

A photograph of several green, bumpy custard apples (Annona chrysantha) packed in a wooden crate lined with white and grey striped paper. The apples are the central focus of the image.

Custard Apple Fund

Annual Report 2019/20

About Hort Innovation and the Custard Apple Fund

Hort Innovation is the grower-owned, not-for-profit research and development corporation for Australia’s horticulture sector. We work closely with industry to invest the custard apple R&D and marketing levies, together with Australian Government contributions, into key initiatives for growers, through the Hort Innovation Custard Apple Fund. We’re extremely proud of the work we do to help drive productivity, profitability and demand for custard apple growers, and for the horticulture sector at large.

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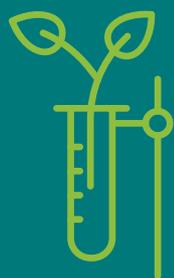
About the year

An intense and unpredictable year, 2019/20 certainly dealt challenges for the world, for Australian horticulture, and for Hort Innovation. There was ongoing drought, a devastating bushfire season, intense floods, the biosecurity threat of fall armyworm and, of course, the global and ongoing COVID-19 pandemic.

We encourage you to download a copy of the overarching Hort Innovation Annual Report 2019/20 at www.horticulture.com.au/annual-report-portal to better understand Hort Innovation’s responses to these events, and how the company was able to change its plans and priorities to best serve the sector.

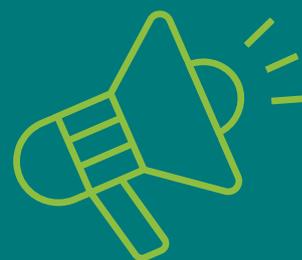
Through it all, though, activity in the Hort Innovation Custard Apple Fund remained strong. While some activities inevitably changed under COVID-19, it was still a solid year of investment. There was some \$114,000 invested in R&D for the industry, plus about \$13,000 in marketing. Read on for an overview of what was delivered.

2019/20 Custard Apple Fund snapshot



\$114,000

invested in R&D



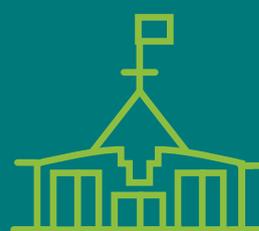
\$13,000

invested in marketing



8

active R&D
investments



\$74,000

in levies collected
by the government and passed
on to Hort Innovation for investment

Did you know?



\$6.9m

The production value of
Australian custard apples grew
from \$4.7 million in 2013/14 to
\$6.9 million in 2018/19



50/50

Custard apple production is
split almost evenly between
Queensland and New
South Wales

These facts and more can be found in the Australian Horticulture Statistics Handbook, which is delivered by Hort Innovation each year. The handbook is packed with horticulture statistical information and analysis for some 75 categories, for use by individual industries and the wider sector. The 2018/19 edition was released in early 2020 and, for the first time, features an interactive dashboard format for desktop users. See www.horticulture.com.au/horticulture-statistics-handbook.



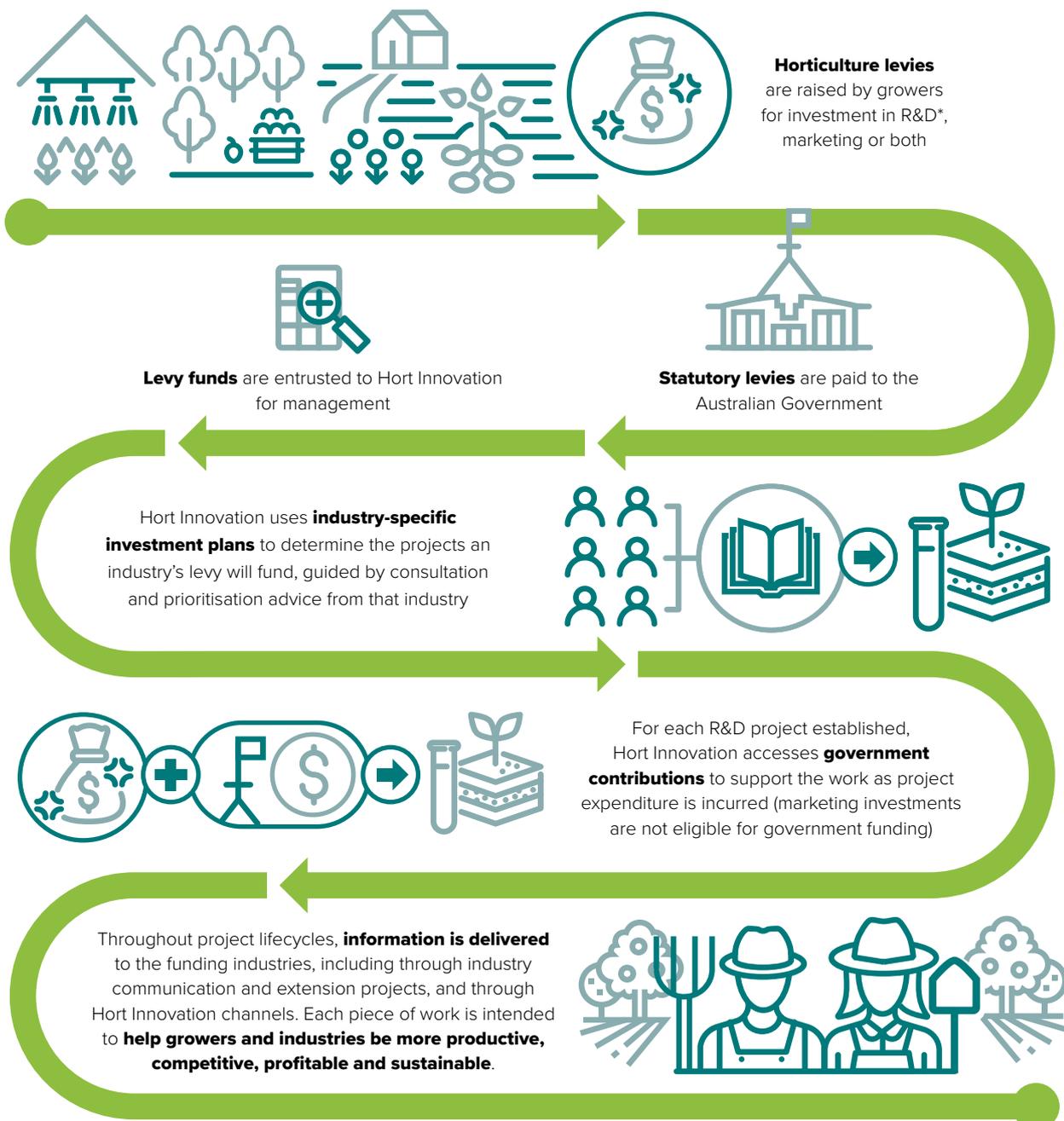
Just some of the things delivered for you during the year:

- ✓ **Ongoing work to provide access to new, high-yielding varieties**, plus high-performing rootstocks – showcased to the Australian public via Hort Innovation’s partnership with Channel 10’s *My Market Kitchen* (watch at www.bit.ly/custard-apples)
- ✓ **A domestic marketing campaign** and, launched during COVID-19, **The Good Mood Food** across-horticulture campaign* (www.horticulture.com.au/the-good-mood-food)
- ✓ **Information and data to assist through COVID-19**, including the new *Hort Innovation Insights* podcast (www.horticulture.com.au/webinars) and regular consumer attitude and behaviour information (www.horticulture.com.au/impact-monitor)*
- ✓ **Preparation support for fall armyworm**, including emergency minor use permits and an educational podcast series, www.bit.ly/armyworm-podcast*
- ✓ **Investments in the Hort Frontiers strategic partnership initiative** to address longer-term and often complex issues and opportunities critical to the future of Australian horticulture – see www.horticulture.com.au/hort-frontiers*
- ✓ **Projects supported by grants** secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2019/20 for more*

*These initiatives were delivered outside of the Hort Innovation Custard Apple Fund and, in most instances, did not involve the industry levy

Making investments in 2019/20

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The custard apple R&D and marketing levies were invested this way during the year, guided by the Custard Apple Strategic Investment Plan and advice from the industry’s investment advisory panel.



* Encapsulating extension and international trade

To learn more about funding specific to the Hort Innovation Custard Apple Fund, visit www.horticulture.com.au/custard-apple. During the year, other sources of funding were also used to support activities for the benefit of Australian horticulture, including grant funding secured by Hort Innovation, co-investment dollars brokered through our Hort Frontiers initiative and centralised strategic levy reserves.

Investment planning and performance

During 2019/20, Hort Innovation continued to track investment expenditure against the Custard Apple Strategic Investment Plan, while looking towards new developments in 2021. Access an at-a-glance copy of the current investment plan at www.bit.ly/custard-apple-plan.

A performance analysis is coming

The industry's investment plan outlines key goals and outcomes for levy investment. With the plan due for renewal in 2021, Hort Innovation is undertaking a performance analysis to see how the industry has progressed against the current plan's ambitions. This will also help guide ongoing priorities for investment. Look for information to be published at www.horticulture.com.au/custard-apple in 2021.

See how your levy investments align to the industry's current plan

You can see how investment expenditure in the Hort Innovation Custard Apple Fund aligns to the industry's current strategic investment plan with the interactive analysis information available from www.bit.ly/custard-apple-investment. The analysis shows the allocation of funding against each of the custard apple plan's outcomes, and gives an indication of the projects that are aligned to each outcome.

New ways of obtaining advice and setting priorities

In 2020/21, Hort Innovation will be implementing new ways of obtaining advice and setting priorities for industry investments. Renewed industry investment plans, plus new yearly (or as needed) program plans and new ways of consulting more broadly will mean more efficient investment and better outcomes for industry. Watch this space.



R&D project list 2019/20

ONGOING INVESTMENTS IN 2019/20		INVESTMENTS COMPLETED IN 2019/20	
CU16000	Custard apple industry minor use program	CU16001	Custard apple communication and extension program
CU16002	New custard apple varieties and enhanced industry productivity	MT17012	Generation of data for permit pesticide applications in horticulture crops 2017
MT18011	Ex-post impact assessment*	ST16008	AgVet collaborative forum
ST16006	Generation of residue, efficacy and crop safety data for pesticide applications in horticulture crops 2017		
ST17000	Generation of data for pesticide applications in horticulture crops 2018		

* This multi-industry project was a key monitoring and evaluation investment during 2019/20 – we encourage you to find the full details at www.horticulture.com.au/mt18011



R&D report

Take a closer look at some of the key investments in the Hort Innovation Custard Apple Fund during 2019/20. You can also visit www.horticulture.com.au/custard-apple at any time to access information on new, ongoing and completed projects, and to download resources produced by levy investments, such as fact sheets and guides.

New custard apple varieties and enhanced industry productivity (CU16002)

Key research provider: The Queensland Department of Agriculture and Fisheries

Ongoing through 2019/20, this investment continues the industry's breeding and evaluation program, and provides crop management information and advice. It is responsible for:

- » The development and evaluation of new, high-yielding green- and red-skinned custard apple varieties
- » Evaluating the performance of clonal and seedling rootstock selections
- » Delivering information and skills relating to crop management and production issues to Australia's custard apple growers.

In early 2020, the program's work into red-skinned fruit was highlighted through Hort Innovation's partnership with Channel 10's *My Market Kitchen* TV series, which you can learn (and watch) more about at www.bit.ly/custard-apples.

Custard apple communication and extension program (CU16001)

NOW COMPLETE

Key research provider: Custard Apples Australia

This program ran from 2016 to 2019 to support custard apple industry awareness and uptake of R&D outcomes and other relevant knowledge. This was primarily delivered through field days and roadshows in each of the country's growing regions.

The program also facilitated other regular communication channels to Australia's custard apple industry, which included *The Custard Apple* newsletter, regular email updates from Custard Apples Australia, and the industry website (www.industry.custardapple.com.au).

For a summary of the program's activities, and to access its resources and final research report, visit www.bit.ly/cu16001.





Custard apple industry minor use program (CU16000)

Key research provider: Hort Innovation

Through this project, levy funds and Australian Government contributions are used to submit renewals and applications for minor use permits for the custard apple industry as required. These submissions are prepared and submitted to the Australian Pesticides and Veterinary Medicines Authority (APVMA).

For more on minor use permits, including a list of permits, see [p9](#).

All current minor use permits for the industry are also searchable at portal.apvma.gov.au/permits, while permit updates are circulated in Hort Innovation's *Growing Innovation* e-newsletter, which you can sign up for at www.horticulture.com.au/sign-up.

Various data generation investments (ST17000, ST16006 and MT17012)

NOW COMPLETE (MT17012)

Key research providers: Peracto and Eurofins

The generation of pesticide residue, efficacy and crop safety data is required to support label registration and minor use permit applications made to the APVMA which, when approved, provide access to safe and effective chemicals for the management of pests, weeds and diseases.

These multi-industry projects are generating the data needed to support a range of label registrations and minor use permit applications and renewals across a variety of horticulture crops, including custard apples. They include **Generation of data for pesticide applications in horticulture crops 2018 (ST17000)** and **Generation of residue, efficacy and crop safety data for pesticide applications in horticulture crops 2017 (ST16006)**, both of which are supported by grant funding through the Australian Government's Access to Industry Priority Uses of AgVet Chemicals program.

Meanwhile, the project **Generation of residue data for permit applications 2017 (MT17012)** drew to a close in 2019/20, with its work supporting the renewal of a permit for the use of abamectin in custard apples, for the control of two-spotted and banana spider mites.

Minor use permits

The Hort Innovation Custard Apple Fund supports the submission of applications for new and renewed minor use permits for the industry, as well as data generation activities to support chemical permits and registrations, and strategic agrichemical reviews.

Together these efforts provide industry access to safe, relevant and effective chemicals for the management of pests, weeds and diseases.

For full details on these activities and links to relevant information, visit www.bit.ly/minor-use-custard-apple.

Permits in 2019/20

During the 2019/20 financial year, a successful renewal for PER14743 was prepared by Hort Innovation and submitted to the APVMA, facilitated through the ***Custard apple industry minor use program (CU16000)***.

Meanwhile, fall armyworm – an incredibly destructive exotic pest – was detected on Australian shores for the first time in 2020. To support readiness and protect the horticulture sector, Hort Innovation was involved in securing emergency permits for crop protection chemicals, with all horticulture industries having at least one effective option available to them by the end of 2019/20. For the custard apple industry, PER89241 and PER89870 were obtained for this reason.

Details for these and all other permits can be found in the following table.



Current permits

Below is a list of minor use permits for the custard apple industry, current as of 21 September 2020.

PERMIT ID	DESCRIPTION	DATE ISSUED	EXPIRY DATE	PERMIT HOLDER
PER11943	Copper & Mancozeb / Custard apple / Anthracnose	28-May-12	30-Jun-22	Growcom
PER83212 Version 2	Prochloraz (Octave) + Mancozeb / Custard apple (and other <i>Annona</i> species) / Anthracnose	01-Sep-16	31-Mar-23	Custard Apples Australia (CAA) C/Hort Innovation
PER12450 Version 6	Trichlorfon / Specified fruit crops / Fruit fly	06-Oct-11	31-Jan-21	Growcom
PER80374 Version 2	Beta-cyfluthrin (Bulldock) / Custard apple, lychee, mango, persimmon / Various insect pests	01-Oct-15	31-Aug-22	Australian Lychee Growers' Association
PER87164 Version 2	Dimethoate / Specified citrus and tropical and sub-tropical inedible peel fruit commodities – post-harvest dip or flood spray / Various fruit fly species	01-Mar-19	31-Mar-24	Hort Innovation
PER13807 Version 2	Phosphorous acid / Custard apple / Phytophthora	07-Nov-12	30-Sep-22	CAA C/Hort Innovation
PER13951 Version 2	Uniconazole-P (Sunny plant growth regulator) / Custard apple / Plant growth regulation	28-Jun-13	30-Jun-23	CAA
PER13952 Version 2	Pyraclostrobin (Cabrio) / Custard apple / Pseudocercospora leaf spot	31-May-13	31-May-13	CAA C/ Hort Innovation
PER14227 Version 3	Etoxazole (Paramite Selective Miticide) / Custard apple / Two-spotted mite and Banana spider mite	31-Oct-13	30-Jun-23	CAA
PER87605	Fipronil / Custard apple / Ants	12-Apr-19	30-Jun-22	Hort Innovation
PER14743 Version 3	Trichlorfon / Custard apple, lychee, mango and persimmon / Flatid planthopper, flower eating caterpillar, looper and yellow peach moth; Suppression only: fruit-spotting bug, banana spotting bug, green vegetable bug and lychee stink bug	01-Jun-14	30-Jun-25	Hort Innovation
PER13859	Dimethoate / Orchard clean-up – fruit fly host crops following harvest / Fruit fly	09-Feb-15	31-Jul-24	Growcom
PER84992	Clothianidin (Samurai) / Custard apple / Citrus mealybug	19-Feb-18	28-Feb-23	CAA C/Hort Innovation
PER86598	Sulfoxaflor (Transform Insecticide) / Custard apple trees / Citrus mealybug, fruit spotting bug and banana spotting bug	01-Nov-18	30-Nov-23	Hort Innovation
PER89241	Spinetoram / Tropical inedible peel / Fall armyworm	06-Mar-20	31-Mar-23	Hort Innovation
PER89870	Spinosad (Entrust Organic) / Various including tropical and sub-tropical fruit crops (inedible peel) / Fall armyworm	21-Jul-20	31-Jul-23	Hort Innovation

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

Marketing report

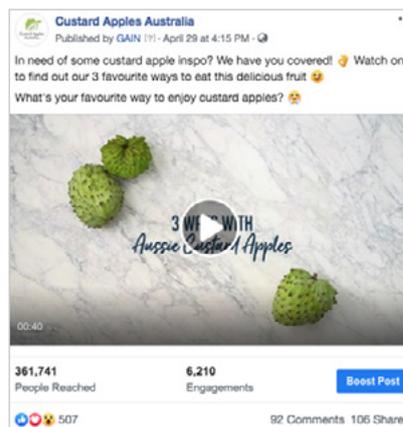
Hort Innovation is responsible for investing the custard apple marketing levy into a range of activities to drive awareness and consumption of the fruit, under the Hort Innovation Custard Apple Fund. Read on for a snapshot of activities and results from the 2019/20 marketing program.

Influencer outreach

The custard apple marketing program collaborated with lifestyle influencer 84th&3rd to develop three recipes that highlighted how simple it can be to add custard apples into everyday meals. These recipes were showcased on the Custard Apples Australia Facebook page (www.facebook.com/custardapplesaustralia) including a hero video on three easy ways to enjoy custard apple. The video was the best performing post of the campaign and had high engagement with 102,000 views, 105 shares, 134 comments and 504 reactions.

Social media

Facebook was used to inspire and educate consumers about Australian custard apples. Content was posted twice a week over the campaign period, focusing on increasing the appeal of the fruit through sharing simple usage ideas. Shots which showcased fresh produce and images of Australian custard apple farms performed the strongest. Facebook advertising was used to boost performance on all posts to extend the reach and engagement.



The Custard Apples Australia Facebook page performed well, delivering over two million opportunities for people to see the content (well above the 975,000 target). During 2019/20 the custard apple marketing program reached three times as many Australians than in the previous year.

Impact of COVID-19

Due to the unfolding COVID-19 situation, the industry's social media content calendar was reviewed to ensure that communications were appropriate in the current climate while continuing to inspire Australians to eat custard apples. With increasing interest in home cooking and health during this period, the review included the following decisions:

- » Refining the tone of voice to ensure contextual appropriateness (for example, no referencing 'entertaining with friends')
- » Ensuring helpful and useful messaging during social distancing/isolation periods, such as showcasing recipes that are great for freezing, or sharing tips on extending the life of fresh produce through proper storage techniques
- » Dialing up health messaging to educate consumers on the nutritional benefits of eating custard apples
- » Continuing educational messaging on selection, usage and storage ideas.



THE GOOD MOOD FOOD

THE GOOD MOOD FOOD

In 2019/20, Hort Innovation created The Good Mood Food campaign to deliver an immediate and enduring behaviour-change message to motivate more Australians to eat more fruit, vegetables and nuts.

With the central message that these Aussie horticulture products are natural mood boosters, the campaign was developed to support the sector through the impacts of recent challenges including bushfires, drought, floods and of course COVID-19 – the effects of which continue to be felt in consumer spending and purchasing behaviour.

Initially running between May and November 2020, The Good Mood Food has been seen across the country on TV; in newspapers; on radio and music streaming services; online (including on YouTube and TV catch-up services); on social media; and via retail partnerships and advertising screens near supermarkets.

In July, 56 per cent of surveyed consumers said The Good Mood Food had positively influenced their shopping habits, and by the end of campaign's run, 98 per cent of all Australians were expected to be reached.

Learn more at www.horticulture.com.au/the-good-mood-food.

Financial statement

Financial operating statement 2019/20

	R&D (\$)	MARKETING (\$)	TOTAL (\$)
	2019/20 July – June	2019/20 July – June	2019/20 July – June
OPENING BALANCE	(28,906)	3,717	(25,189)
Levies from growers (net of collection costs)	49,637	23,880	73,516
Australian Government money	71,091	–	71,091
Other income*	(57)	123	66
TOTAL INCOME	120,670	24,003	144,673
Project funding	114,267	13,000	127,267
Consultation with and advice from growers	–	–	–
Service delivery – base	5,571	991	6,562
Service delivery – shared	12,877	1,423	14,300
Service delivery – fund specific	15,000	10,000	25,000
TOTAL EXPENDITURE	147,715	25,414	173,130
Levy contribution to across-industry activity	–	–	–
CLOSING BALANCE	(55,951)	2,305	(53,646)
Levy collection costs	4,344	2,063	6,407

* Interest, royalties

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

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