

What happened in the Lychee Fund last year?

Annual Report 2021/22



About Hort Innovation and the Lychee 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 lychee R&D and marketing levies, together with Australian Government contributions, into key initiatives for growers, through the Lychee Fund. We're proud of the work we do to help drive productivity, profitability, and demand for lychee growers and the horticulture sector.

Read on for an overview of what Hort Innovation delivered in the Lychee 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 to see how Hort Innovation worked to benefit the horticulture sector during the year.

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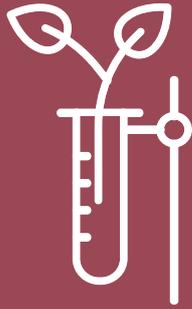
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\$96,184

invested in R&D



\$26,761

invested in marketing



\$131,629

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

Industry facts



\$32M

The value of the lychee industry
has grown significantly from
\$10.6 million in 2012/13 to
\$32 million in 2020/21



18%

In 2020/21, 18 per cent
(404 tonnes) of Australia's
lychees were exported



99%

99 per cent of Australia's
lychee production occurs
in Queensland

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.

Consumer insights



530g

On average, Australian households purchase
530 grams of lychee per trip (6.3 per cent
higher than a year ago)



680K

Approximately 680,000 Australian households
purchased lychees in the last year

These insights were made available through the Harvest to Home platform (www.harvesttohome.net.au) delivered as part of an investment providing regular consumer behaviour data and insight reporting.

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/lychee



Support for the National Bee Pest Surveillance program

to help safeguard honey-bee and pollinator-dependent industries in Australia – read more at hortinn.com/mt21008



Continued efforts towards developing an extension toolkit for growers for scale and mealybug management – see hortinn.com/ly20001



An industry communications program, delivering the *Living Lychee* journal, *Lychee aPeel* newsletter and industry website www.australianlychee.com.au



The lychee Harvest to Home dashboard providing regular household purchase data and insight reporting at www.harvesttohome.net.au



A domestic marketing campaign – see p10 for more



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*

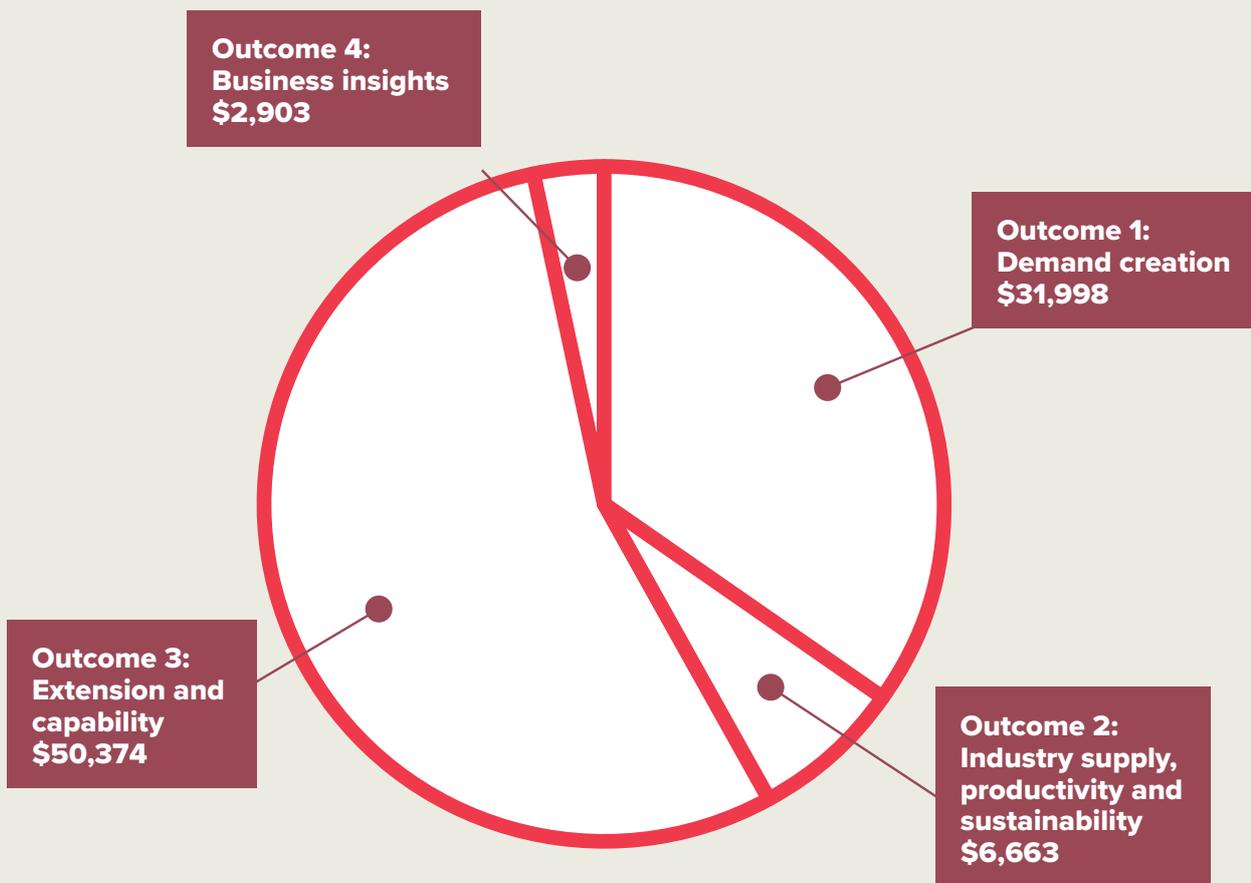


Projects supported by grants secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2021/22 for more details*

You can visit www.horticulture.com.au/lychee 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 Lychee Fund and, in most instances, did not involve the industry levy

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



The Lychee Strategic Investment Plan (SIP) guides investments specific to the Hort Innovation Lychee 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 Lychee 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 lychee industry to develop existing and future domestic and international markets

Marketing activities during 2021/22 also contributed towards the demand creation outcome. You can read more about this year's lychee marketing campaign on [p10](#).

Project title and code	2021/22 investment	Status	More information
Scale and mealybug management options for lychee growers – an extension toolkit (LY20001)	\$29,560	Ongoing	hortinn.com/ly20001
Australian horticulture international demand creation (ST21007)	\$2,438	Ongoing	hortinn.com/st21007

Outcome 2: Industry supply, productivity and sustainability

The Australian lychee industry has increased profitability, efficiency and sustainability through adoption of innovative R&D and sustainable pest and disease management

Project title and code	2021/22 investment	Status	More information
Plant Biosecurity Research Initiative – Phase 2 (HA19007)	\$142	Ongoing	
Lychee industry minor use program (LY16000)	\$963	Ongoing	hortinn.com/ly16000
Biosecurity plan for the lychee, papaya and passionfruit industries (MT18006)	\$2,890	Ongoing	hortinn.com/mt18006
Regulatory support and coordination (pesticides) (MT20007)	\$669	Ongoing	hortinn.com/mt20007
National Bee Pest Surveillance Program: Transition program (MT21008)	\$2,000	Ongoing	hortinn.com/mt21008

Outcome 3: Extension and capability

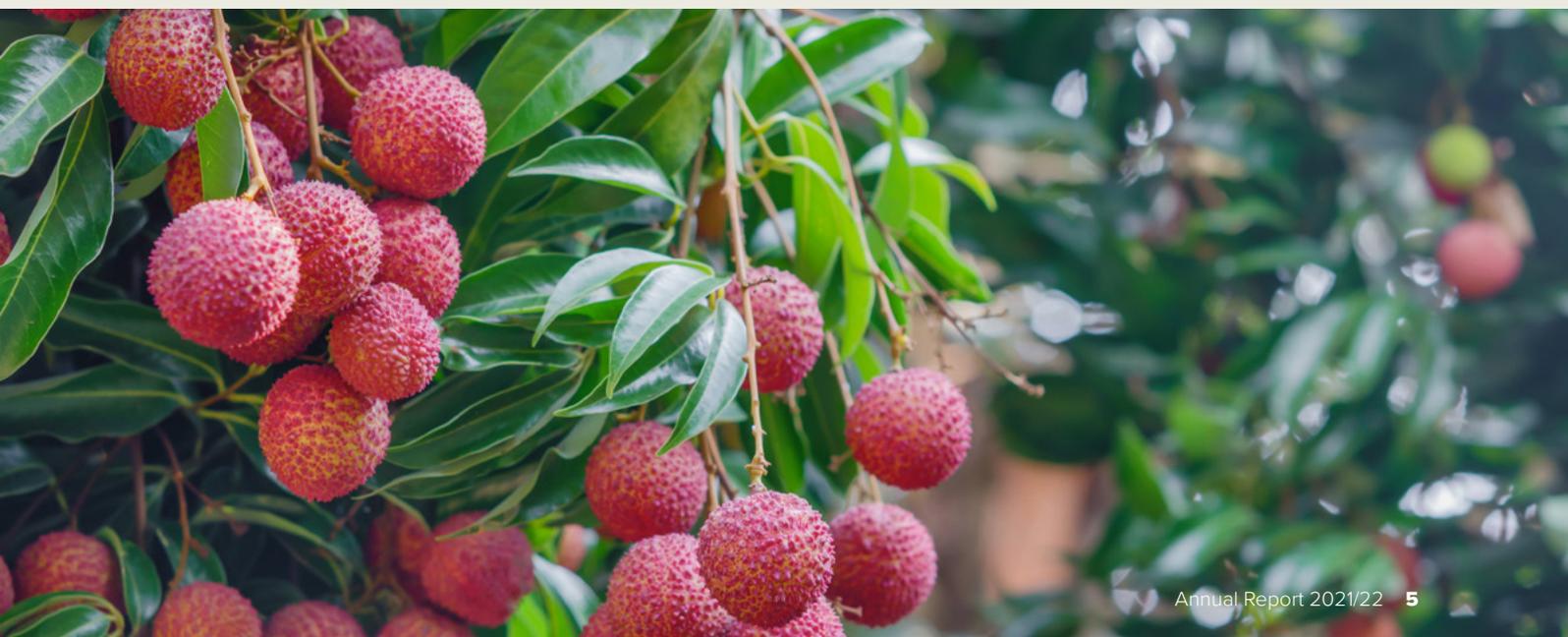
Improved capability and an innovative culture in the Australian lychee industry maximises investments in productivity and demand

Project title and code	2021/22 investment	Status	More information
Lychee industry communication program (LY20000)	\$50,374	Ongoing	hortinn.com/ly20000

Outcome 4: Business insights

The Australian lychee industry is more profitable through informed decision-making using consumer knowledge and tracking, trade data, production statistics and forecasting and independent reviews

Project title and code	2021/22 investment	Status	More information
Consumer demand spaces for horticulture (MT21003)	\$474	Ongoing	hortinn.com/mt21003
Consumer behavioural data program (MT21004)	\$1,924	Ongoing	hortinn.com/mt21004
Pilot program: Consumer usage, attitude and brand tracking (MT21201)	\$113	Completed	hortinn.com/mt21201
Consumer usage and attitude tracking 2022/23 (MT21202)	\$392	Ongoing	hortinn.com/mt21202



Financial operating statement

Lychee Fund Financial operating statement 2021/22

	R&D (\$)	Marketing (\$)	Total (\$)
	2021/22 July – June	2021/22 July – June	2021/22 July – June
OPENING BALANCE	177,629	(2,915)	174,714
Levies from growers	90,498	41,131	131,629
Australian Government money	57,556	–	57,556
Other income*	391	(17)	374
TOTAL INCOME	148,445	41,114	189,558
Project funding	96,184	26,761	122,944
Consultation with and advice from growers	1,935	1,011	2,945
Service delivery	16,994	6,816	23,810
TOTAL EXPENDITURE	115,112	34,588	149,700
CLOSING BALANCE	206,524	1,591	208,115
Levy collection costs	4,439	2,020	6,459

* 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 Lychee Fund's focus over the next five years?



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

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

The lychee 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 lychee Annual Investment Plan (AIP) 2022/23 details how Hort Innovation spends levy funds over 12 months. The lychee 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/lychee-fund-management to view both documents and better understand how Hort Innovation invests your levy.

Demonstrations show the value of learning from others

Research into scale and mealybug management options is facilitating opportunities for lychee growers to consider their management practices and look for improvements.

The investment *Scale and mealybug management options for lychee growers – an extension toolkit (LY20001)* is delivering an extension toolkit for lychee growers on how to manage scale and mealybug pests effectively. The project team are surveying lychee orchards across key growing regions during the growing season to gain an overview of the scale and mealybug problem, including collection of data on the diversity of these pests and what grower control practices are currently being used.

The extension toolkit will compile this information for lychee growers, with a focus on the lifecycle of these pests and management options available to growers (including chemical and biological). This material will also be presented in a series of workshops across key growing regions such as North Queensland, Mackay, Rockhampton, Bundaberg and the Sunshine Coast, as well as the annual lychee growers' meeting.

Meet Stephan and Marianne, lychee growers from the Sunshine Coast

Stephan and Marianne were originally sheep farmers from South Africa, but after moving to Australia and some time out of agriculture, in 2017 they bought an established lychee orchard at Ilkley in the Sunshine Coast hinterland. The property is 17 hectares with 5.4 hectares planted with 2,600 lychee trees (B3 cultivar) which are about 20 years old.

Stephan put up his hand to host the Australian Lychee Growers Association annual growers' meeting on their farm in 2021. Rather than just present progress on the scale and mealybug toolkit, project lead Yan Diczbalis suggested to Stephan it could be an opportunity for Allan Blair (Senior Extension Development Officer, Department of Agriculture and Fisheries, Queensland) to do a small trial/demonstration of pesticide spray application.

Stephan had been struggling with his sprayer and achieving effective application and had sought advice over the phone from Allan. The opportunity to have someone with Allan's extensive technical knowledge and experience do such an activity on his farm, was one not to be missed. The day before the meeting they set up a demonstration to look at spray application results using ultra-violet tracers to show coverage.



Did you learn anything?

We picked up all sorts of insights and knowledge, about calibration and other important considerations, whilst working with Allan to set up the demonstration of eight different combinations of operating pressure and ground speed combinations. The evening after the demonstration we went back to look at the results more closely as the UV impact was still visible. As a result, we changed how we sprayed our trees to improve coverage.

Participation in this activity changed my attitude about being involved/not being involved in industry events aimed at sharing knowledge. Being involved in this demonstration showed the value of being prompted to question and look beyond how we were doing things – which were based on how the previous owner operated.

When we bought the farm, we were very hesitant about meeting people and getting involved, we wanted to farm on our own. This experience opened our eyes to the benefits of dealing with people – everything is not on Google. There is so much value in interacting with people in the industry – it is a privilege to learn from experienced people like Allan who have a wealth of knowledge to tap into. We have now invited another group to come and do some tests on native bee pollination.

What has been the benefit?

Following what we learnt from the demonstration we changed our spray application practice last September. In January, samples of fruit were closely checked for pests as part of some trials testing use of a high-pressure sprayer to clean fruit of pests for export. The unwashed samples were found to be relatively clean of pests in comparison to the previous year and what is typical in the industry. Whilst this cannot be conclusively attributed to improved spray application and efficacy, it likely contributed to reduced pest load on the fruit.



The biggest benefit has been financial. Cleaner fruit gets a better price. It also make the grading process quicker because our staff do not have to scrutinise fruit so closely and this saves wages.”

Stephan, lychee farmer, Sunshine Coast

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Being able to share this demonstration with others is a benefit in itself, otherwise we would just be doing what we’ve always done rather than looking for improvements. Since that day we are willing to participate in anything that may help us look critically at our practices and possibly help find improvements for our business and others.



Inspiring consumers to love lychees

Hort Innovation is responsible for investing the lychee 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 Australian Lychees marketing campaign was designed to drive awareness and inspire consumers while they were planning their grocery shop while lychees were in season. The campaign encouraged planned purchases, primarily amongst Australians aged 35-55, targeting 'independent singles'. This was achieved by creating compelling content designed to cut through cluttered social media feeds via an "always-on" approach strategy for the campaign's duration.



Content creation and recipe development

To create awareness of the lychee season, food photographer Bonnie Coumbe was commissioned to create and capture recipes designed to excite and inspire consumers. All content featured a 'summer entertaining' occasion to highlight a key eating occasion and encourage consumption. Simple and exciting ways to try Australian lychees while the fruit was in season included:

- Two new lychee recipes, accompanied by quality imagery, "lychee and pork skewers" and "lychee and mint mojito."
- A stop motion video driving awareness of the lychee season, titled "*Unwrap an Australian lychee*".



Social media

The “always-on” social media campaign was designed to increase awareness and consideration of Australian lychees and encourage purchase amongst the target audience on Facebook and Instagram from November until February, coinciding with the peak lychee season.

Educating consumers about lychees was prioritised, with content featuring facts about the fruit, selection, storage tips and ways to enjoy lychees while in season.

There were 34 posts shared on the Australian Lychees social channels during the campaign. The post with the highest engagement rate on Instagram featured a lychee martini, which achieved 1,507 engagements and an engagement rate of 20 per cent. On Facebook, the post with the highest engagement rate was a grower post which achieved 2,106 engagements and an engagement rate of 7 per cent.

Four of the posts during the campaign were videos, with the most popular being the newly created “how to unwrap a lychee” video, which achieved 6,294 engagements (including views), 103,436 impressions and reached 79,616 people.

The social media campaign achieved:

- More than 1.2 million impressions (1,264,408) across Facebook and Instagram (higher than the KPI of 980,000 impressions)
- More than 15,000 engagements across Facebook and Instagram (15,343), doubling the KPI of 7,000 engagements
- Average engagement rate on Facebook of 4 per cent and 9 per cent on Instagram (achieved KPI of >4 per cent for Facebook and >5 per cent for Instagram)

Brand partnership

Australian Lychees benefited from a first-time partnership with News Corp, with home page takeovers, simple usage applications and recipes on [Taste.com.au](https://www.taste.com.au), Australia’s #1 food website. The brand partnership resulted in 107,100 impressions across the site and 4,974 pageviews.

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.

Minor use permits

The Hort Innovation Lychee 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/lychee-minor-use.

Current permits

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

Permit ID	Description	Date issued	Expiry date	Permit holder
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
PER80367 Version 2	Pyraclostrobin (Cabrio) / Lychee / Anthracnose or pepper spot	12-May-15	31-Oct-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
PER13659 Version 4	Mancozeb / Lychees / Pepper spot	01-Oct-12	30-Sep-27	Hort Innovation
PER13660 Version 3	Copper hydroxide and cuprous oxide / Lychees / Lychee pepper spot	14-Aug-12	30-Apr-27	Hort Innovation
PER91169	Sulphur (Apparent Sulfur 800WG) / Lychee / Erinose mite and white louse scale	30-Aug-21	31-Aug-26	Hort Innovation
PER91168	Petroleum oil / Lychee / Green shield scale, soft green scale and soft scales	24-Aug-21	31-Aug-26	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 cleanup – fruit fly host crops following harvest / Fruit fly	09-Feb-15	31-Jul-24	Growcom

Continued

Minor use permits

Current permits (continued)

Permit ID	Description	Date issued	Expiry date	Permit holder
PER80369	Prochloraz (Octave) / Lychee / Anthracnose or pepper spot	17-Mar-15	31-Oct-25	Australian Lychee Growers' Association
PER88401 (Replaces PER80366)	Buprofezin (Applaud) / Lychee / Scale insects, mealybug and flatid planthoppers	23-Jan-20	31-Jan-25	Hort Innovation
PER88197	Cyprodinil + Fludioxonil (Switch fungicide) / Lychee / Lychee pepper spot/Anthracnose	5-Nov-19	30-Nov-24	Hort Innovation
PER85397	Sulfoxaflor (Transform) / Lychee, mango, papaya and passionfruit (field grown) / Fruit-spotting bug and banana-spotting bug	17-Apr-18	30-Apr-23	Hort Innovation
PER81753 Version 2	Ethephon (Ethrel) / Lychee / Seasonal vegetative flushes	05-Apr-16	31-Jan-24	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
PER91798	Methoxyfenozide (Prodigy insecticide) / Mango, lychee and longan / Mango shoot looper (<i>Perixera illepidaria</i>)	18-Nov-21	30-Nov-24	Hort Innovation
PER92133	Tetraniliprole (Vayego 200 SC Insecticide) / Mango and lychee / Mango shoot looper (Post-flowering only) (NSW, NT & QLD only)	10-Aug-22	31-Aug-25	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.

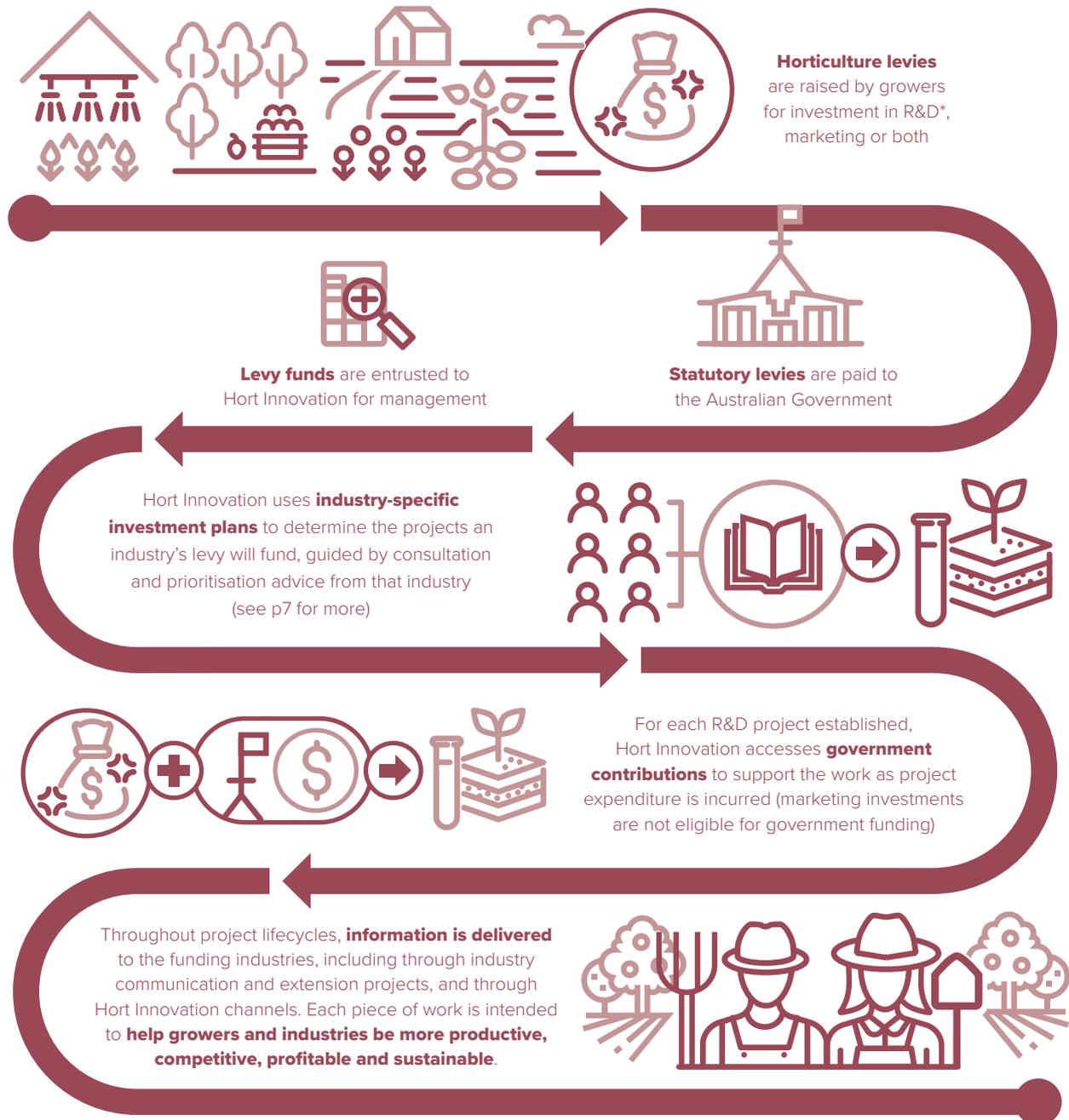
Keep up to date!

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

Sign up for free at www.horticulture.com.au/sign-up.

How strategic levy investments are made in the Lychee Fund

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The lychee R&D and marketing levies were invested this way during the year, guided by the lychee 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 Lychee Fund, visit www.horticulture.com.au/lychee. 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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