

What happened in the **Banana Fund** last year?

Annual Report 2020/21



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

Throughout another challenging year for the horticulture sector, activity in the Banana Fund remained strong. Read on for an overview of what was delivered.

We also encourage you to download a copy of the overarching Hort Innovation Annual Report 2020/21 at www.horticulture.com.au/annual-report-portal to better understand how Hort Innovation worked for the benefit of the horticulture sector during the year.

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\$3M

invested in R&D



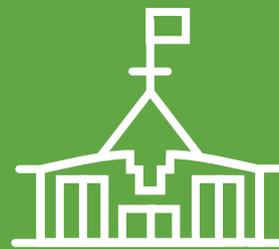
\$3.5M

invested in marketing



23

active R&D investments



\$6.77M

in levies collected

by the Government and passed on to Hort Innovation for investment



381,676t

In 2019/20 the production volume for bananas was 381,676 tonnes



95%

Australians love bananas, with 95 per cent of Australian households buying bananas in 2019/20



94%

94 per cent of Australia's bananas are grown 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, for use by individual industries and the wider sector. The 2019/20 edition was released in early 2021 and 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



The Best Management Practices for Biosecurity online tool, available at www.bmp.abgc.org.au



Continued work into plant protection, including projects related to Fusarium wilt, plus banana bunchy top surveillance and education activities and the Banana Plant Protection Program. See www.horticulture.com.au/banana for more details.



Preparation support for pest incursions such as fall armyworm and serpentine leafminer, including emergency minor use permits and longer-term investments to bolster the horticulture sector's response



Industry communication and extension programs, delivering the *Australian Bananas* magazine, e-bulletins, the www.abgc.org.au and www.betterbananas.com.au websites and more



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



A multi-pronged domestic marketing campaign for Australian Bananas and **The Good Mood Food** across-horticulture campaign to support industries through the effects of another challenging year – see www.horticulture.com.au/the-good-mood-food*



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*

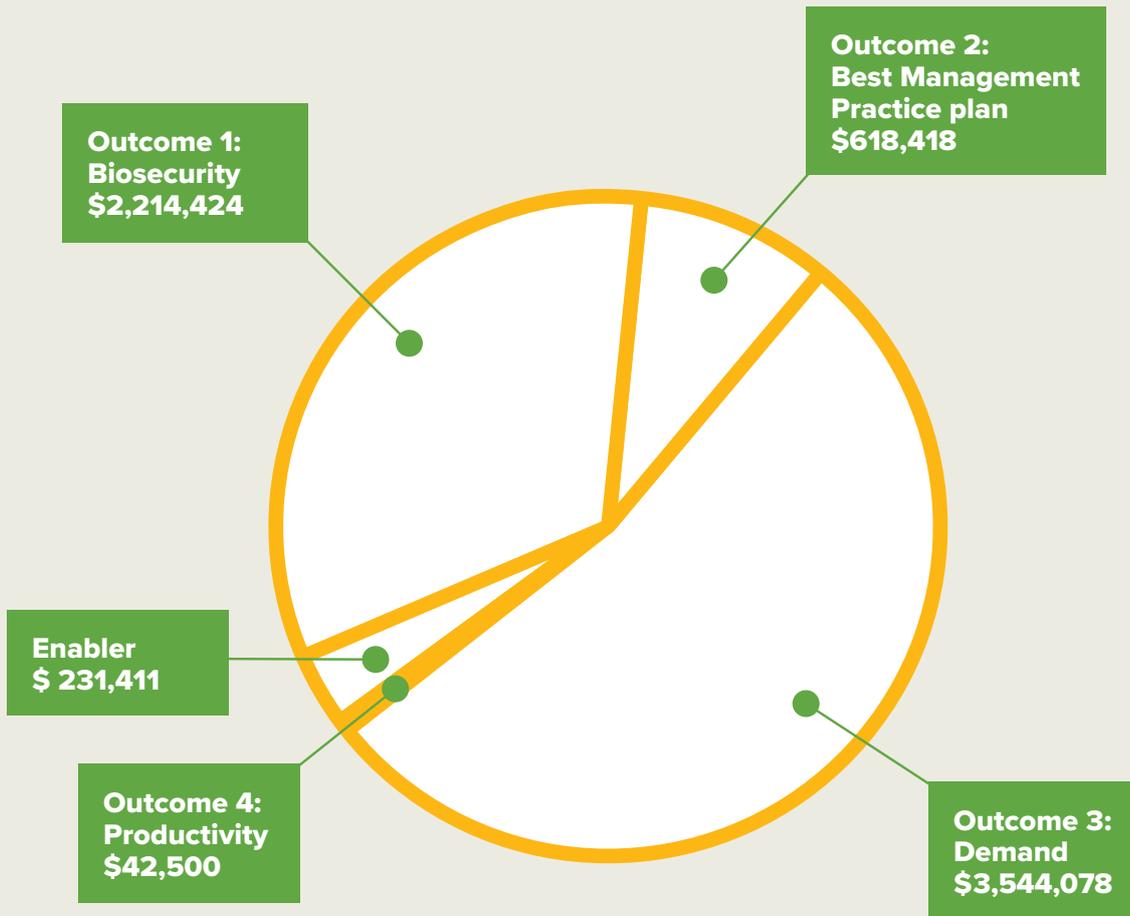


Projects supported by grants secured by Hort Innovation, ranging from cross sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2020/21 for more*

You can visit www.horticulture.com.au/banana 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.

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

Here's what your fund invested in over the year



Investments that are specific to the Hort Innovation Banana Fund are guided by the banana Strategic Investment Plan (SIP). The SIP features priority outcome areas that have been identified and agreed upon by the industry, and Hort Innovation works to invest in R&D and marketing initiatives that are aligned to these.

In the above chart, you can see how project expenditure in the Banana Fund during 2020/21 was aligned to the SIP. Each project has been allocated to a SIP outcome based on its primary objective.

Expenditure on projects classified as 'enabler' support the broader delivery of the industry's strategic investment plan, such as impact assessments.

Which projects were in each of the SIP outcome areas?

Outcome 1: Biosecurity

New varieties introduced and improved pest and disease management that improve varietal diversity and biosecurity

Project title and code	2020/21 investment	Status	More information
Review of the national biosecurity plan for the banana industry (BA15001)	\$6,500	Completed	hortinn.com/ba15001
Improved plant protection for the banana industry (BA16001)	\$451,403	Ongoing	hortinn.com/ba16001-and-ba16005
Banana industry minor use permit program (BA16003)	\$389	Ongoing	hortinn.com/ba16003
Strengthening the banana industry diagnostic capacity (BA16005)	\$204,341	Ongoing	hortinn.com/ba16001-and-ba16005
Banana industry R&D coordination (BA17002)	\$135,974	Completed	hortinn.com/ba17002
Management of banana pests and diseases in North Queensland (BA17005)	\$120,480	Ongoing	hortinn.com/ba17005
Development of molecular markers for Fusarium wilt resistance in banana (BA17006)	\$77,284	Completed	hortinn.com/ba17006
Banana bunchy top virus project (Phase 4) – national surveillance and education (BA18000)	\$737,217	Ongoing	hortinn.com/ba18000
Understanding the role of latency in banana bunchy top virus symptom expression (BA19002)	\$121,398	Ongoing	hortinn.com/ba19002
Biosecurity and sustainability in the banana industry (BA19005)	\$170,406	Ongoing	hortinn.com/ba19005
Banana industry R&D coordination (BA20002)	\$187,432	Ongoing	hortinn.com/ba20002
Strategic Agrichemical Review Process (SARP) – Updates (MT19008)	\$1,600	Completed	hortinn.com/mt19008

Investments

Outcome 2: Best Management Practice (BMP) plan

Increased adoption of the industry's BMP plan that improves industry sustainability, biosecurity and environmental stewardship

Project title and code	2020/21 investment	Status	More information
Banana strategic industry development manager (BA16008)	\$85,370	Completed	hortinn.com/ba16008
Banana industry communications program (BA18001)	\$228,418	Ongoing	hortinn.com/ba18001
National banana development and extension program (BA19004)	\$304,630	Ongoing	hortinn.com/ba19004

Outcome 3: Demand

Increased domestic demand, developed export markets and product diversification that increase grower profitability

Marketing activities during 2020/21 contributed to demand-related outcomes in the SIP. You can read more about the banana marketing campaign on p10.

Project title and code	2020/21 investment	Status	More information
Australian bananas consumer research and tracking FY21 (BA20000)	\$15,624	Ongoing	hortinn.com/ba20000
Consumer behavioural and retail data for fresh produce (MT17015)	\$44,072	Ongoing	hortinn.com/mt17015-banana
Horticulture trade data (MT19005)	\$1,272	Ongoing	hortinn.com/mt19005

Outcome 4: Productivity

Increased adoption of continuous improvement and automation technology that improve industry productivity and profitability

Project title and code	2020/21 investment	Status	More information
Banana industry congress (BA19003)	\$42,500	Ongoing	hortinn.com/al19002

Financial operating statement

Banana Fund Financial operating statement 2020/21

	R&D (\$)	Marketing (\$)	Total (\$)
	2020/21 July – June	2020/21 July – June	2020/21 July – June
OPENING BALANCE	861,044	545,471	1,406,515
Levies from growers (net of collection costs)	2,164,990	4,609,817	6,774,807
Australian Government money	1,745,988	–	1,745,988
Other income*	3,956	4,877	8,833
TOTAL INCOME	3,914,934	4,614,694	8,529,628
Project funding	3,033,315	3,498,734	6,532,049
Consultation with and advice from industry	3,868	9,208	13,076
Service delivery	454,792	604,534	1,059,326
TOTAL EXPENDITURE	3,491,975	4,112,476	7,604,451
Levy contribution to across-industry activity	–	–	–
CLOSING BALANCE	1,284,003	1,047,689	2,331,692
Levy collection costs	11,257	24,325	35,582

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



The banana Strategic Investment Plan (SIP) was created in 2021 to reflect current priorities for the banana industry. This involved extensive consultation with banana growers and industry stakeholders, including the Australian Banana Growers' Council. The SIP is the roadmap that helps guide Hort Innovation's oversight and management of individual levy industry investment programs.

The banana SIP lays the foundation for decision making in levy investments and represents the balanced interest of the particular industry from which the levy is collected. The most important function of the SIP is to make sure that levy investment decisions align with industry priorities.

The banana SIP identifies four outcome areas that will contribute to the productivity and profitability of the banana 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 banana Annual Investment Plan (AIP) 2021/22 will detail how levy funds will be spent over the 12-month period. Investment decisions will be guided by the industry SIP and prioritised based on potential industry impact, as well as availability of levy funds.

The AIP is developed by Hort Innovation, and is informed by the SIP and industry consultation, including collaboration with the Australian Banana Growers' Council.

The AIP is then discussed with the industry SIAP for feedback and prioritisation. All investments will need to link to the industry's SIP by addressing a minimum of one KPI against a strategy under one of the four outcomes.

Annual Investment Plans will be published each year over the lifespan of the SIP and industry stakeholders will be advised via established communication channels.

Hort Innovation will continue to report on fund performance regularly, with more focus on reporting on outcomes and the impact of investments.



When available, you can visit www.horticulture.com.au/banana-fund-management to view both documents and get a full picture of how your levy will be invested over the next five years.

Protecting Australia's banana industry

Across several investments, the Hort Innovation Banana Fund continues to protect Australia's valuable banana industry from current and emerging pest and disease threats that have the potential to impact on grower profitability.

The challenge

The banana industry faces several disease pressures, including TR4 disease – a soil-borne fungus that easily spreads by infected banana plants and contaminated soil and water. Growers need support to detect, contain, and manage these diseases, as well as access to new plant varieties that are resistant to TR4.



Stephen Lowe, owner of S Lowe and Sons, Tully, Queensland

Meet Stephen

As part of the program new varieties with promising TR4 resistance were trialed on four banana farms in Far North Queensland and one in the Northern Territory. These varieties had TR4 resistance comparable to the Goldfinger variety.

S Lowe and Sons, based in Tully, Far North Queensland have been involved with the project since they planted their experimental crops back in October 2019, which they harvested a year later.

“The plants performed above my expectations,” says owner, Stephen Lowe. “I’ve been very surprised at the varieties and the bunches we’re getting off them. The only problem has been the time to get a bunch. It seems to be that when you have a tolerant variety, they are slower.”

“But it does depend on how you farm. There are opportunities to phase your crop. I think it’s something you could work with, but it’s just not ideal if everyone else doesn’t have to do it.”

Fruit has also been sent through to market. Feedback from agents and consumers has been generally positive, a sentiment echoed by growers attending the industry Roadshow Series who were able to sample some fruit. The data so far suggests that ripening conditions, shelf-life and taste are comparable to Williams.

“It’s quite important to have trials like this on commercial farms so that they get exactly the same treatment as what your crop is going to get when they come onto the farm,” says Stephen. “That way the farmer knows exactly what they can expect from the variety.”



The approach

Funds from the banana levy support several projects dedicated to helping growers manage the pressures of key pests and diseases. Through a range of research activities, including disease surveillance, the development of new tools and knowledge to manage pests and diseases, variety evaluation research, and extension, the levy fund continues to provide Australian growers with a key resource to manage current and future pest and disease pressures.

As part of the research program, the levy fund supports on-the-ground staff, whose role involves educating those on the front line, providing guidance to growers, conducting farm surveillance, and leading other biosecurity-related activities.

The research program also continues to invest in the development of fast and accurate diagnostic tools to detect key pests and disease of concern to growers. In addition, research continues into developing new tools to manage on-farm pests and diseases. As part of this research, new banana varieties that will be more resistant to pests and disease are currently being evaluated under Australian growing environments to support the future needs of Australian growers.

The impact

This suite of plant protection programs, delivered with strong industry collaboration, has contributed to slowing the spread of TR4 in the banana industry, with the disease currently contained to the Northern Territory and North Queensland's Tully Valley.

This level of containment is unheard of in most other countries where TR4 has quickly reached epidemic proportions.

The achievement of this containment program is a result of a coordinated response, effective extension of knowledge to industry and its stakeholders, and the adoption of new biosecurity practices – all of which are underpinned by various projects under the levy and strong collaboration with growers and industry stakeholders.

The program has also continued to develop new knowledge on emerging threats. For example, there have been advances in understanding the biology and epidemiology of banana blood disease. The project team has established that Cavendish is susceptible to this disease, which has serious implications for banana producing areas worldwide, and developed a novel test to detect it.

The work of these programs is communicated through the Australian Bananas magazine, industry e-bulletins, and in various updates on the Australian Banana Growers' Council website.

For more information, visit
www.horticulture.com.au/banana

Positioning bananas as the 'Peel Good, Feel Good' fuel for active young Aussies

2020/21 was the final year of the three-year marketing strategy focused on product diversification to increase domestic demand with and awareness.

The opportunity

Consumer research identified “Young Transitionals” – 19 to 25-year-old with no kids – as the new growth market for Aussie bananas. This audience are motivated by a new type of energy to get them through the day, no matter what it throws at them.

The approach

An extension of the well-known and much-loved ‘Make Your Body Sing’ campaign, the ‘Peel Good, Feel Good’ campaign targeted “transitionals” with a highly-flexible, multi-channel approach, pivoting quickly with COVID-19.

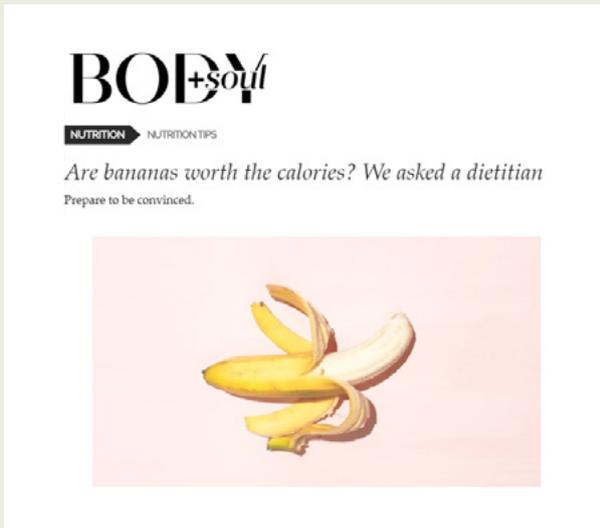
The iconic ‘Make Your Body Sing’ themed TV adverts appeared in premium timeslots from September to October 2020 and January to February 2021, showing how bananas help you stay active and at the top of your game.

These were backed by digital display ads, aimed at the 19 to 25-year-olds. They appeared on the BBC, Hello Magazine and Which Car platforms, among others.

For those out and about, the campaign was displayed on 2,567 panels across digital shopping center street furniture.

On radio the ‘Make your body sing’ ads reached more than 2.7 million grocery buyers, and radio giant ARN provided pro bono ad slots during April 2021 to support the banana industry, post cyclones.





Capitalising on TikTok’s popularity among the ‘transitional’ demographic, the social campaign crafted content specifically for the platform, rapidly growing Australian Bananas Tiktok account to 11,000 followers, and achieving more than 1 million views on some videos.

Meanwhile, an ‘always-on’ PR campaign created articles, recipes and posts promoting the benefits of bananas to health, exercise, and energy. These were covered by a wide range of media, reaching millions of Australians.

The outcome

Consumers, particularly in the target demographic, were left in no doubt as to the many delicious lifestyle benefits of bananas. From top-rating TV shows to outdoor billboards, you couldn’t miss the ‘Peel Good, Feel Good’ campaign. This three-year campaign effectively positioned bananas as a fresh and natural alternative to processed energy bars, with its impact and reach clearly seen in the numbers:

- 3.5 million grocery buyers reached by the nine-week 2020/21 ad blitz
- 326 mentions in broadcast and print media, reaching millions
- 3 million reached via YouTube

“I think I can speak for many growers when I say, thanks to the jingle, bananas are never too far from most shoppers’ purchasing intentions. Over the years we’ve seen various themes, like ‘Peel good, feel good,’ accompanied by eye-catching artworks on buses, billboards, and the like. All the while we pull on consumer heartstrings by running the **Make Those Bodies Sing** jingle in an advert. This is a nostalgic reminder for existing consumers, but very importantly, it introduces new, young consumers to the great qualities of the Australian banana. The energy in these commercials gives the consumer a lift.”

Peter Molenaar, banana grower, Northern Queensland

Read more about the campaign at hortinn.com/banana-marketing-snapshot

Project details

These marketing activities are strategic levy investments in the Hort Innovation Banana Fund

Minor use permits

The Hort Innovation Banana 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 hortinn.com/banana-minor-use.

Permits in 2020/21

During the 2020/21 financial year, successful renewals for PER12450 and PER81199 were prepared by Hort Innovation and submitted to the APVMA, facilitated through the *Banana industry minor use program* (BA16003). In addition, PER14240 was also renewed in 2020/21, with the application submitted in the previous financial year.

A new permit, PER89389 was also granted in the 2020/21 financial year, after being applied for in the previous financial year.

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, emergency permit PER89870 was issued by Hort Innovation in 2020/21 to acquire crop protection chemicals for the banana industry.

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 banana industry, current as of 23 August 2021.

Permit ID	Description	Date issued	Expiry date	Permit holder
PER9409 Version 3	Sulfur dust / Banana bunches / Mites (NSW and QLD only)	01-Oct-06	30-Sep-24	Hort Innovation
PER14850 Version 4	Glyphosate, Imidacloprid and Paraffinic oil / Bananas / Destruction of banana plants and control of susceptible disease vectors	01-Oct-14	30-Sep-24	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
PER14235	Rattoff Zinc Phosphine Bait Sachet / Banana plantations / Roof or black rat and mice	01-Jul-13	30-Jun-23	Australian Banana Growers' Council (ABGC) C/AgAware
PER14239	2,4-D (Amicide) / Cavendish bananas/ Destruction of banana suckers (NSW only)	01-Jul-13	30-Jun-23	ABGC C/AgAware
PER14240 Version 3	Chlorpyrifos / Banana / Sugarcane bud moth, Banana scab moth, Banana rust thrips, Mealy bugs and caterpillars	28-Jun-13	30-Sep-22	Hort Innovation

Continued

Minor use permits

Current permits (continued)

Permit ID	Description	Date issued	Expiry date	Permit holder
PER81199 Version 2	Mancozeb (Tatodust) / Banana bunches / Banana fruit speckle disease	27-Oct-15	30-Jun-26	Hort Innovation
PER12450 Version 7	Trichlorfon / Specified fruit crops / Fruit fly	06-Oct-11	30-Nov-25	Hort Innovation
PER14966 Version 3	Ethephon / Bananas / Pseudostem injection for crop timing management	23-Dec-14	31-Aug-23	ABGC C/Hort Innovation
PER14237 Version 3	Diesel Distillate / Bananas / Removal of unwanted suckers (NSW, QLD, WA and NT)	01-Dec-13	31-Dec-24	Hort Innovation
PER86485	Didecyl Dimethyl Ammonium Chloride (Agrcrop Steri-Max Biocide) and Benzalkonium Chloride (Bactex CF Sanitiser and Agriquat disinfectant-sanitizer-deodorant) / Banana – sanitising and decontamination of surfaces and equipment / Panama disease (Fusarium oxysporum f. sp. Cubense Race 4)	12-Jul-18	31-Jul-23	Hort Innovation
PER87198	Spinetoram (Success Neo) / Bananas / Banana rust thrips, Banana flower thrips, Flower eating caterpillars (Sugarcane bud moth and Scab moth) – Bell injection	05-Feb-19	28-Feb-24	Hort Innovation
PER88359	Imidacloprid and Spirotetramat (Movento Energy) / Bananas / Banana aphid (to control banana bunch top virus vector)	15-Dec-19	31-Dec-22	Hort Innovation
PER89241	Spinetoram / Various including bananas / Fall armyworm	06-Mar-20	31-Mar-23	Hort Innovation
PER89870	Spinosad (Entrust Organic) / Various including banana / Fall armyworm	21-Jul-20	31-Jul-23	Hort Innovation
PER89389	Bifenthrin / Banana plants that must be destroyed in accordance with section 12A of the Queensland Biosecurity Manual / Banana weevil borer DO NOT harvest crops treated under this permit	19-Nov-20	30-Nov-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.

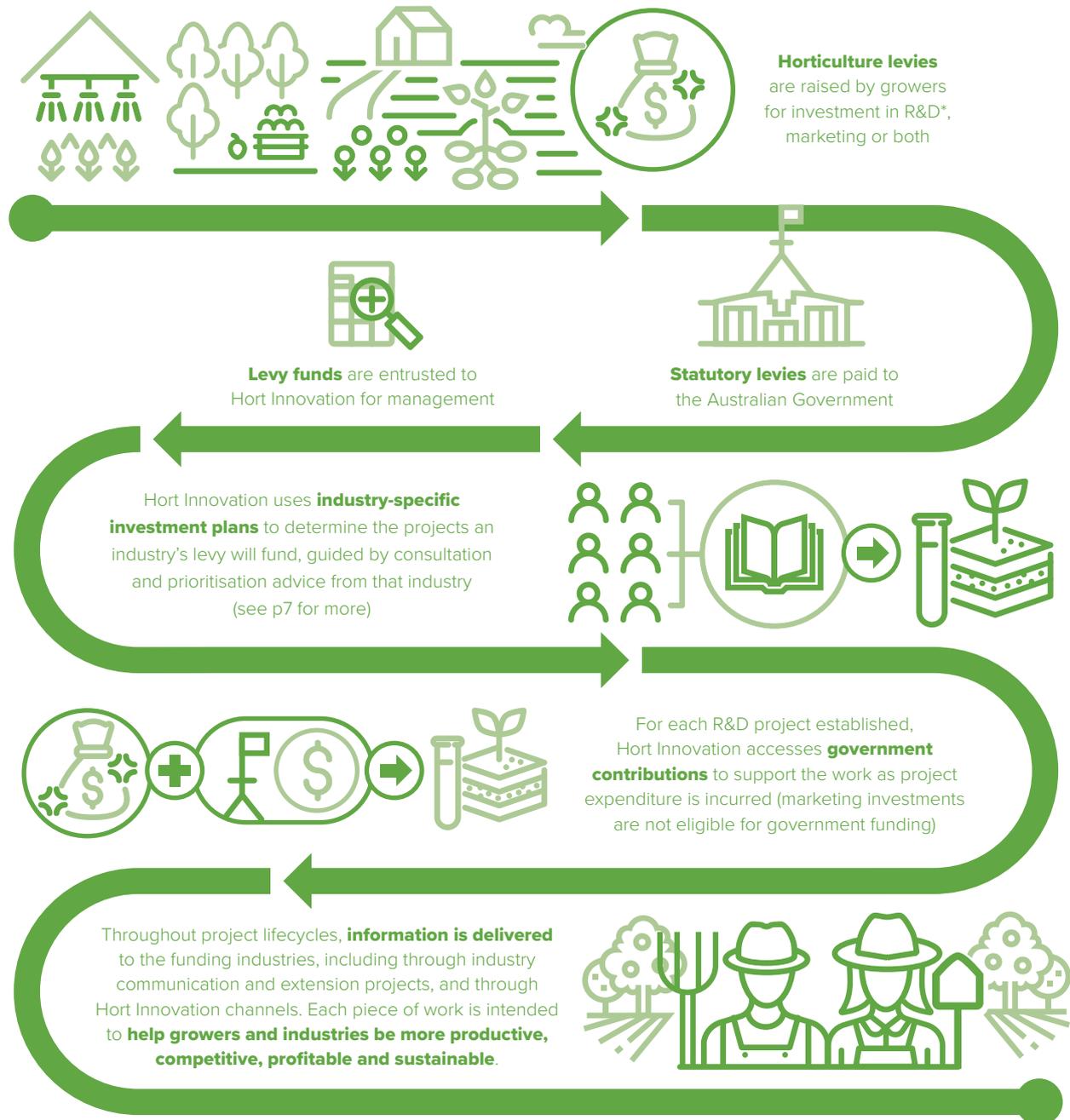
Keep up to date!

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 Banana Fund

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The banana R&D and marketing levies were invested this way during the year, guided by the banana Strategic Investment Plan 2017-2021 and advice from the industry’s investment advisory panel.



* Encapsulating extension and international trade

To learn more about funding specific to the Hort Innovation Banana Fund, visit www.horticulture.com.au/banana. 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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