



Custard Apple Fund

Annual Report 2018/19

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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.



Just some of the things your fund delivered in 2018/19:

- ✓ **The industry communication and extension program**, delivering *The Custard Apple* newsletter, regular email updates, field days and the industry website, www.industry.custardapple.com.au
- ✓ Ongoing work to provide **access to new, high-yielding varieties**, plus high-performing rootstocks (p7)
- ✓ A multi-pronged **domestic marketing campaign**, including the first-ever joint in-store sampling program between custard apples and persimmons (read about all marketing activities from p12)
- ✓ **New final research reports and grower resources**, available from www.horticulture.com.au/custard-apple



2018/19 SNAPSHOT

\$126
THOUSAND
INVESTED
IN R&D

\$20
THOUSAND
INVESTED IN
MARKETING

9
ACTIVE R&D
INVESTMENTS



Welcome

Hort Innovation is the grower-owned, not-for-profit research and development corporation (RDC) for Australia's horticulture sector. It's our job to work with industry to invest the custard apple R&D and marketing levies, as well as Australian Government contributions, into key initiatives for growers.

The 2018/19 financial year was another great year of growing better, together – with strong investments, closer connections and critical collaborations continuing to be forged.

There was more than \$126,000 invested into R&D through the Hort Innovation Custard Apple Fund across the year, to support the industry in being as productive and profitable as possible, with several ongoing projects addressing important issues and opportunities.

Meanwhile in marketing, the Hort Innovation Custard Apple Fund saw some \$20,000 invested in 2018/19 into a range of activities to raise the profile and consumption of Australian custard apples.

Read on to learn more about all of this work. And remember to take advantage of the Hort Innovation website at www.horticulture.com.au/custard-apple, where you can search and find information relating to investments, past and present, at any time. The new site and its Custard Apple Fund section were launched in 2018/19.

Finally, during the year there were many opportunities for Hort Innovation to connect with you, the growers. A big thank you in particular to everyone who came to our early-2019 regional roadshows to feed into the development of the new Hort Innovation Strategy 2019-2023 (read more at www.horticulture.com.au/strategy-2019-2023).

You can reach out to us at any time to learn more about our work, to submit ideas for investments, or to simply have a chat about your industry. You'll find details of specific staff at www.horticulture.com.au/get-in-touch, or can otherwise email communications@horticulture.com.au or call our general line on 02 8295 2300.



Additional value in the year

During 2018/19, Hort Innovation was proud to deliver extra value to the custard apple industry, outside of levy-funded initiatives within the Custard Apple Fund. Here's a quick look at just some examples.



The new Hort Innovation website, with dedicated Custard Apple Fund section

You can now visit www.horticulture.com.au/custard-apple to quickly search and find custard apple investment information and updates, project resources, and growing tips and advice from Hort Innovation's R&D work. You can also download full final research reports direct from the site, access key contact information, share your ideas and feedback, and so much more.



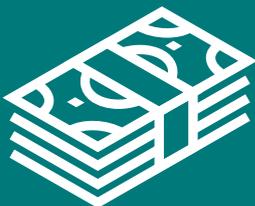
The Australian Horticulture Statistics Handbook

Each year Hort Innovation delivers an *Australian Horticulture Statistics Handbook* packed with horticulture statistical information and analysis for use by specific industries and the wider sector. The handbook combines all available data on production, international trade, processing volumes and fresh market distribution for some 75 categories. The 2017/18 edition, released in early 2019, is available from www.horticulture.com.au/horticulture-statistics-handbook.



Hort Frontiers projects

With seven investment areas, Hort Innovation's Hort Frontiers strategic partnership initiative is about collaborative, cross-industry work to address longer-term, complex issues and opportunities identified as critical for the future of Australian horticulture. While industry levies can be invested into Hort Frontiers projects upon the advice of the relevant Strategic Investment Advisory Panels, the bulk of funding comes from broad-reaching funding relationships that are secured by Hort Innovation, plus support from the Australian Government. Learn about all of the projects and what they're delivering for you at www.horticulture.com.au/hort-frontiers.



Grant funding

In 2018/19, Hort Innovation delivered \$6.7 million worth of investments involving grant funding across the horticulture sector. To do so, we applied for and secured a range of competitive grants on behalf of industry, including through the Australian Government's Rural R&D for Profit program, Improved Access to AgVet Chemicals initiative, and Agricultural Competitiveness White Paper. With projects across everything from biosecurity to pollination, there's plenty in there to directly and indirectly benefit the custard apple industry.

Making investments in 2018/19

Hort Innovation is dedicated to making the right investments at the right time and in the right areas, in line with identified priorities for the industry.

Where the funding comes from

The custard apple industry's grower-raised statutory R&D and marketing levies are collected by the Australian Government and entrusted to Hort Innovation as the RDC for Australian horticulture. It's then our responsibility to work with the industry to invest these levies – together with Australian Government contributions in the case of R&D – into strategic initiatives for the benefit of growers.

Additional funding streams can also come into play, such as co-investment dollars from sources including project partners, and grant funding that Hort Innovation secures on behalf of industry.

How decisions are made

Investment decisions in the Hort Innovation Custard Apple Fund are guided by the industry's Strategic Investment Plan (SIP). This document was developed through close consultation with growers and other industry stakeholders, and outlines specific investment priorities, strategies and themes. An at-a-glance version can be found at www.bit.ly/custard-apple-plan, or find the full version at www.horticulture.com.au/custard-apple.

The SIP is currently used like a 'roadmap' by the custard apple Strategic Investment Advisory Panel (SIAP) – a panel made up of growers and other industry representatives that's tasked with providing advice to Hort Innovation on potential levy investments.

Turning ideas into investments

Great investments start with great ideas, and Hort Innovation encourages all growers and other industry participants to share their thoughts and suggestions for the work they want to see. Ideas can be submitted any time via Hort Innovation's investment idea form at www.bit.ly/concept-form.

Ideas that are selected for investment are worked into project proposals by Hort Innovation. These are then made public for potential delivery partners to submit responses. Current opportunities are always listed at www.horticulture.com.au/delivery-partners.

Responses are assessed, often with the assistance of industry, and the best delivery partner for the work is chosen. A contract is then issued and the work begins.

Keeping track of investments

All investments in the Hort Innovation Custard Apple Fund are detailed on the 'Your investments' page at www.horticulture.com.au/custard-apple. We also send news and alerts to Hort Innovation members and contacts – if you haven't already, you can sign up for free at www.horticulture.com.au/sign-up.

Importantly, the industry's levy-funded communication and extension program is tasked with providing growers with regular information on levy-related activity. See p7 for more.



New investment analysis

You can now clearly see how investments in the Hort Innovation Custard Apple Fund align to the industry's SIP, with new and interactive investment analysis information available from www.bit.ly/custard-apple-investment. The analysis currently shows the allocation of funding against each of the custard apple SIP outcomes from the start of the SIP (2016/17) to the end of 2018/19, and gives an indication of the projects that are aligned to each outcome.

R&D project list 2018/19

NEW INVESTMENTS IN 2018/19

MT18011 Ex-post impact assessment*

* This multi-industry project was a key monitoring and evaluation investment during 2018/19 – we encourage you to find the full details at www.horticulture.com.au/mt18011

ONGOING INVESTMENTS IN 2018/19

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

ST16006 Generation of residue, efficacy and crop safety data for pesticide applications in horticulture crops

ST16008 AgVet collaborative forum

ST17000 Generation of data for pesticide applications in horticulture crops 2018

INVESTMENTS COMPLETED IN 2018/19

CU15000 Custard Apple Dispatch System 2 (CADS 2)

During the 2018/19 financial year, all levy paying horticulture industries also contributed to a small selection of across-industry projects addressing issues that affect horticulture as a whole. Details of all investments that Hort Innovation manages can be found at www.horticulture.com.au.



But wait, there's more. To see what Hort Innovation delivered across the entire horticulture sector in 2018/19, download the full Hort Innovation Annual Report 2018/19 from www.horticulture.com.au/annual-report-portal.

R&D report

Take a closer look at some of the key investments in the Hort Innovation Custard Apple Fund during 2018/19. Any resources from these and other levy-funded projects – such as fact sheets, guides and more – are published on your grower page at www.horticulture.com.au/custard-apple as they become available.

Custard apple communication and extension program (CU16001)

Key research provider: Custard Apples Australia

This program supports industry awareness and uptake of R&D outcomes and other relevant knowledge. This is primarily delivered through field days/roadshows in each of the country's growing regions. These events bring to growers information on fruit quality, orchard management and post-harvest systems and practices; support growers in adding value to their businesses; and keep all stakeholders up to date with the latest issues relevant to the custard apple industry.

Details of upcoming events are circulated in industry channels. You can also contact Custard Apples Australia at secretary@custardapple.com.au for more information.

The project also facilitates other regular communication channels to Australia's custard apple industry, which include:

- » Quarterly newsletter *The Custard Apple*, available in print and digital form
- » Regular email updates from Custard Apples Australia
- » The industry website, www.industry.custardapple.com.au.

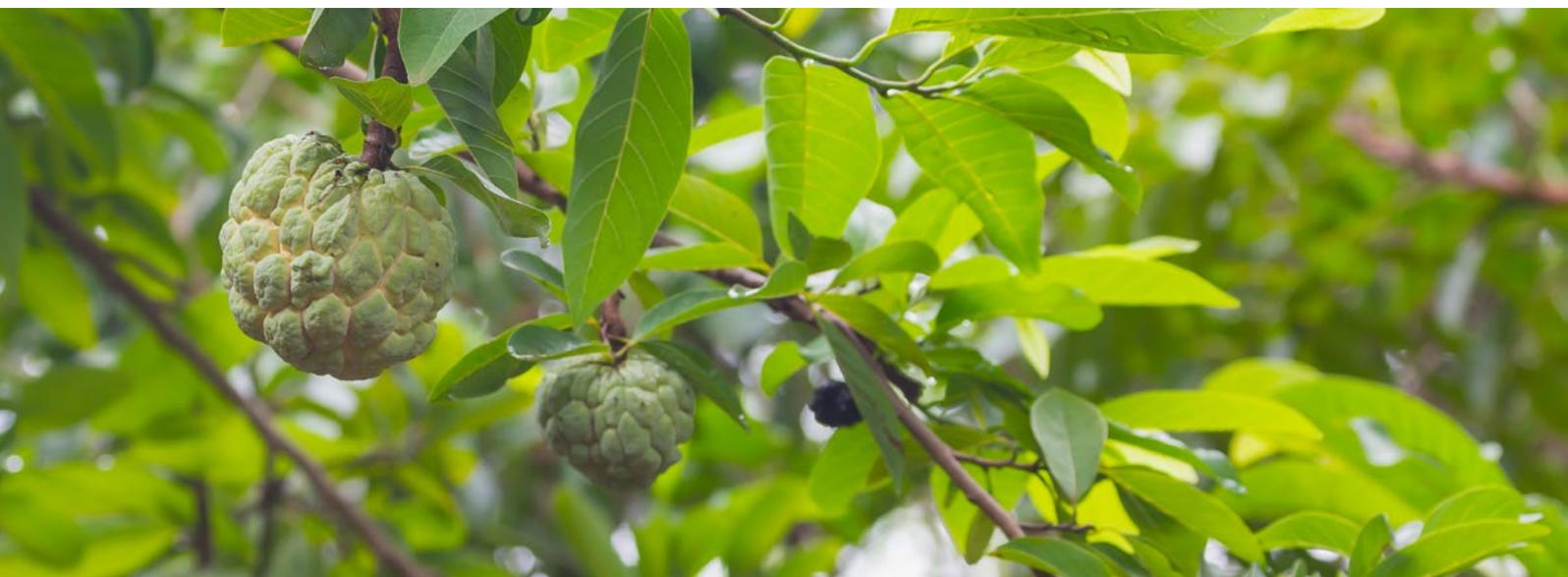
New custard apple varieties and enhanced industry productivity (CU16002)

Key research provider: The Queensland Department of Agriculture and Fisheries

Beginning in 2018, this investment is responsible for:

- » The development and evaluation of new, high-yielding green and red skin 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.

It has carried on from the completed project *Accelerating development of the Australian custard apple industry, new variety development and commercialisation phase 2* (CU13001). Full details on CU13001 can be found at www.bit.ly/cu13001, while progress updates on CU16002 are available at www.bit.ly/cu16002.



Custard Apple Dispatch System 2 – CADS 2 (CU15000)

NOW COMPLETE

Key research provider: GFAP Pty Ltd

This project was responsible for continuing the administration and upgrading of the Custard Apple Dispatch System (CADS) between early 2016 and early 2019.

The system was designed to allow registered growers to generate and transmit dispatch advices electronically, and wholesalers and exporters to enter and transmit payback prices electronically, while also providing reporting at grower and industry levels.

CADS upgrading under the project included technological changes to make it easier and more efficient for growers using Apple computers to use the system, and to allow CADS to be used on tablet devices. Changes also allowed for aggregated and real-time reporting of crop flow (dispatch quantities) and crop value (payback prices).

The use of CADS was intended to facilitate improved and more efficient business processes for industry, by allowing growers and other users to make more objective business decisions on farm and along the value chain. Full details can be found in the project's final research report, which can be downloaded from www.bit.ly/cu15000.

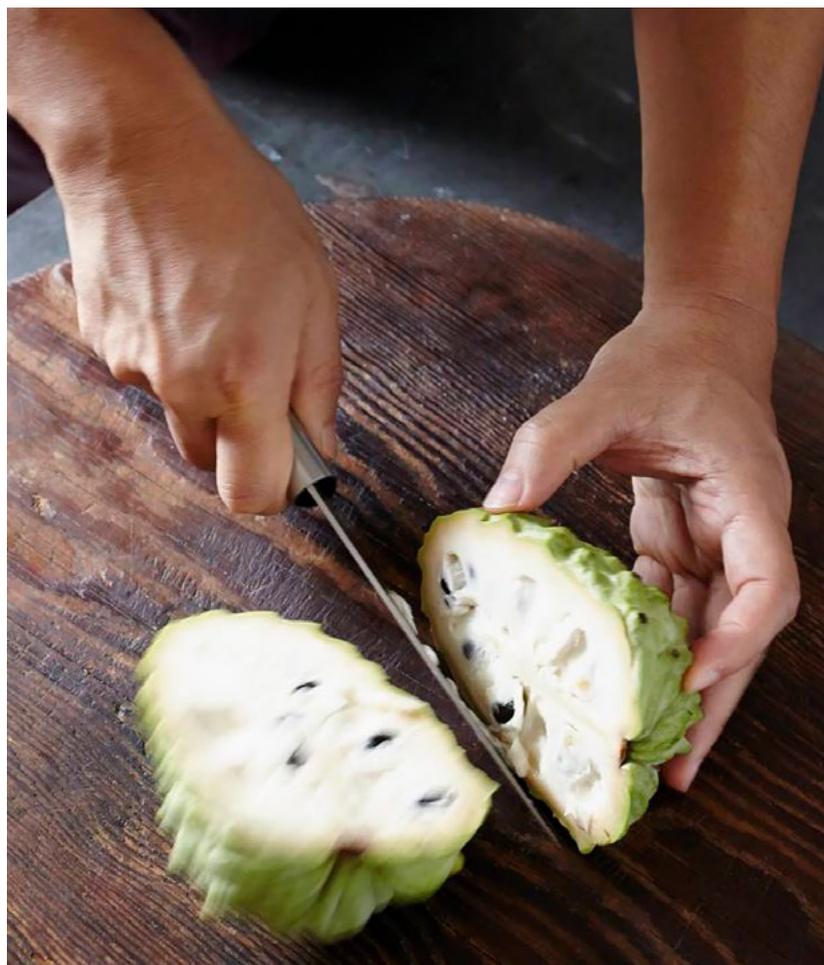
Custard apple industry minor use program (CU16000)

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 p10.

All current minor use permits for the industry are searchable at portal.apvma.gov.au/permits. Permit updates are also 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)

Key research providers: Peracto, 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.

For the custard apple industry, the multi-industry investment **Generation of data for pesticide applications in horticulture crops 2018 (ST17000)** will support a Bayer DC-163 label registration for the control of yellow peach moth, leafroller moths, flower-eating caterpillar, loopers, fruit-piercing moths and elephant weevil.

Data generation for other applications relevant to the custard apple industry is also supported by the multi-industry projects **Generation of residue data for permit applications 2017 (MT17012)** and **Generation of residue, efficacy and crop safety data for pesticide applications in horticulture crops 2017 (ST16006)**.

Both ST17000 and ST16006 are supported by grant funding through the Australian Government's Access to Industry Uses of Agricultural and Veterinary (AgVet) Chemicals program, plus levy contributions.



Keep up to date!

To keep up to date with the latest information on new, ongoing and recently completed R&D investments throughout the year – and to search and find resources and reports from these investments – visit www.horticulture.com.au/custard-apple

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 2018/19

During the 2018/19 financial year, successful renewal applications for PER13158 (issued as PER87164), PER83931 and PER14491 (issued as PER87605) were prepared by Hort Innovation and submitted to the APVMA, facilitated through the *Custard apple industry minor use program* (CU16000).

Meanwhile, a successful renewed permit PER14905 (granted as PER86598) was also issued during 2018/19, with the application submitted through the industry minor use program in the previous financial year.

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 19 September 2019.

PERMIT ID	DESCRIPTION	DATE ISSUED	EXPIRY DATE	PERMIT HOLDER
PER11943	Copper and Mancozeb / Custard apple / Anthracnose	28-May-12	30-Jun-22	Growcom C/Hort Innovation
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 C/Hort Innovation
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	30-Jun-23	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

Continued >>



PERMIT ID	DESCRIPTION	DATE ISSUED	EXPIRY DATE	PERMIT HOLDER
PER87605	Fipronil / Custard apple / Ants	12-Apr-19	30-Jun-22	Hort Innovation
PER14743 Version 2	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-June-14	30-Jun-20	Growcom C/Hort Innovation
PER13859	Dimethoate / Orchard clean-up – fruit fly host crops following harvest / Fruit fly	09-Feb-15	31-Jul-24	Growcom C/Hort Innovation
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
PER83931 Version 2	Abamectin / Custard apple / Two-spotted mite and banana spider mite	19-Jul-17	31-Jul-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. Details of the conditions of use associated with these permits can also be found on the APVMA site.

Minor use permit updates are circulated in Hort Innovation's e-newsletter, *Growing Innovation*. Don't yet receive it? Sign up for free at www.horticulture.com.au/sign-up.

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 2018/19.



Custard Apple ambassador

The custard apple marketing program engaged lifestyle influencer Dani Stevens to develop custard-apple-inspired recipes to promote the versatility of the fruit during the season. These recipes were leveraged during media outreach and on the Custard Apples Facebook page.

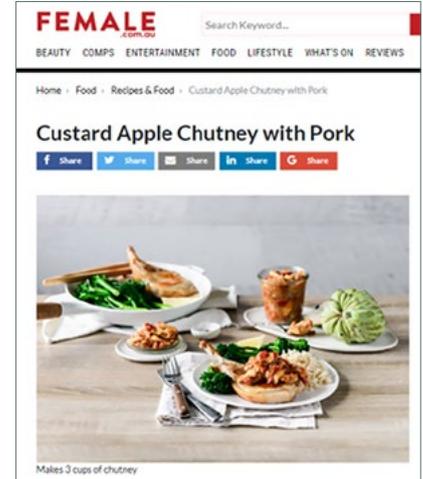
In addition to recipe development, Dani attended a farm tour during the peak of the season that offered the opportunity to deliver high-quality coverage of the paddock to plate story for custard apples and provide further education on the fruit. The day involved a tour of the trees, an overview of the picking and packing process, and a custard-apple-inspired morning tea. A Facebook Live

Q&A was filmed and shared on the day and Dani also posted footage from the day on her Instagram account, including 11 videos, and Facebook channels. The collaboration provided 1.2 million opportunities for people to see the content over the campaign period.

Media outreach

Media outreach was used to announce the custard apple season and to help drive awareness and education about the fruit, as well as inspiring consumers through recipes.

To drive custard apple media coverage, a comprehensive media pack was distributed to key media targets, including a seasonal press release, a selection of recipes and images



(including those developed by Dani Stevens), and an interview opportunity with custard apple grower Patti Stacey.

Over the course of the campaign, media coverage was secured across traditional and online mediums, delivering 3.9 million opportunities for people to see custard apple content. All coverage delivered at least one key campaign message about custard apples, and these messages included “in-season”, “shareable”, “selecting”, “inspiration” and “health”.

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 custard apple inspiration, with supporting messages on selection

and storage. The best performing posts included shots of fresh produce and images of Australian custard apple farms. Facebook advertising was used to boost performance on all posts to extend the reach and engagement.

The Custard Apples Australia Facebook page (www.facebook.com/custardapplesaustralia) performed well, delivering some 634,000 opportunities for people to see the content (above the 600,000 target), and a very strong engagement rate of 13 per cent (likes and comments) which was well above the seven per cent target set.



In-store sampling

Through their Hort Innovation marketing programs, a joint Australian Custard Apples and Australian Persimmons in-store sampling campaign was executed in a total of 98 Woolworths and Coles stores across Sydney and Melbourne from 28 March to 26 April 2019. The objective of the campaign was to strengthen consumer awareness of custard apples and persimmons; increase purchase confidence among consumers by providing key information such as seasonal availability, how to select, and health benefits; and to facilitate immediate purchase by highlighting the in-store position.

Consumers were able to try sliced fresh custard apples and persimmons, and brochures were distributed to shoppers that contained key facts and tips. A total of 10,980 samples were consumed throughout the campaign, and it's estimated more than 19,000 shoppers were exposed to the products.

Consumer research

In addition to in-store sampling, 400 shoppers participated in a deep-dive questionnaire (200 for custard apples and 200 for persimmons). This helped to provide key insights into consumer behaviours and barriers that influence purchase of custard apples, which will be used to inform future marketing plans. Key take outs included that almost half (46 per cent) of people had never heard of custard apples before and that there are a number of factors that could increase consumption such as greater awareness of availability during the year, providing consumers with more selection and storage information, and quality of fruit.



Financial statement

Financial operating statement 2018/19

	R&D (\$)	MARKETING (\$)	TOTAL (\$)
	2018/19 July – June	2018/19 July – June	2018/19 July – June
OPENING BALANCE	-7,074	5,507	-1,567
Levies from growers (net of collection costs)	60,853	29,245	90,099
Australian Government money	79,159	–	79,159
Other income*	213	385	598
TOTAL INCOME	140,226	29,630	169,856
Project funding	126,494	20,000	146,494
Consultation with and advice from growers	101	–	101
Service delivery – base	5,541	1,100	6,641
Service delivery – shared	9,182	1,822	11,005
Service delivery – fund specific	17,000	8,498	25,498
TOTAL EXPENDITURE	158,318	31,420	189,739
Levy contribution to across-industry activity	3,740	–	3,740
CLOSING BALANCE	-28,906	3,717	-25,189
Levy collection costs	2,736	1,310	4,047

* Interest, royalties



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your levy!**

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including industry-specific alerts, opportunities
and general horticulture news**

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