARC	Australian Research Council
ASPC	Australian Seed Potato Council
DEDJTR	Department of Economic Development, Jobs, Transport and Resources
GVP	Gross Value of Production
HAL	Horticulture Australia Limited
HIA	Horticulture Innovation Australia (previously HAL)
PPAA	Processing Potato Association of Australia
R&D	Research and Development
SPV	Seed Potatoes Victoria
VFF	Victorian Farmers Federation
VPGC	Victorian Potato Growers Council (VFF)
ViCSPA	Victorian Certified Seed Potato Authority
VPIAC	Victorian Potato Industry Advisory Committee (AUSVEG)
VPIWG	Victorian Potato Industry Working Group

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Acknowledgements

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Disclaimer

The information contained in this document has been gained from anecdotal evidence and research. It has been prepared in good faith and is based on information supplied by DEDJTR, ViCSPA, AUSVEG, HIA, ABARES, ABS and others, along with input from a broad range of industry stakeholders. Neither Miracle Dog nor its servants, consultants, agents or staff shall be responsible in any way whatsoever to any person in respect to the report, including errors or omission therein, however caused.

Program plan – at a glance

This strategic plan for the Victorian potato industry has been developed to benefit all individual participants and the industry in general, and especially to build enduring partnerships and a clear direction for potato producers, agents, processors, industry organisations, researchers and governments.

This plan will operate from September 2015 to June 2020. While it is a five year plan there are two key timeframe elements:

a. It should be monitored for progress on an annual basis

b. The 5 year timeframe should not restrict it from a longer term vision of 10 years and beyond.

This plan uniquely focuses on the Victorian potato industry and while there are no previous specific plans for the Victorian potato industry, it is closely linked with, and complementary to, national potato strategic plans. It can most easily be summarised diagrammatically as follows.

Victorian Potato Industry – Strategic Plan

Vision: The Victorian potato industry is a vibrant, profitable and sustainable industry with a clear direction for the future

Mission: The Victorian potato industry uses world's best practice to provide a versatile food that continuously exceeds consumer expectations.

Our Priorities – Our Strategies

- Increase demand for potatoes (page30)
- Increase industry productivity (page 31)
- Gain market access opportunities (page 32)
- Build industry partnerships & engage growers (page 33)
- Increase resources for industry (page 34)
- Increase industry capacity and profile (page 35)

Key success factors:

- ✓ Maintain per capita consumption
- ✓ Seek productivity increases > 2% per annum[#]
- ✓ Understand and access new markets
- ✓ Foster increased supply chain cooperation and partnerships
- ✓ Enhance the industry's profile, confidence and skills

[#]Note: The Key success factor of 'productivity increases greater than 2% per annum' should not be considered as simply yield increases. Agricultural productivity is mostly measured as the ratio of agricultural outputs to agricultural inputs. A useful definition is Total Factor Productivity (TFP).which is defined as the ratio of total market outputs to total market inputs. TFP captures the combined effect on productivity of changes in multiple inputs or outputs and is a useful indicator of changes in overall efficiency of production.

1. Operating environment

1.1 Planning framework

While there is no existing plan for the Victorian potato industry, there are plans, past and present, at a National level. These plans are separated into 'fresh' and 'processed':

- Previous national plans for fresh and processed potatoes: - '*Fresh potato plan 2006-2011*[1]' & '*Processed potato plan 2006-2011*[2]'
- Existing national plans for fresh and processed potatoes – '*Australian Fresh Potato Industry Strategic Investment Plan 2012 – 2017*[3]' & '*Australian Processed Potato Industry Strategic Investment Plan 2012 – 2017*[4]'

Without in any way seeking to reproduce these plans, it is useful to list their key strategies so as to view the alignment with this Victorian plan.

The previous Fresh potato plan 2006-2011 & processed potato plan 2006-2011 had equivalent 'Strategic Imperatives', although differing strategies (activities) for Strategic Imperative 1 and 2

- Strategic Imperative #1: Improve consumer demand for Australian fresh/processed potatoes
- Strategic Imperative #2: Increase industry competitiveness
- Strategic Imperative #3: Improve industry communication and information systems
- Strategic Imperative #4: Improve leadership and management capability

[1] Horticulture Australia Limited & the Australian Fresh Potato Industry (2006). Australian Fresh Potato Industry Strategic Plan: 2006 – 2011, HAL Project No. MT06026. December. Prepared by Russell Cummings, STRATEGIC BUSINESS DEVELOPMENT
[2] Horticulture Australia Limited & the Australian Processing Potato Industry (2006). Australian Processing Potato Industry Strategic Plan: 2006 – 2011, HAL Project No. MT06026. December 2006. Prepared by Russell Cummings, STRATEGIC BUSINESS DEVELOPMENT
[3] Horticulture Australia Limited and AUSVEG (2012). Australian Fresh Potato Industry Strategic Investment Plan 2012 – 2017. June. Stride Consulting
[4] Horticulture Australia Limited and AUSVEG (2012). Australian Processed Potato Industry Strategic Investment Plan 2012 – 2017. June. Stride Consulting

The current national plans for 2012-2017 have very similar strategies for both the processed and fresh sectors of the industry.

Australian Fresh Potato Industry Strategic Investment Plan 2012 – 2017

1. *To increase innovativeness*
2. *To increase usage of practical research findings*
3. *To enhance communication and well-founded understanding of the market for fresh potatoes*
4. *To advance more effectively the cause of the Australian Fresh Potato Industry*

Australian Processed Potato Industry Strategic Investment Plan 2012 – 2017

1. *To increase competitiveness, including increased productivity and reduced costs*
2. *To increase usage of practical research findings*
3. *To improve communication and market awareness across the industry*
4. *To advance more effectively the cause of the Australian Processing Potato Industry.*

1.2 Situational analysis

1.2.1 Production

Potatoes are the number one vegetable grown in Australia. In terms of comparative production, potatoes far outstrip the next three highest production vegetables in tomatoes, onions and carrots (Figure 1)[5]

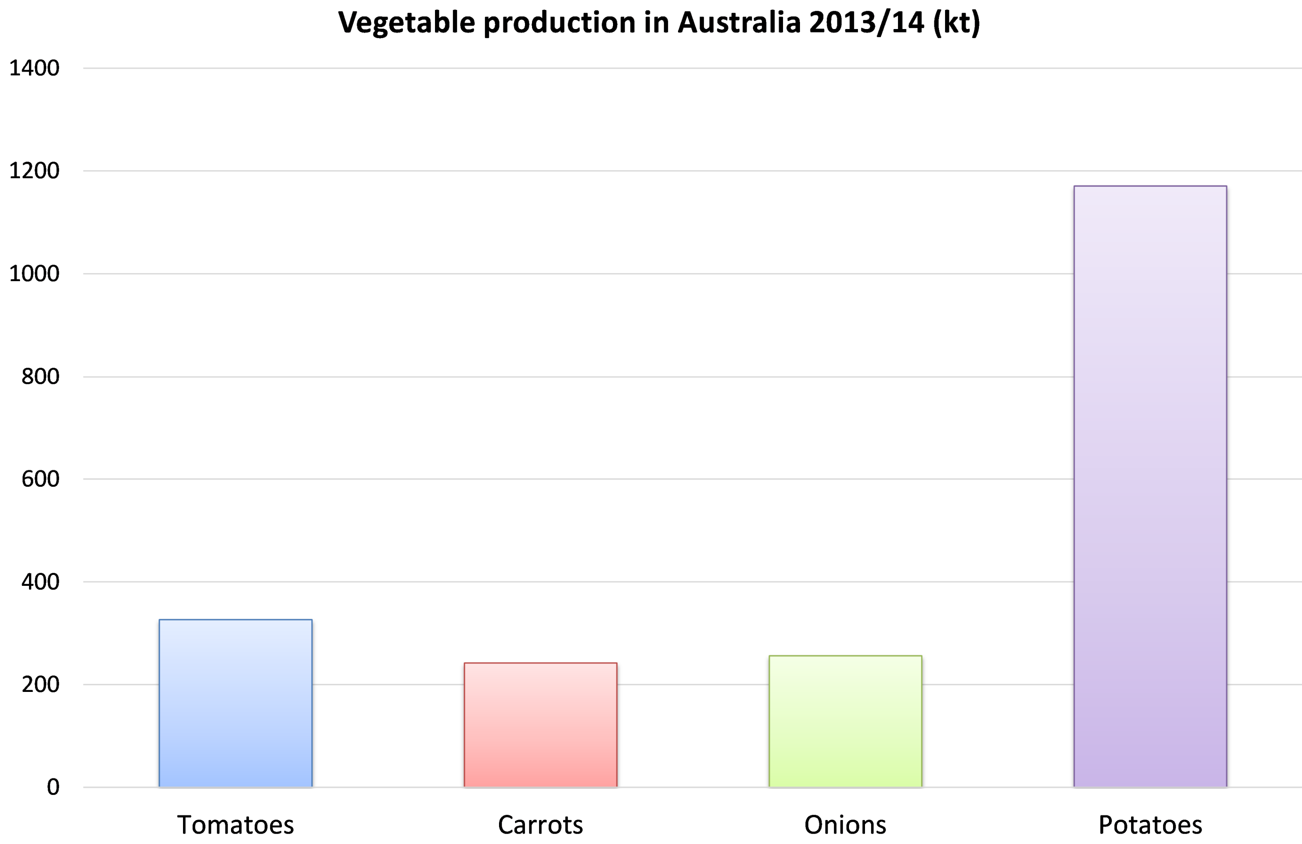


Figure 1: Production of Australia's four most produced vegetable

[5] ABS (2015). 71210DO001_201314 Agricultural Commodities, Australia, states and territories–2013-14

ABS estimates that there were 918 potato producers in Australia in 2013/14, planting 29,505 hectares and producing 1,171kt of potatoes at an average yield of 39.7t/Ha. Equivalent figures for Victoria in 2013/14 are 231 potato producers, planting 7,587 hectares and producing 292kt of potatoes at an average yield of 38.5t/Ha[6].

Over the last 60 years, Australian potato production has tripled however growth has stalled over the last two decades, at around 1.2 million tonnes per annum (Figure 2). Australia is only a small producer globally compared to some countries such as China (73mt), Russia (36mt), India (25mt), the Ukraine and USA (each 19mt).

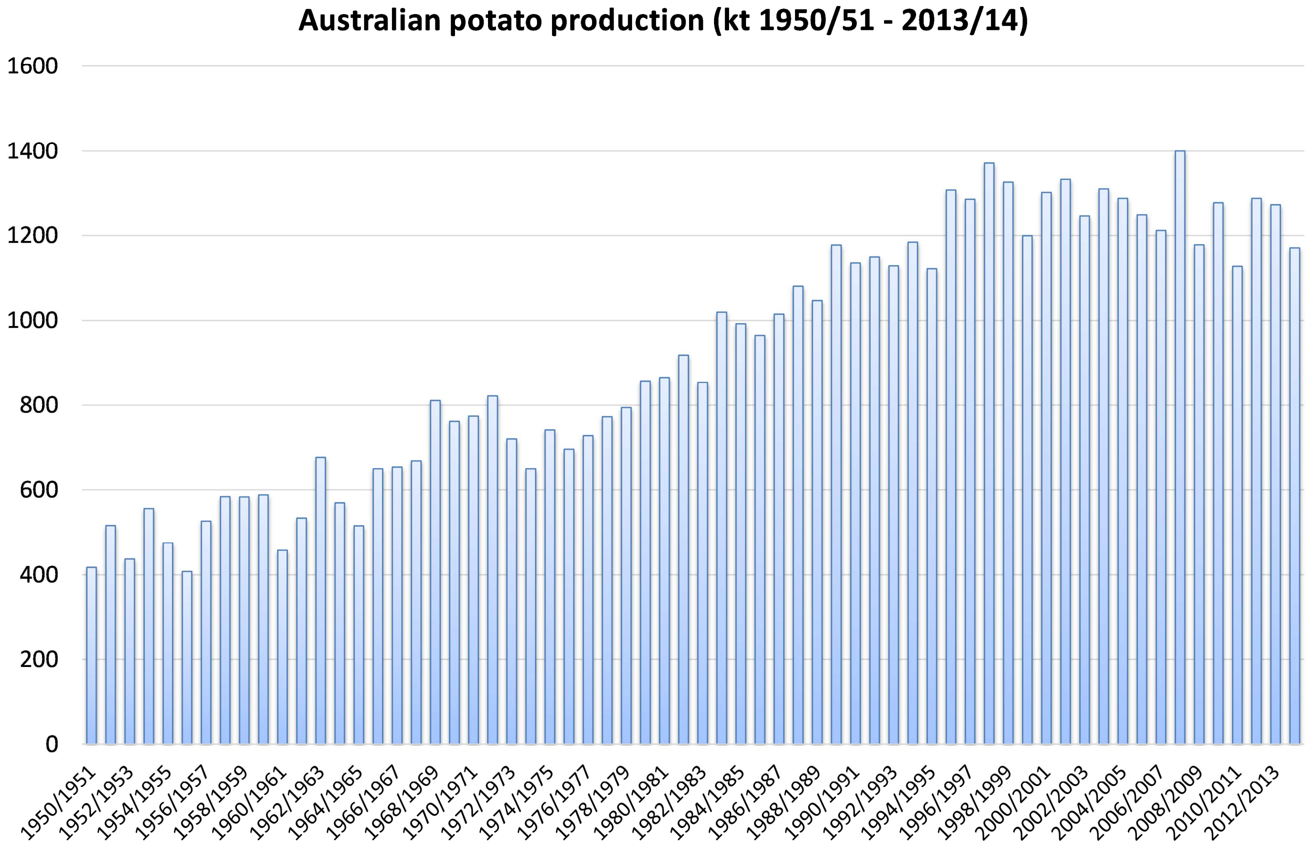


Figure 2: Australian potato production (2001-2013)

[6] ABS (2015). Op. cit.

Across Australia in 2013/14 (Figure 3), SA was the country's largest producer (352kt) followed by Victoria (292kt) then Tasmania (252kt)[7].

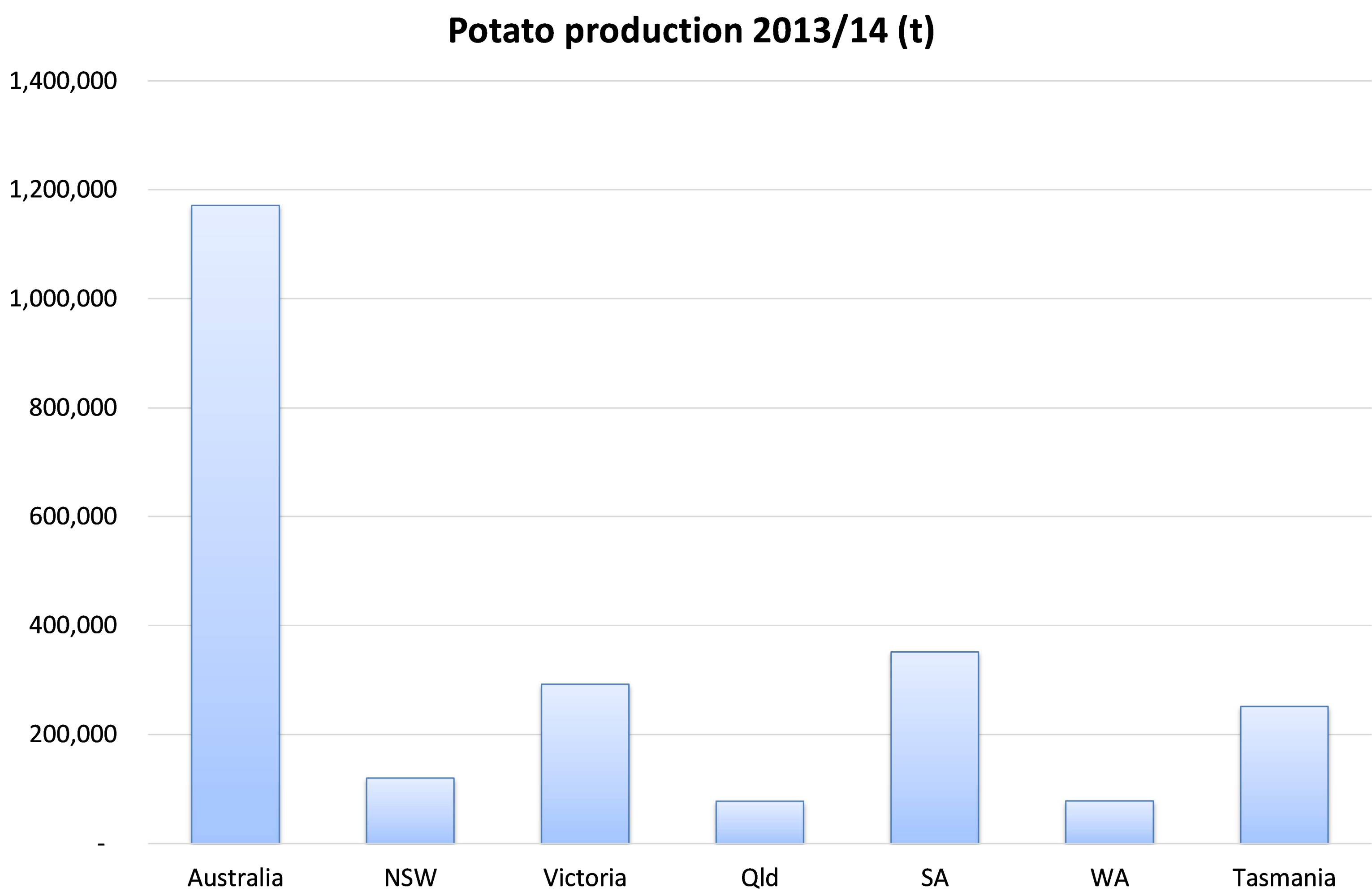


Figure 3: Potato production by state 2013/14

[7] ABS (2015). Op. cit.

Comparative yields per hectare show considerable variation between states (Figure 4)[8] with Victoria's yield being close to the national average. Over the last decade potato yields have been rising slightly[9]

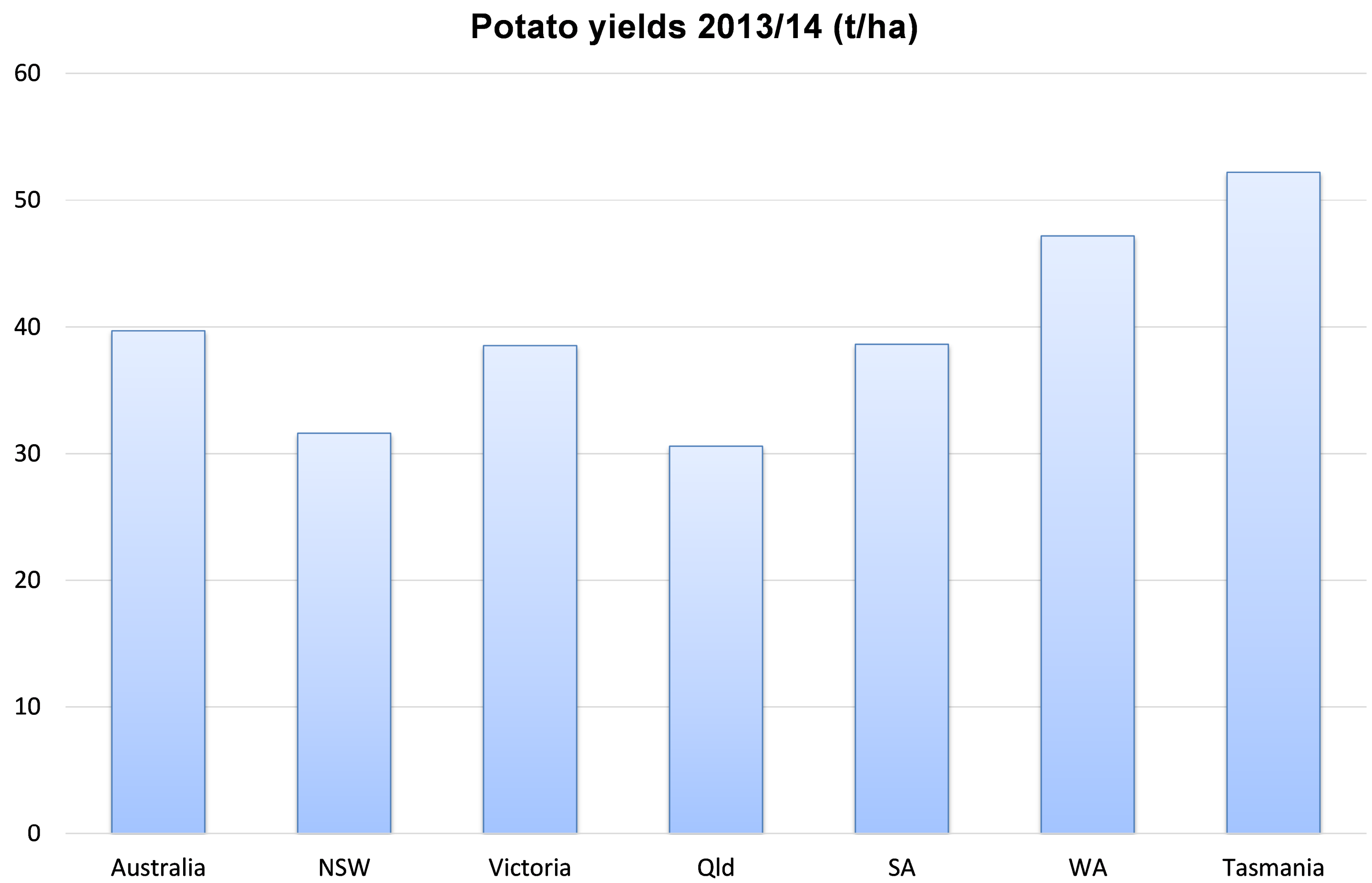


Figure 4: Potato yields per hectare by state (2013/14)

[8] ABS (2015). Op. cit.
[9] ABARES (2014) Australian vegetable growing farms. An economic survey, 2012–13 and 2013–14. Haydn Valle. Research Report 14.15

Breaking production down regionally within Victoria (figure 5), highest production levels were found in West Gippsland, Corangamite, Port Phillip then Mallee. However, these regions are based on Catchments rather than specific potato growing areas and can be slightly misleading (e.g. Ballarat covers at least 3 regions).

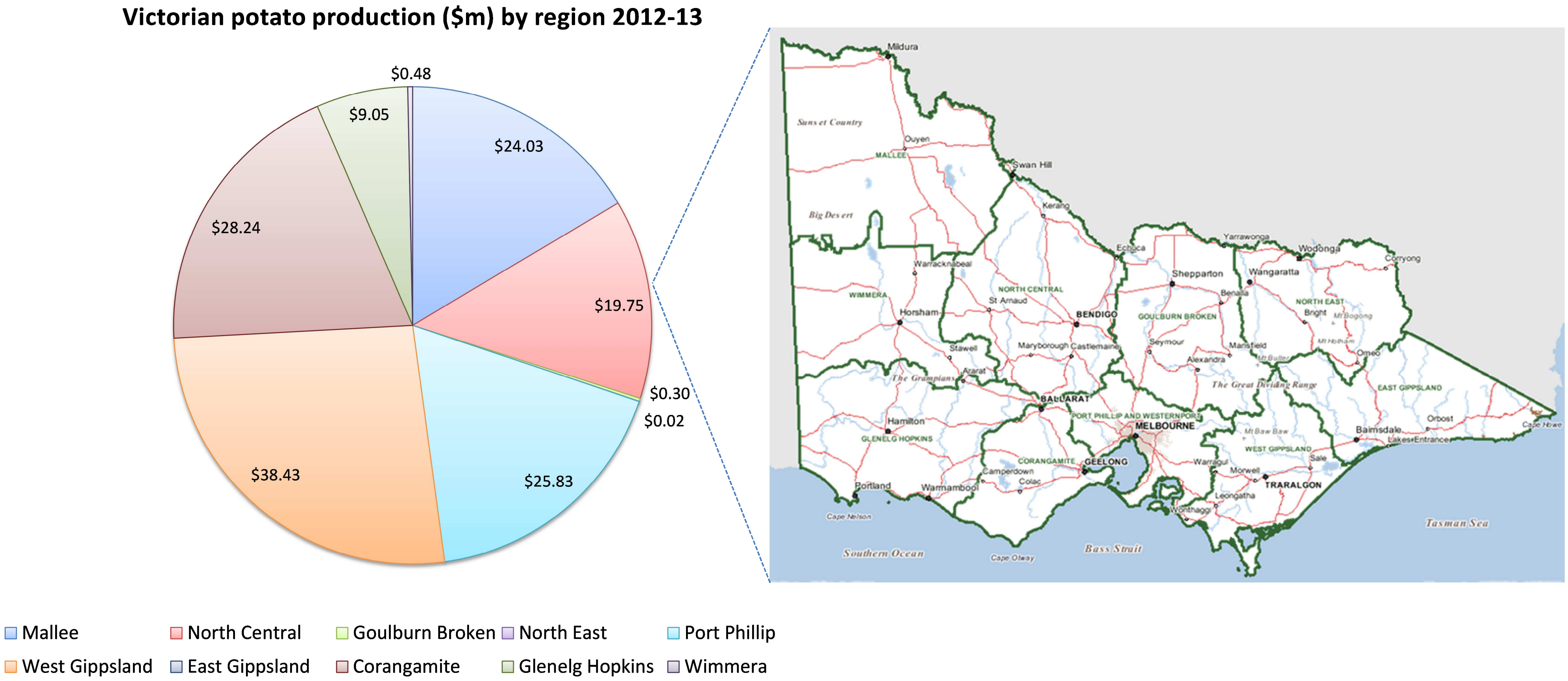


Figure 5: Potato production by regions within Victoria

Seed Potato Production

The total area submitted in 2013/14 for certified seed production under the ViCSPA scheme was 1893 ha[10]. This figure was only 4 ha down on the previous year (Figure 1). Of the total area submitted in 2013/14 there was an overall withdrawal/rejection of only 3%, which was down 1% on the previous year. The area of seed potato crop submitted for certification per district is shown in Figure 6. By district mainland South Australia (not including Kangaroo Island) had the highest area submitted followed by Ballarat, Gippsland, Kangaroo Island, Otways, Portland and then Kinglake.

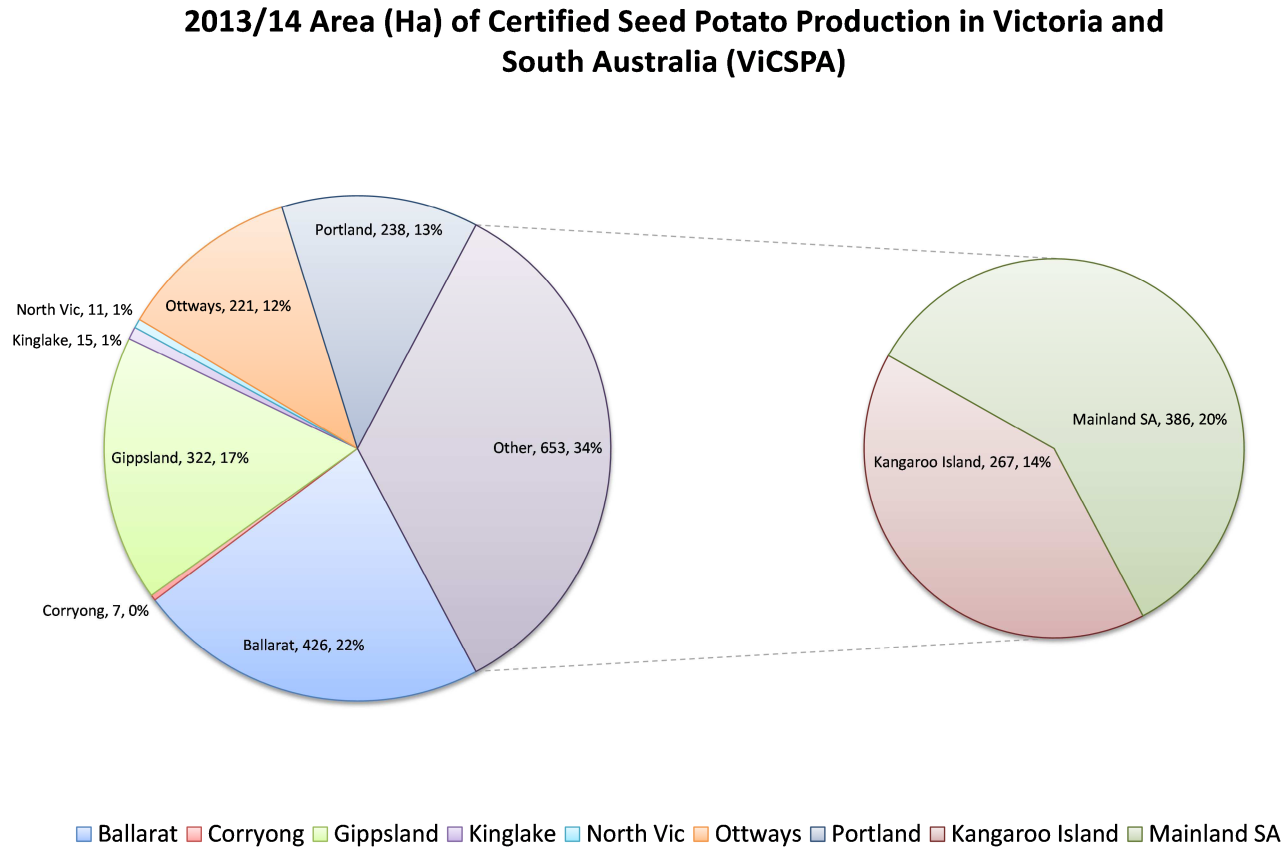


Figure 6: Area of certified seed potato production in Victoria and South Australia

[10] ViCSPA (2014) AGM Report 2013/14

1.2.2 Value of production and profitability of producers

Australian production was valued at $620m in 2013/14[11] and Victoria's $137m (Figure 7).

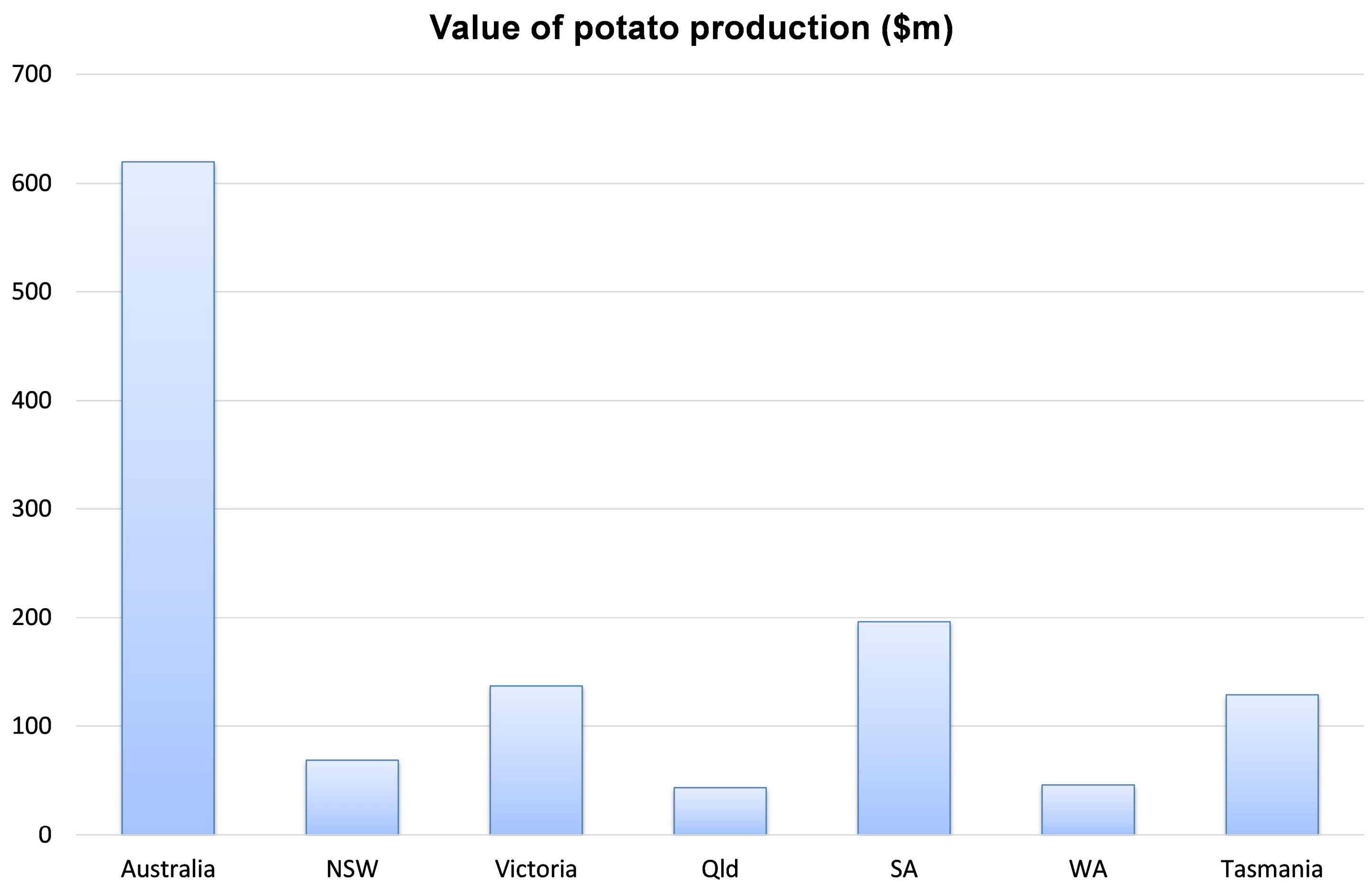


Figure 7: Farm gate value of potato production by state ($m)

[11] ABS (2015) Value of Agricultural Commodities Produced, Australia, 2013-14. Cat 7503.0

The price of potatoes over the last decade has remained relatively flat (figure 8)[12].

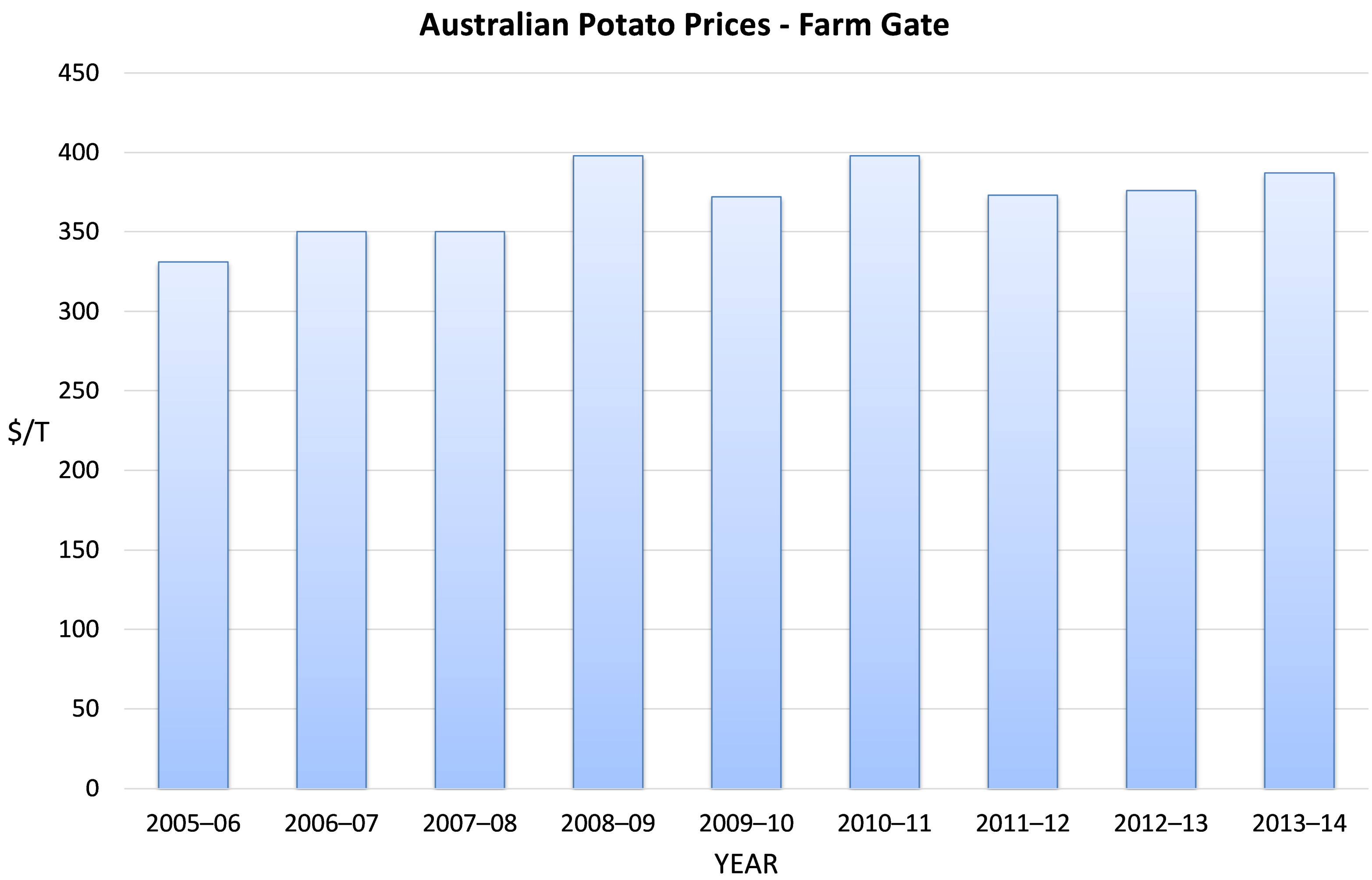


Figure 8: Farm gate prices for potatoes – Australia 2005-06 to 2013-14

[12] ABARES (2014) Op. Cit. and earlier editions

It is difficult to obtain clear statistics on the profitability of potato growers, although ABARES[13] has produced statistics (table 1) showing key production and financial data from a survey of producers across the 5 year period to 2013-14. The results indicate **net** cash returns per farm in the vicinity of $130,000 to $150,000 per farm, excluding input labour. It also shows the significant increase in cost of production over the period.

Table 1: Potato grower survey – selected production and financial data 2009-10 to 2013-14

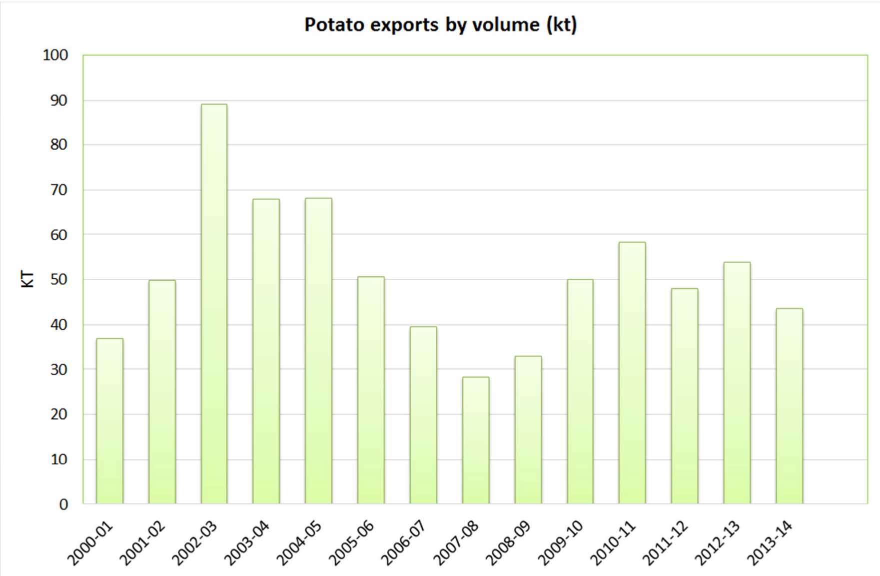
Selected estimates	Unit	2009–10		2010–11		2011–12		2012–13p		2013–14y	
Realised sample	no.	94	–	99	–	90	–	96	–	89	–
No. of growers	no.	985	–	741	–	1 043	–	801	–	711	–
Price	$/t	372	(3)	398	(4)	373	(6)	376	(5)	387	(5)
Cash costs	$/t	199	(7)	210	(11)	250	(10)	233	(7)	na	–
– including imputed labour	$/t	209	(7)	219	(11)	263	(10)	246	(7)	na	–
Net cash return a	$/t	130	(23)	268	(22)	136	(8)	140	(24)	na	–
Area sown	ha	34	(17)	44	(10)	32	(20)	29	(14)	30	(18)
Production	t	1 345	(11)	1 584	(10)	1 192	(22)	1 117	(15)	1 197	(18)
Quantity sold	t	1 296	(11)	1 598	(10)	1 157	(22)	1 051	(16)	1 172	(18)
Yield	t/ha	39	(9)	36	(4)	38	(7)	39	(4)	40	(5)
Area irrigated	ha	34	(17)	43	(10)	31	(20)	28	(15)	na	–
Volume of irrigation water applied	ML	139	(14)	127	(14)	113	(37)	136	(22)	na	–
Irrigation water per hectare	ML/ha	4.1	(13)	3	(11)	3.6	(20)	4.8	(10)	na	–

a Excludes imputed labour. p Preliminary estimate. y Provisional estimate. na Not available.
Note: Population includes all farms that grew selected vegetable commodity. Figures in parentheses are standard errors expressed as a percentage of the estimate.
Source: ABARES Australian vegetable growing farms survey

[13] ABARES (2014) Op. Cit.

1.2.3 Import and export volumes

Exports of fresh Australian potatoes have been fairly static over the last 5 years at around 30,000 tonnes. In the early 2000's seed potato and fresh potatoes were of similar export quantities, although seed potato exports have been reducing since the mid 2000's with the export of fresh chilled potatoes increasing. This was made up of **37,766 tonnes** of fresh product and **14,605 tonnes** of processed product[14]. The volume and value of exports is shown in Figures 9a and 9b. Main export markets have been Indonesia, Hong Kong, Singapore, Pacific islands, other SE Asia and the Middle East (especially UAE).



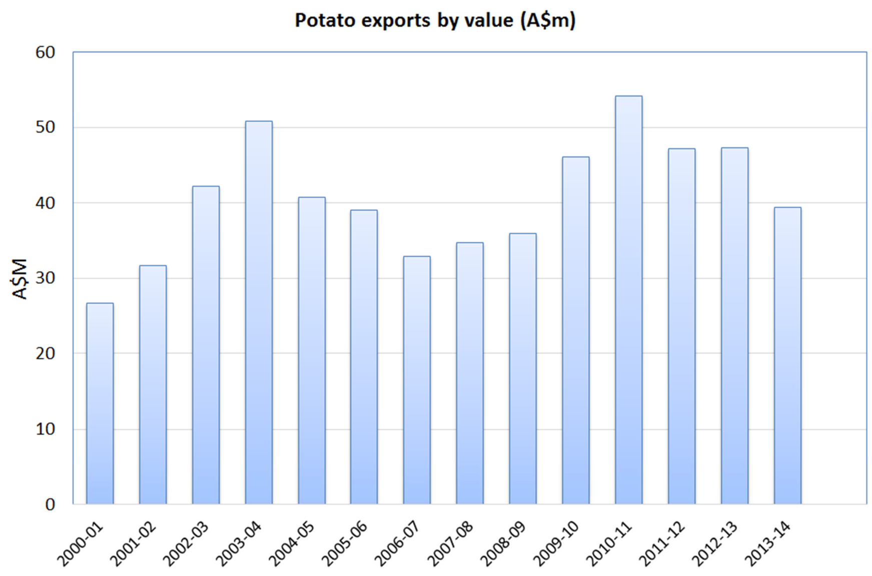


Figure 9a: Volume of potato exports (2000/01 to2013/14)

Figure 9b: Value of potato exports (2000/01 to2013/14)

Potato imports (processed) were 108kt[15] in 2012/13, mainly coming from New Zealand, Netherlands and USA.

[14] Fresh Logic (2014). Potato Market Profile. Produced for DPIPWE Tasmania (http://dpipwe.tas.gov.au/Documents/Potato%20Profile%20updated%20March%202014.pdf)
[15] Fresh Logic (2014). Op. cit.

1.2.4 Consumption

Estimates of potato consumption in Australia (HAL and AUSVEG[16]) suggest that per capita fresh potato consumption in Australia has been reducing over recent years. Estimates have been 23.9kg in 2008-2009, 21.2kg in 2009-2010, and 20.6kg in 2010-2011. From a processed potato perspective, HAL and AUSVEG[17] estimate that annual per capita consumption was in the vicinity of 20 kg over the period 2008/09 to 2010/11.

Fresh Logic (2014) estimated that for the year ending June 2013 per capita consumption for fresh potatoes purchased through retail for home consumption was 14.56kg, and for fresh potatoes purchased and consumed in foodservice away from home was 3.24kg. Per capita consumption for processed potato products purchased through retail for home and foodservice consumption was 17.73kg. Therefore total annual consumption was 35.53kg per capita[18].

The following graphic (Figure 10) shows the route to market for Australian potatoes in 2012/13. It is anticipated that the Victorian production would follow a similar path. About 53% of potatoes were sent for processing and 47% sold fresh. Of processed product, the majority is sent to the foodservice sector (79%) with 19% sent to retail and 4% exported.

[16] HAL and AUSVEG (2012). Australian Fresh Potato Industry Strategic Investment Plan 2012 – 2017. June. Stride Consulting
[17] HAL and AUSVEG (2012). Op. cit.
[18] Fresh Logic (2014). Op. cit.

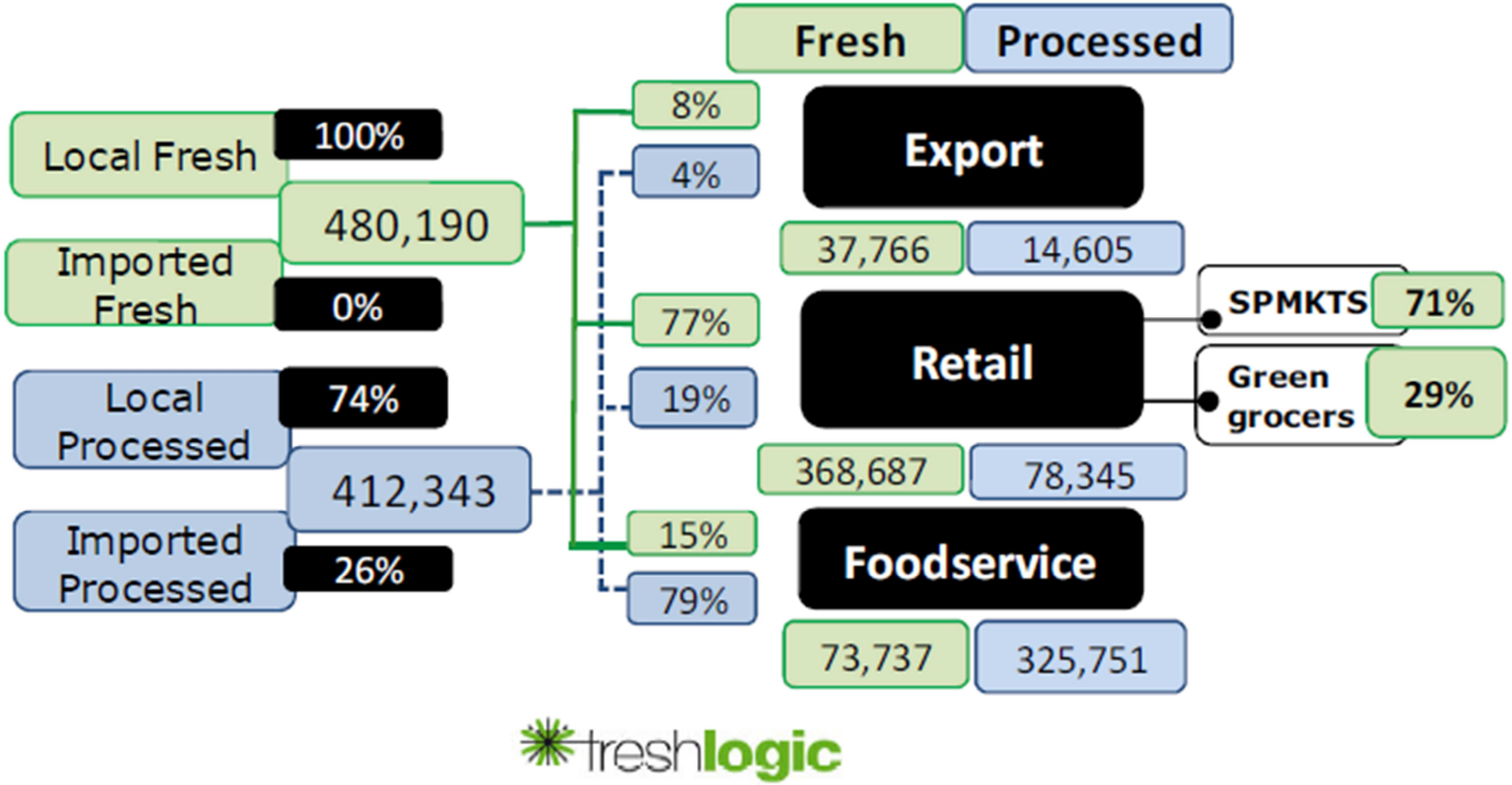


Figure 10: Potato supply chain

Consumption figures were also recently published in relation to UK consumption[19]. These show that consumption of fresh potatoes has been falling since the Second World War (Figure 11), but partially offset by an increased in processed potatoes (Figure 12).

[19] Cesar Revoredo-Giha, C. (2015). Senior Economist and Team Leader of Food Marketing Research at Scotland's Rural College http://theconversation.com/are-we-witnessing-the-long-slow-death-of-the-potato-37814

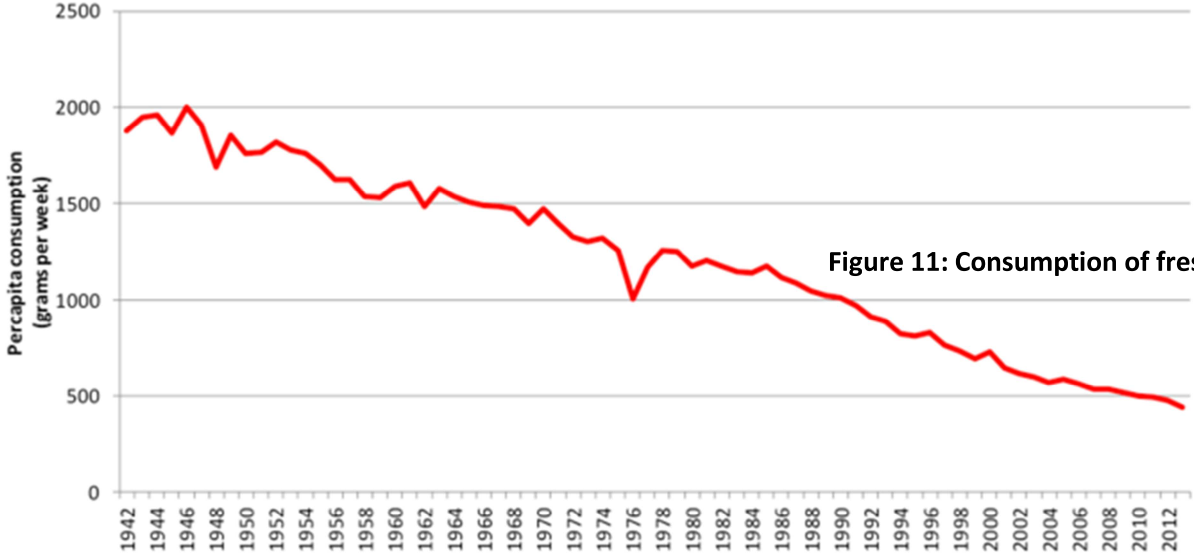


Figure 11: Consumption of fresh potatoes, UK (1940 – 2013)

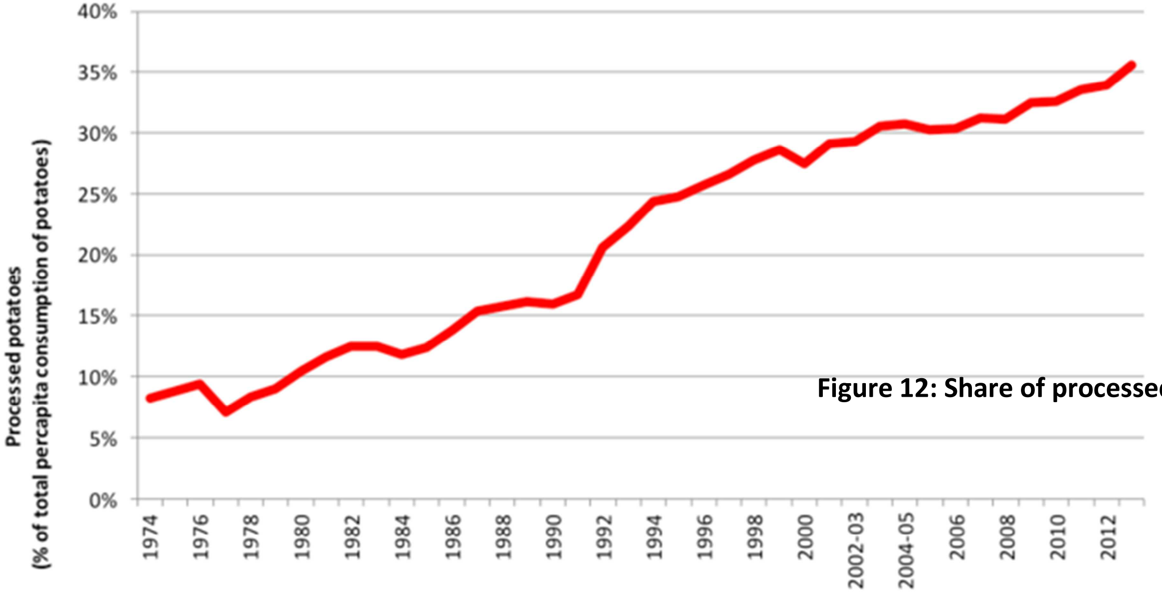
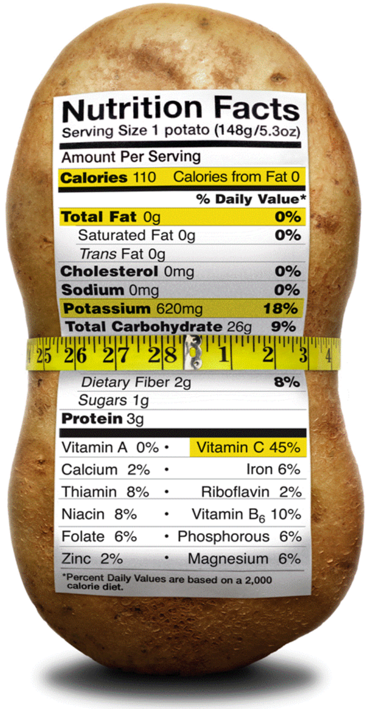


Figure 12: Share of processed potato products (1974-2013)

This trend is highly likely to be reflective of the Australian situation. Interestingly the article suggested that in response *'The challenge for the British sector, particularly the fresh-potato segment, is basically two-fold. First, growers need to stay focused on profitability, keeping a close eye as ever on yields and costs. Second is to make products more attractive by looking out for marketing opportunities to differentiate what they sell'.*

Recent consumer market research[20] indicates that *'Potatoes continue to have positive consumer sentiment with stable future purchase intent'.* Some key headline findings are provided below, only to display the type of consumer information available (note reported February 2015):

- *Potatoes are purchased over 3 times per month and consumed on an average of 13 occasions.*
- *Consumers are purchasing both washed and brushed styles, generally in loose formats.*
- *Spontaneous and prompted awareness of potato types remains high.*
- *The key influences on potato purchase are that they are easy to prepare and cook with as well as taste.*



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1.2.5 Value adding the Victorian Potato Industry

Victoria has a range of leading companies and businesses involved in the potato industry including processers, merchants, freighters and packers. These businesses add value to the potatoes produced and are integral in the supply chain. Importantly, many of these businesses are located in regional Victoria and provide employment and, in doing so, proactively contribute to the growth of regional jobs, farming businesses and the broader Victorian economy.

[20] Colmar Brunton (2015). PT13015 Potato tracker. Wave 6 February 2015. Prepared by: Jenny Witham & Fiona McKernan for Horticulture Australia and AUSVEG
[21] http://www.coloradopotato.org/colorado_potato_facts_nutrition.php

1.3 SWOT of Victorian Potato Industry

The current Strengths, Weaknesses, Opportunities and Threats for the Victorian potato industry were identified as:

Strengths	Weaknesses
☑ Good people - skills and expertise ☑ Soils and climate ☑ Standard of seed certification ☑ Close co-location of growers and processors ☑ Quality of potato ☑ Versatility of potatoes as a foodstuff ☑ Geographic isolation as biosecurity barrier ☑ Clean green image of Victorian / Australian production ☑ Good science capability to underpin industry needs ☑ Counter-seasonal supply to north hemisphere ☑ Good R&D	☒ Some market access restrictions for trade ☒ Maligned by perceived health concerns over the product ☒ Lack of industry cohesion – fragmented between sectors ☒ No mechanism for collective industry marketing of fresh ☒ Lack of more avenues to sell product ☒ High cost of production and supply chain costs ☒ Geographic isolation for exports ☒ Slow adoption of research outcomes ☒ Poor understanding of consumer needs ☒ Labelling

Opportunities	Threats
☑ Development of new consumer products (ready to eat e.g. mash) ☑ Promote clean green image further ☑ Advances in technology ☑ Agronomy much the same – fresh, seed and processed ☑ Alter perceptions about 'healthiness' ☑ Develop new (non-food) uses ☑ Standard of seed is internationally recognised ☑ Market research on consumer to understand behaviour ☑ Increased adoption of research	☒ Greater demand for washed product for fresh industry ☒ Increased imports (frozen) ☒ Biosecurity risks ☒ International ☒ Between farms ☒ Availability of skilled researchers ☒ Lack of extension specialists ☒ Shortage of skilled labour ☒ Pressure on water and irrigation ☒ Varieties are integrated into supply chain ☒ Disease incursions ☒ Poor biosecurity communication impacting exports/markets

2. Principles of the Strategic Plan

Vision

The Victorian potato industry is a vibrant, profitable and sustainable industry with a clear direction for the future.

Mission

The Victorian potato industry uses world's best practice to provide a versatile food that continuously exceeds consumer expectations.

We will achieve our mission by:

- ✓ Ensuring we meet consumer expectations of potato products (improving product quality and demand)
- ✓ Improving industry competitiveness (increasing productivity and reducing costs)
- ✓ Improving industry partnerships and grower engagement
- ✓ Enhancing the profile of the industry
- ✓ Improving industry skills, leadership, management capability and providing opportunities for young people

Critical opportunities

The critical opportunities that the Victorian potato industry needs to grasp include:

Value
- Increase GVP by increasing demand for our product, especially through strong marketing / POS promotions

Quality
- Increase product quality and integrity – clean green and disease free (always fit for purpose)

Profit
- Increase yield and decrease costs of production – adopt new and existing technologies

Export
- Increase exports of potato technology – seed, skills and products

People
- Use existing skills in the industry better and encourage new entrants – create industry passion, cohesion and collaboration

Innovation
- Pursue ongoing R&D to push improvements in genetics, agronomy, new technology, new products – (reduce inputs and build new markets/access)

Supply Chain
- Increase information flows, understanding, cooperation and efficiency

Investment
- Increase internal and external investment to increase productivity, quality and sustainability

Challenges

The key challenges that the Victorian potato industry needs to address are:

Biosecurity
- Develop and maintain pest and disease management practices to reduce impacts of quarantine pests and diseases

Consumers
- Understand consumer requirements in relation to product quality, value, health and nutrition

Customers
- Expand our customer base, including developing new products and markets

Integrity
- Promote clear product labelling for enhanced customer experience

Competitiveness
- Seek opportunities to reduce the cost of production and improve product quality through innovation

Trade
- Improve our understanding of market requirements and increase our capacity to supply to them

People
- Implement programs to attract the best skills to the industry

Resources
- Efficiently utilise all inputs in a sustainable manner (water, soils etc)

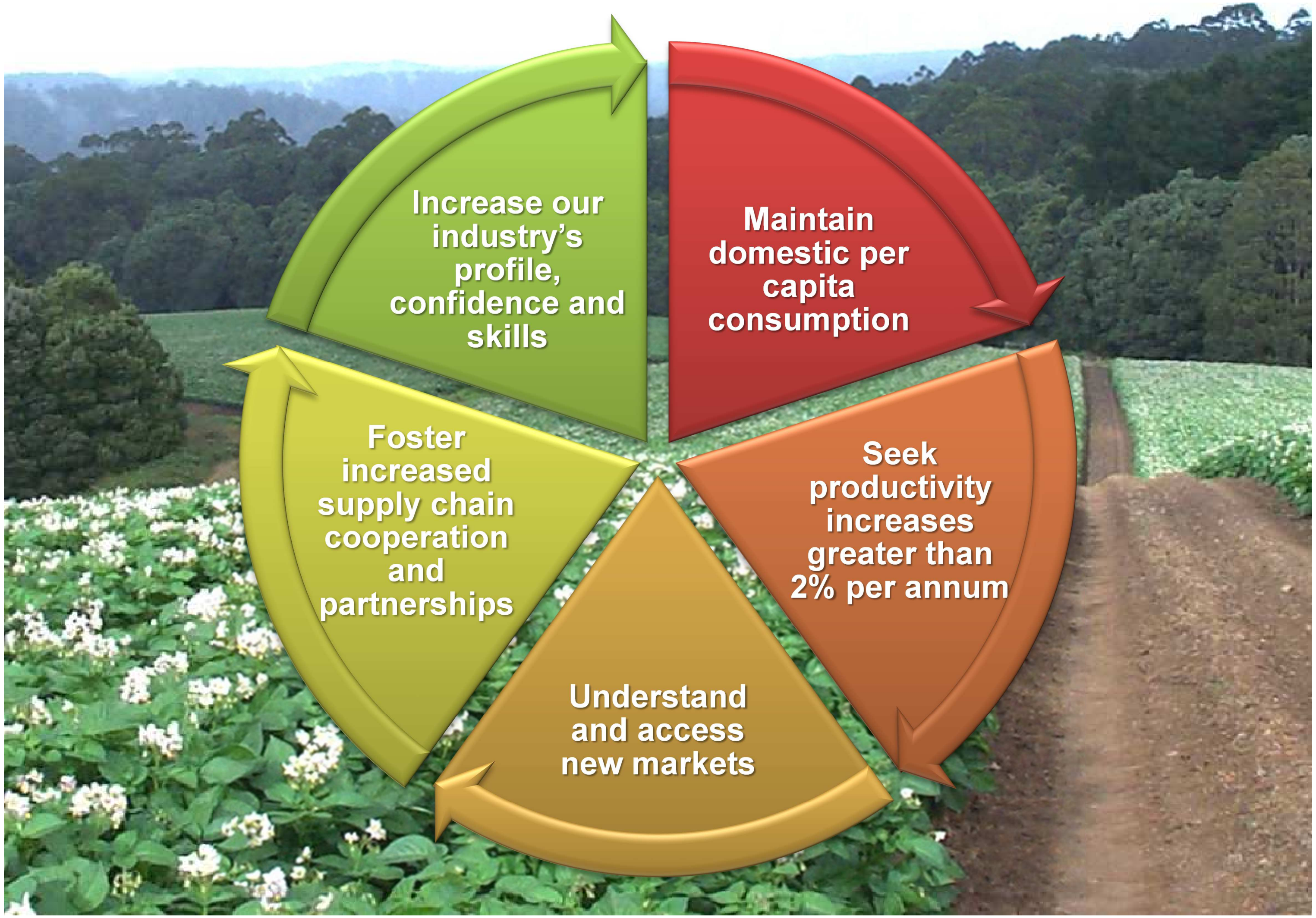
Progressive
- Demonstrate that the industry is looking at all opportunities for improvement via adoption of new knowledge and technology

Collaborative
- All sectors working closely together

Equity
- Provide all levy payers with benefits commensurate with their investments

Success Statements

The objectives of this plan and its successful implementation are to:



3. Strategic Initiatives

The following 6 strategic initiatives have been developed by the Victorian potato industry to help achieve their goals.

- Enhance the demand for Victorian grown fresh, seed and processed potatoes
- Increase the productivity (and profitability) of the Victorian potato industry
- Gain market access opportunities
- Build industry partnerships and further engage with growers
- Increase resources available to industry to undertake programs
- Increase the capacity and perceptions of the Victorian potato industry

3.1 Strategic initiative 1 - Enhance the demand for Victorian grown fresh, seed and processed potatoes

The Issue	**Rationale** Potato consumption in Australia has been falling over the last two decades. This has been primarily as a result of changing lifestyle and changing dietary habits. Efforts to mitigate this slide are critical.
What needs to be done?	**Activities** 1. Access, collate and distribute market research to all industry sectors to better understand consumer preferences in relation to the consumption of fresh and processed potatoes 2. Undertake R&D to further establish the health and nutritional benefits of potatoes 3. Critically examine the benefits of active promotion of potatoes by variety and provenance and undertake appropriate strategies 4. Exploit opportunities to develop new fresh potato products that meet the needs of modern consumers 5. Develop programs to enhance product integrity, including labelling, for consumers 6. Pursue market opportunities for Victorian certified seed potatoes 7. Form strategic partnerships with industries/organisations that align with the value proposition of potatoes
Key goals to achieve	**Outcomes / KPI's** ➢ Maintain per capita consumption of potatoes domestically ➢ Increased consumer awareness of potato varieties and nutritional profile ➢ Evidence of progression of new and innovative uses for potato by value adding through product development and innovation ➢ Enhanced product integrity for fresh potatoes
Potential Partners	**Responsibilities** • VPISG[22] • Link in with national innovation, extension and promotional campaigns • Link with processors, supermarkets • AUSVEG, HIA, ViCSPA, ASPC and DEDJTR • Individual growers and businesses

[22] VPISG is the proposed Victorian Potato Industry Strategy Group (see section on Governance)

3.2 Strategic initiative 2 - Increase the productivity (and profitability) of the Victorian potato industry

The Issue	**Rationale** The level of production of Victorian potatoes has remained fairly flat or trending down slightly for over a decade. Increases in yields per hectare have stagnated. Costs continue to increase impacting negatively on producer profitability and thus financial sustainability.
What needs to be done?	**Activities** 1. Adopt a renewed focus on uptake of existing best management practice across more of the industry 2. Undertake R&D to provide solutions for improving quality and reducing the cost of production (genetics, agronomy, soil health, disease, water use efficiency, labour), especially in relation to disease (e.g. powdery scab, PVY) 3. Progress the understanding and use of precision agriculture (horticulture) for potato production 4. Identify opportunities to reduce the cost of inputs through increasing buying power and sharing of resources 5. Provide opportunities to increase the skills of potato industry personnel 6. Collaborate with other states to share the best possible knowledge
Key goals to achieve	**Outcomes / KPI's** ➢ Productivity increases are greater than 2% per annum[23] ➢ R&D provides knowledge to better manage two diseases of national significance ➢ New science harnessed to overcome constraints and reduce costs for the benefit of the Victorian potato industry
Potential Partners	**Roles and responsibilities** • VPISG • Rural production groups (established or to be formed) to drive technology adoption • Private companies • AUSVEG, HIA, ViCSPA, SPV, ASPC and DEDJTR • State organisations and producers • Overseas R&D companies

[23] See #Note re Productivity on page 7

3.3 Strategic initiative 3 - Gain market access opportunities

The Issue	**Rationale** Our ability to trade can often be restricted as technical barriers are imposed by trading partners as they seek to address biosecurity and quality concerns or to protect their domestic industry. Industry ability to respond quickly and positively to market requirements can be critical in maintaining market opportunities, especially in response to outbreaks of a pests and diseases of quarantine concern.
What needs to be done?	**Activities** 1. Assess the phytosanitary protocols for each domestic and international market, and where appropriate conduct R&D to provide the science to inform restrictions 2. Develop a robust preparedness framework for maintaining market access where new pest and disease outbreaks are detected 3. Provide effective pest and disease management strategies that align with industry best practice 4. Work with governments and industry to identify and prioritise potential key markets for Victorian potatoes 5. Foster ‘business to business’ relationships in key markets (trade missions, hosting of buyers etc.) with a clear focus on Australian potatoes’ ‘point of difference’ 6. Provide information and training capacity to enable producers to capture new market opportunities 7. Develop communication strategies to clarify the risks/rewards to producers of exporting product
Key goals to achieve	**Outcomes / KPI’s** ➢ Export market strategy developed ➢ Industry maintains and/or grows quantity of product traded to existing domestic and export markets ➢ Key pest and disease preparedness framework developed ➢ Management strategies for key pests and diseases documented and aligned to meet national/international requirements ➢ At least one new overseas market opened for Victorian potatoes ➢ Science used to underpin the development of protocols to capture or enhance market access
Potential Partners	**Roles and responsibilities** • VPISG • ViCSPA, DEDJTR, VFF • AUSVEG, HIA, ASPC and Federal Government

3.4 Strategic initiative 4 - Build industry partnerships and further engage with growers

The Issue	**Rationale** Industry cohesion, partnership and participation, especially within fresh producer ranks, are important. An industry more focussed on supply chain integration and partnerships will enhance confidence and the pursuit of industry targets for profitability and sustainability.
What needs to be done?	**Activities** 1. Capture producer needs in the establishment of industry research and marketing priorities and use of levy resources 2. Develop an active strategy group which is charged with the responsibility to engage with all industry sectors 3. Access existing regional and state based groups to collaborate and share information using 'simple' technology such as webinars and Skype. Periodic face to face meetings also held 4. Provide training on topics of interest throughout the value chain 5. Provide direct market feedback to commercial sectors and industry bodies
Key goals to achieve	**Outcomes / KPI's** ➢ 90% of producers have access to and are using electronic technology to obtain industry information ➢ Enhanced linkages and collaboration between sectors on at least one priority issue ➢ Growers engaged to identify and prioritise research and marketing imperatives via annual review
Potential Partners	**Roles and responsibilities** • VPISG • Industry • VFF, VicSPA, SPV, DEDJTR • AUSVEG, HIA, ASPC

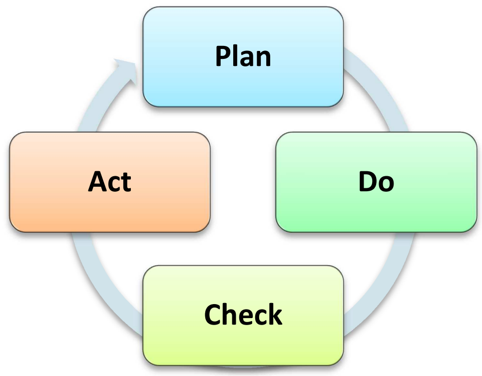
3.5 Strategic initiative 5 - Increase resources available to industry to undertake programs

The Issue	**Rationale** Resources directed toward the potato industry in Victoria (and Australia) have been reducing. In addition, the industry levy has not changed for many years meaning that the real level of resources / investment going into R&D and other programs has progressively been diminishing.
What needs to be done?	**Activities** 1. Creatively identify and explore all funding possibilities for potato research and marketing (e.g. Universities, ARC, philanthropic, voluntary) 2. Examine the rationale for any change in levies and, if favourable, work with industry bodies to pursue 3. Clearly identify current research being undertaken across all providers (private and public) nationally and internationally and seek greater collaboration and information sharing 4. Ensure available resources are aligned to industry priorities 5. Foster international collaboration
Key goals to achieve	**Outcomes / KPI's** ➢ Report on funding possibilities clearly identifies investment opportunities for both Government and industry ➢ Clear understanding of and access to research undertaken globally ➢ Industry organisations collaborating internationally on at least one R&D project of significance
Potential Partners	**Roles and responsibilities** • VPISG • Producers • Processors • Research agencies – domestic and overseas • AUSVEG, HIA, ViCSPA, ASPC and DEDJTR

3.6 Strategic initiative 6 - Increase the capacity and perceptions of the Victorian potato industry

The Issue	**Rationale** Some consider that the Victorian potato industry is perceived as 'old-style' – hard work, not technically advanced, low profitability. This misconception stifles industry investment, Government support and the attraction of young skills. The industry needs to address this situation.
What needs to be done?	**Activities** 1. Develop a 'prospectus' which clearly outlines the value of the industry and describes its progressive and technologically advanced nature and promote this to Government, industry, investors and the community 2. Undertake a risk assessment of the skills and capacity of industry, identify key gaps and encourage investment and training programs to fill those gaps 3. Identify key policy areas which may restrict development (e.g. water policy) and commission research to develop rational arguments for carriage by industry organisations 4. Establish a domestic and international exchange program for talented young industry people 5. Identify opportunities for enhanced intra and inter-sector collaboration
Key goals to achieve	**Outcomes / KPI's** ➢ Victorian potato industry prospectus developed and disseminated ➢ Public and government perception of industry enhanced ➢ Opportunities for skills development identified ➢ Industry exchange program (including international and cross industry/sectors) established (two places per year)
Potential Partners	**Roles and responsibilities** • VPISG • VFF • AUSVEG, HIA, ViCSPA, SPV, ASPC and DEDJTR

4. Suggested program governance



It will be critically important that the implementation of this plan has some oversight with provision for the opportunity for adjustment to accommodate changing circumstances. Equally importantly, the performance of the plan needs to be monitored. With this in mind a relatively simple governance arrangement should be put in place (if it is not already available in the industry). The following concept is suggested:

Plan implementation – form a small 'Working Group' to oversee the implementation, and monitor the performance, of this Plan. This small 'governance' structure may operate under the name of the Victorian Potato Industry Strategy Group (VPISG)

a. **Membership** – a Chair plus a small 'board/committee' of approximately 6 people. All positions would be Honorary, although travel expenses should be reimbursed. An Executive Officer should also be appointed, most probably an employee of an existing industry agency or group. The availability of positions should be advertised and an independent selection committee formed to interview and select successful candidates. Membership should then be rotated (suggested 2 people to 'retire' every two years) and new appointments made by the independent selection committee.

b. **Terms of Reference**:
   - Meet six-monthly
   - Oversee the implementation of the plan
   - Encourage collaboration amongst industry sectors and industry organisations to progress all elements of the plan
   - Develop and oversee a 'Monitoring and Evaluation' plan to formally monitor progress
   - Develop and implement a communication plan to ensure that all sectors are fully up to date with developments (including a quarterly emailed newsletter)
   - Hold regional meetings annually to:
     - communicate to industry the outputs and outcomes over the past 12 months; and
     - receive 'grass-roots' input in relation to R,D&E priorities

5. Measuring performance

In broad terms, a relatively simple monitoring and evaluation (M&E) plan should be put in place. Benchmarks for existing industry performance should be established at the outset. This may be supplemented (if funds exist) by a simple producer survey, especially on their current skills, attitudes and practices.

Without suggesting that all of the following could reasonably be monitored, key indicators (and potential methods to measure) within this Strategic Plan that may assist monitoring and evaluation of this plan include:

Grower attitudes	Surveys
Industry attitudes	Surveys
Government attitudes to industry	Surveys
Consumer satisfaction	Surveys
Per capita consumption of potatoes	ABARES and ABS, Market Research
Productivity measures	ABARES, Research
New potato products	Industry information
New technologies	Industry information
Identification of new markets	Industry information
Technology adoption	Surveys
Use of information technology	Surveys
Resource availability for industry	Industry information
International R&D	Reports
Regional groups	Industry information
Skills development opportunities	Audit
Domestic / international exchange	Industry information
Exports	ABS
Overall industry resources	Industry and government information

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Appendix 1

The Working Group

A working group oversaw the development of the Victorian Potato Strategic Plan. Its role was to provide direct industry input and experience to the plan and to ensure that information captured from the initial industry strategic planning forum (Agribio Centre - January 2015) and subsequent regional events (Ballarat & Warragul - May 2015) was reflected in the plan to accurately meet industry needs.

Members of the working group were:

Chair: Aimee McCutcheon	Industry Development Manager, Horticulture Centre of Excellence, DEDJTR
George Lineham	Processor
Tony Cummaudo	Merchant/Packer/Fresh
Frank Rovers	Victorian Farmers Federation - Potato Council
Rene de Jong	Merchant, Elders
Brad Mills	Horticulture Innovation Australia
Dr Nigel Crump	ViCSPA
Alexander Miller	AUSVeg
Daniel Mansell	Senior Project Officer, Biosecurity, DEDJTR
Dr Brendan Rodoni	Principal Research Scientist - Microbiology, DEDJTR
Mark Hincksman	Horticulture Industry Network, DEDJTR
Facilitator: Russell Pattinson	Director, Miracle Dog Pty Ltd

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VICTORIA State Government