

# What happened in the Custard Apple Fund last year?

Annual Report 2021/22



# 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 Custard Apple Fund. We're proud of the work we do to help drive productivity, profitability, and demand for custard apple growers and the horticulture sector.

Read on for an overview of what Hort Innovation delivered in the Custard Apple Fund during the year.

We also encourage you to download a copy of the overarching Hort Innovation Annual Report 2021/22 at [www.horticulture.com.au/annual-report-portal](http://www.horticulture.com.au/annual-report-portal) to see how Hort Innovation worked to benefit the horticulture sector during the year.

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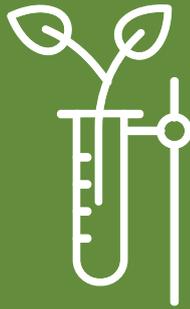
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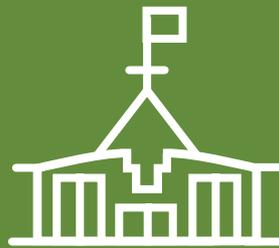
**\$67,035**

invested in R&D



**\$4,710**

invested in marketing



**\$90,696**

in levies collected

by the Government and passed on to Hort Innovation for investment

## Industry facts



**\$7.8M**

In 2020/21, an estimated 1,836 tonnes of custard apples were grown in Australia, with a production value of \$7.8 million



**3%**

Production volumes of custard apples have grown at an average annual rate of three per cent over the past five years



**52%**

52 per cent of custard apples are grown in Queensland, with the remaining 48 per cent grown in 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. See [www.horticulture.com.au/horticulture-statistics-handbook](http://www.horticulture.com.au/horticulture-statistics-handbook).

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



**Access to consumer insights through multi-industry investments**

to understand consumer behaviours, attitudes and purchase intentions – see [www.horticulture.com.au/custard-apple](http://www.horticulture.com.au/custard-apple)



**Ongoing work to provide access to new, high-yielding varieties,**

plus high-performing rootstocks – see recently completed project [hortinn.com/cu16002](http://hortinn.com/cu16002)



**A domestic marketing campaign** – read more on [p8](#)



**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](http://www.horticulture.com.au/hort-frontiers)\*

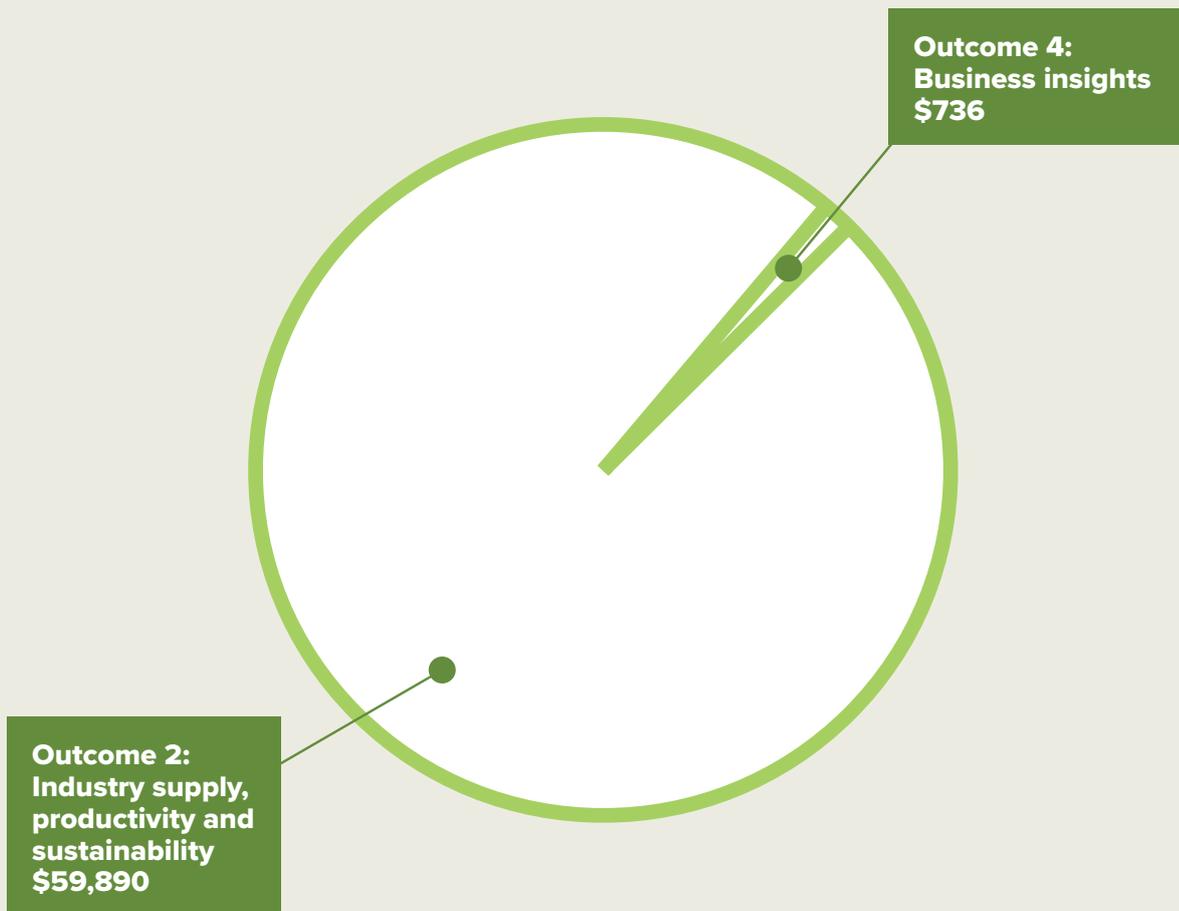


**Projects supported by grants secured by Hort Innovation**, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2021/22 for more details\*

You can visit [www.horticulture.com.au/custard-apple](http://www.horticulture.com.au/custard-apple) at any time to access information on new, ongoing and completed projects, and to download resources produced by your levy investments.

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

# Here's how your R&D levy was invested over the year



The custard apple Strategic Investment Plan (SIP) guides investments specific to the Hort Innovation Custard Apple Fund. The SIP features priority outcome areas identified and agreed upon by the industry. Hort Innovation works to invest in R&D and marketing initiatives aligned to these.

The above chart shows how project expenditure in the Custard Apple Fund during 2021/22 was aligned to the SIP. We have allocated each project to a SIP outcome based on its primary objective.

# Which projects were in each of the SIP outcome areas?

## Outcome 1: Demand creation

Demand creation supports the Australian custard apple industry to develop existing and future domestic markets.

Marketing activities during 2021/22 contributed towards the demand creation outcome. You can read more about this year's custard apple marketing campaign on [p8](#).

## Outcome 2: Industry supply, productivity and sustainability

The Australian custard apple industry has increased profitability, efficiency and sustainability through innovative R&D, sustainable best management practices (BMPs) and varieties.

Project title and code	2021/22 investment	Status	More information
<b>New custard apple varieties and enhanced industry productivity</b> (CU16002)	\$56,196	Completed	<a href="http://hortinn.com/cu16002">hortinn.com/cu16002</a>
<b>Plant Biosecurity Research Initiative – Phase 2</b> (HA19007)	\$86	Ongoing	
<b>Regulatory support and coordination (pesticides)</b> (MT20007)	\$358	Ongoing	<a href="http://hortinn.com/mt20007">hortinn.com/mt20007</a>
<b>Strategic Agrichemical Review Process (SARP) – Updates</b> (MT21005)	\$3,250	Ongoing	<a href="http://hortinn.com/mt21005">hortinn.com/mt21005</a>

## Outcome 4: Business insights

The Australian custard apple industry is more profitable through informed decision-making using consumer knowledge and tracking, production statistics and forecasting and independent reviews.

Project title and code	2021/22 investment	Status	More information
<b>Consumer demand spaces for horticulture</b> (MT21003)	\$357	Ongoing	<a href="http://hortinn.com/mt21003">hortinn.com/mt21003</a>
<b>Pilot program: Consumer usage, attitude and brand tracking</b> (MT21201)	\$85	Completed	<a href="http://hortinn.com/mt21201">hortinn.com/mt21201</a>
<b>Consumer usage and attitude tracking 2022/23</b> (MT21202)	\$294	Ongoing	<a href="http://hortinn.com/mt21202">hortinn.com/mt21202</a>

# Financial operating statement

## Custard Apple Fund Financial operating statement 2021/22

	R&D (\$)	Marketing (\$)	Total (\$)
	2021/22 July – June	2021/22 July – June	2021/22 July – June
<b>OPENING BALANCE</b>	<b>508</b>	<b>8,032</b>	<b>8,540</b>
Levies from growers	61,257	29,439	90,696
Australian Government money	39,997	–	39,997
Other income*	137	52	189
<b>TOTAL INCOME</b>	<b>101,391</b>	<b>29,491</b>	<b>130,882</b>
Project funding	67,035	4,710	71,745
Consultation with and advice from growers	318	136	455
Service delivery	12,640	1,215	13,855
<b>TOTAL EXPENDITURE</b>	<b>79,993</b>	<b>6,061</b>	<b>86,055</b>
<b>CLOSING BALANCE</b>	<b>19,279</b>	<b>30,200</b>	<b>49,479</b>
Levy collection costs	2,626	1,262	3,888

\* Interest, royalties

**Levy collection costs** – These are the costs associated with the collection of levies from industry charged by Levy Revenue Services (LRS)

**Service delivery** – Also known as Corporate Cost Recovery (CCR), this is the total cost of managing the investment portfolio charged by Hort Innovation

# Making sure that levy investment decisions align with industry priorities

## What will be the Custard Apple Fund's focus over the next five years?



Hort Innovation developed the custard apple Strategic Investment Plan (SIP) in 2021 to reflect current priorities for the custard apple industry, involving extensive consultation with custard apple growers and industry stakeholders, including Custard Apples Australia. The SIP is the roadmap that helps guide Hort Innovation's oversight and management of individual levy industry investment programs.

The custard apple SIP lays the foundation for decision-making in levy investments and represents the balanced interests of the custard apple industry. The most important function of the SIP is to make sure that levy investment decisions align with industry priorities.

The custard apple SIP identifies four outcome areas that will contribute to the productivity and profitability of the sector. They are:

- Industry supply, productivity and sustainability
- Demand creation
- Extension and capability
- Business insights.

## What projects will the Fund be investing in next year?

The custard apple Annual Investment Plan (AIP) 2022/23 details how Hort Innovation spends levy funds over 12 months. The custard apple industry SIP guides investment decisions, and our consultation process prioritises investments based on potential impact and levy fund availability.

Hort Innovation publishes Annual Investment Plans each year over the lifespan of the SIP and advises industry stakeholders via various communication channels.

Hort Innovation will continue to report on fund performance regularly, focusing on outcomes and the impact of investments.



**Visit [www.horticulture.com.au/custard-apple-fund-management](http://www.horticulture.com.au/custard-apple-fund-management) to view both documents and better understand how Hort Innovation invests your levy.**

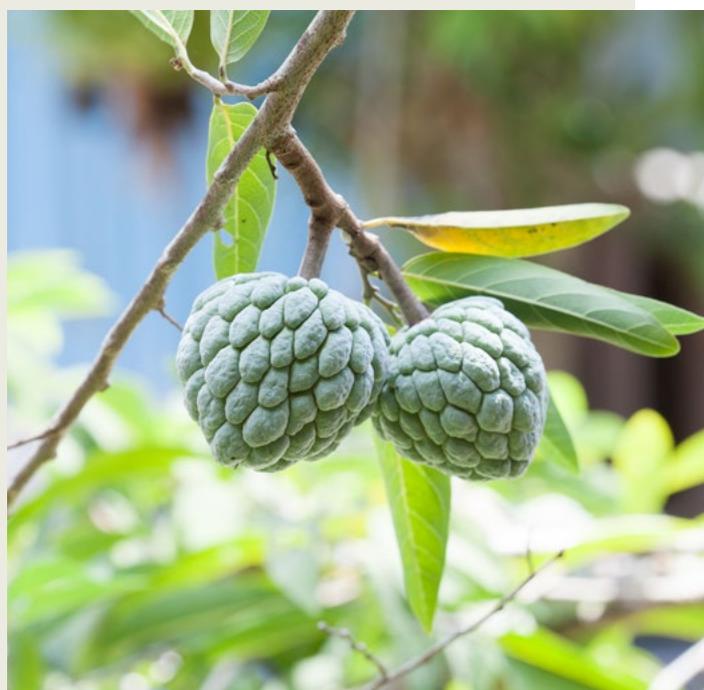
# Consumer demand project provides insights for custard apple growers

In 2021/22, the Hort Innovation Custard Apple Fund invested in a multi-industry project to identify and prioritise opportunities to engage consumers and build demand across the domestic market for fruits, nuts and vegetables.

*Consumer demand spaces for horticulture (MT21003) will deliver a framework that can be used by industry to inform their decision-making around product development and marketing campaigns. The project team will compare the current 'state of play' against identified opportunities and prioritise based on potential impact.*

The framework will be informed by research into:

- Current market landscape and competitive dynamics
- Consumer segmentation
- Consumer occasion-based needs
- 'White space' opportunities where consumer needs are currently unmet.



## Here's a quick look at some early insights for custard apple growers:

- Australians are most likely to eat custard apples as a snack or dessert
- The key moment when Australian eat custard apple is while they're watching TV or relaxing/taking a break
- Australians are most likely to consume custard apples fresh on its own.

Find out more at [hortinn.com/mt21003](https://hortinn.com/mt21003)

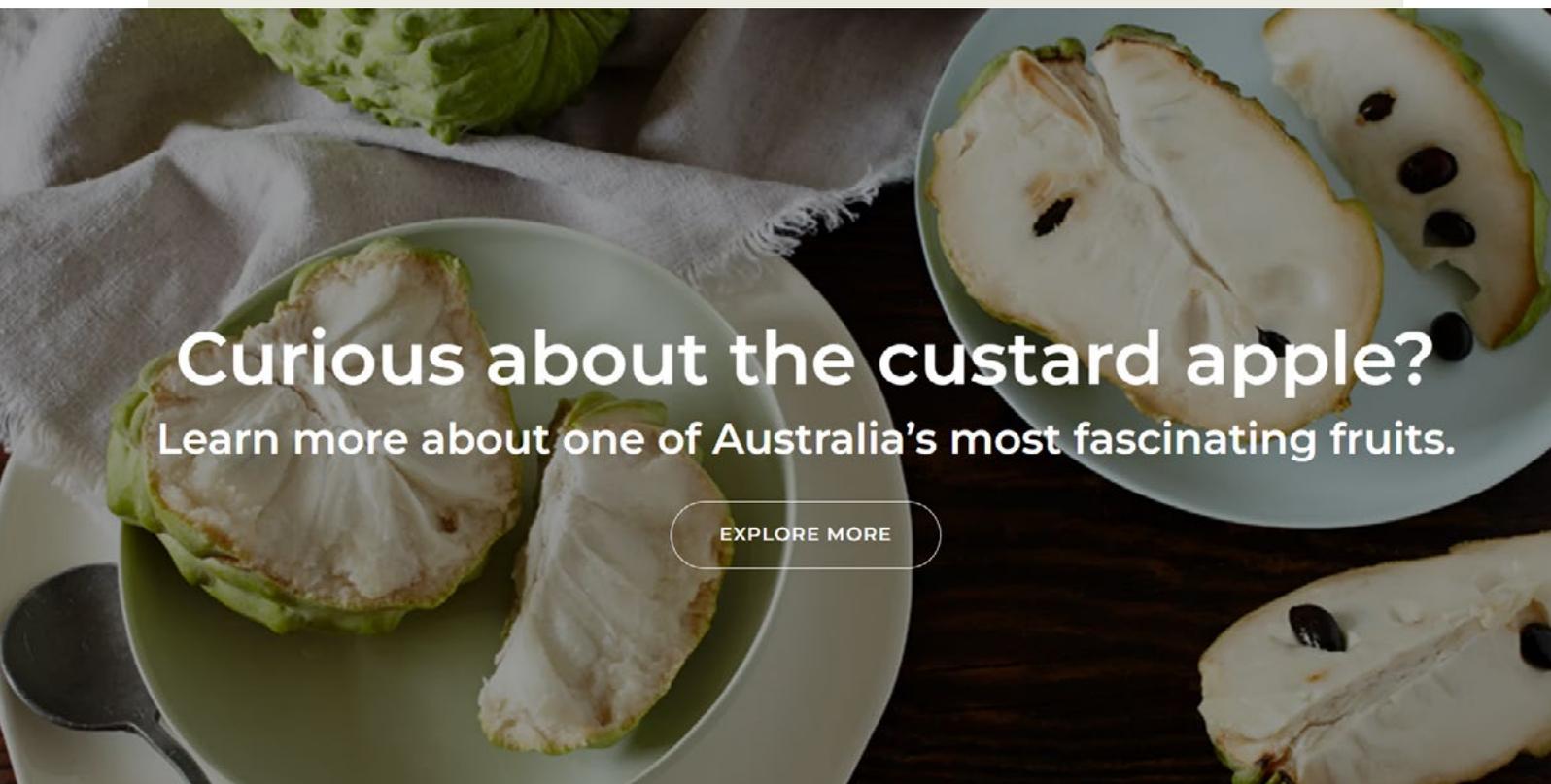
# Marketing spotlight

**Hort Innovation is responsible for investing the custard apple marketing levy into a range of activities to drive awareness and consideration. Here's a quick look at some of the activities and achievements in 2021/22.**

In 2021/22, the custard apple marketing program was designed to generate awareness for Australian custard apples. The priority was to improve the consumer and industry website [custardapple.com.au](https://custardapple.com.au).

The website was refreshed to create an improved user experience, with content including:

- How to choose custard apples
- Recipes
- Nutritional benefits
- Information about growing areas and seasonality.



**Curious about the custard apple?**  
Learn more about one of Australia's most fascinating fruits.

[EXPLORE MORE](#)

## Marketing spotlight

### Delicious recipes



Desserts

**Custard Apple with Ginger and Lemongrass**



Lunch & Dinner

**Chicken with Custard Apple Sauce**



Snacks, Muffins & Cakes

**Caramelised Custard Apple Bruschetta**



In 2021/22 the Hort Innovation Marketing function underwent a significant shift in their approach to investing marketing levies. You can read more about this in the 2021/22 Hort Innovation Company Annual Report at [www.horticulture.com.au/annual-report-portal](http://www.horticulture.com.au/annual-report-portal).

# 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 to manage pests, weeds and diseases.

For full details on these activities and links to relevant information, visit [hortinn.com/custard-apple-minor-use](http://hortinn.com/custard-apple-minor-use).

## Current permits

Below is a list of minor use permits for the custard apple industry, current as of 15 August 2022.

Permit ID	Description	Date issued	Expiry date	Permit holder
PER11943 Version 3	Copper and Mancozeb / Custard apple / Anthracnose	28-May-12	30-Apr-27	Hort Innovation
PER83212 Version 2	Prochloraz (Octave) + Mancozeb / Custard apple (and other Annona species) / Anthracnose	01-Sep-16	31-Mar-23	Custard Apples Australia (CAA) C/Hort Innovation
PER12450 Version 7	Trichlorfon / Specified fruit crops / Fruit fly	06-Oct-11	30-Nov-25	Hort Innovation
PER80374 Version 3	Beta-cyfluthrin (Bulldock) / Custard apple, lychee, mango and persimmon / Various insect pests	01-Oct-15	31-Aug-25	Hort Innovation
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 3	Phosphorous acid / Custard apple / Phytophthora	07-Nov-12	31-Jul-27	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 4	Pyraclostrobin (Cabrio) / Custard apple / Pseudocercospora leaf spot	31-May-13	31-Aug-26	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 Version 2	Fipronil / Custard apple / Ants	12-Apr-19	30-Apr-25	Hort Innovation

Continued



### Current permits (continued)

Permit ID	Description	Date issued	Expiry date	Permit holder
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
PER89943	Trivora insecticide (acetamiprid + pyriproxyfen) / Custard apples, lychee, papaya, passionfruit, persimmons and olives / Various pests including fruit spotting bugs, olive lace bug, fruit fly suppression, mealybugs, scale insects, plant hoppers, leafhoppers and light brown apple moth	29-Jan-21	31-Jan-24	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](http://portal.apvma.gov.au/permits). Details of the conditions of use associated with these permits can also be found on the APVMA site.

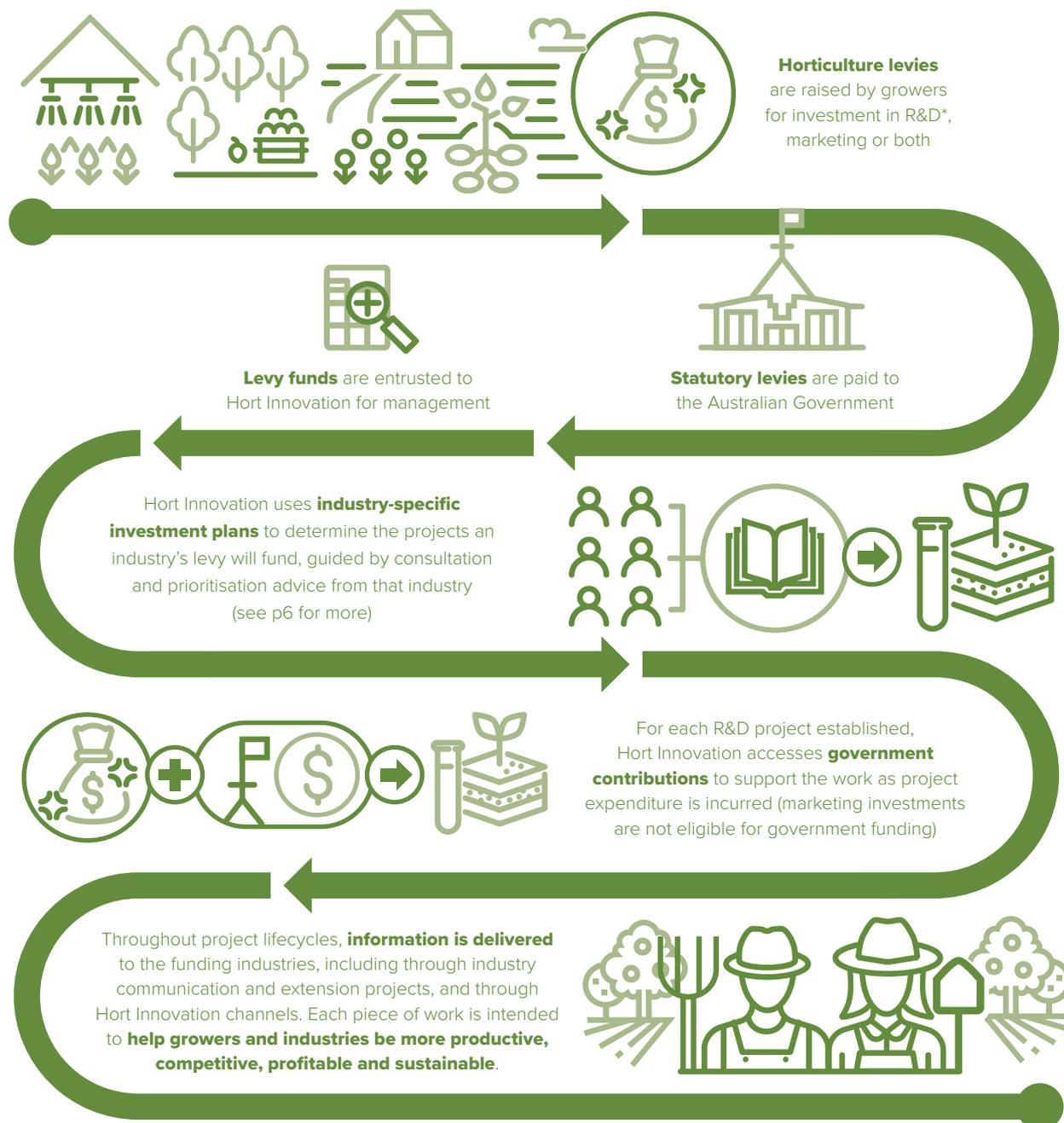
### Keep up to date!

Find monthly minor use permit updates in our *Growing Innovation* e-newsletter.

Sign up for free at [www.horticulture.com.au/sign-up](http://www.horticulture.com.au/sign-up).

# How strategic levy investments are made in the Custard Apple Fund

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 2022-2026 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](http://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 reserve.

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