

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

Annual Report 2020/21



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

Throughout another challenging year for the horticulture sector, activity in the Passionfruit 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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\$126,267

invested in R&D



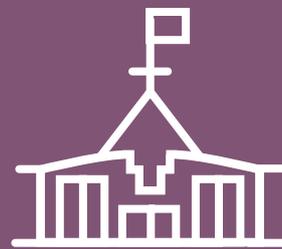
\$79,683

invested in marketing



8

active R&D investments



\$241,627

collected in levies

by the Government and passed on to Hort Innovation for investment



8.6%

The value of the passionfruit industry grew at an average annual rate of 8.6% over the five years to 2019/20



19%

Foodservice is an important market for Australian passionfruit, with 19 per cent of fresh supply going to foodservice channels



2

Passionfruit production occurs in two key states: Queensland and New South Wales

These facts and more can be found in the Australian Horticulture Statistics Handbook, which is delivered by Hort Innovation each year. The handbook is packed with horticulture statistical information and analysis for some 75 categories, for use by individual industries and the wider sector. The 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



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



The industry communications program, delivering *The Passion Vine* magazine, *Passiflora News* emails, the www.passionfruitaustralia.org.au website, plus field days



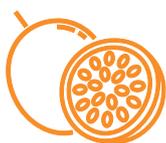
The passionfruit breeding program, working to breed, select and commercialise new varieties for growers – see hortinn.com/pf19000



A domestic marketing campaign 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*

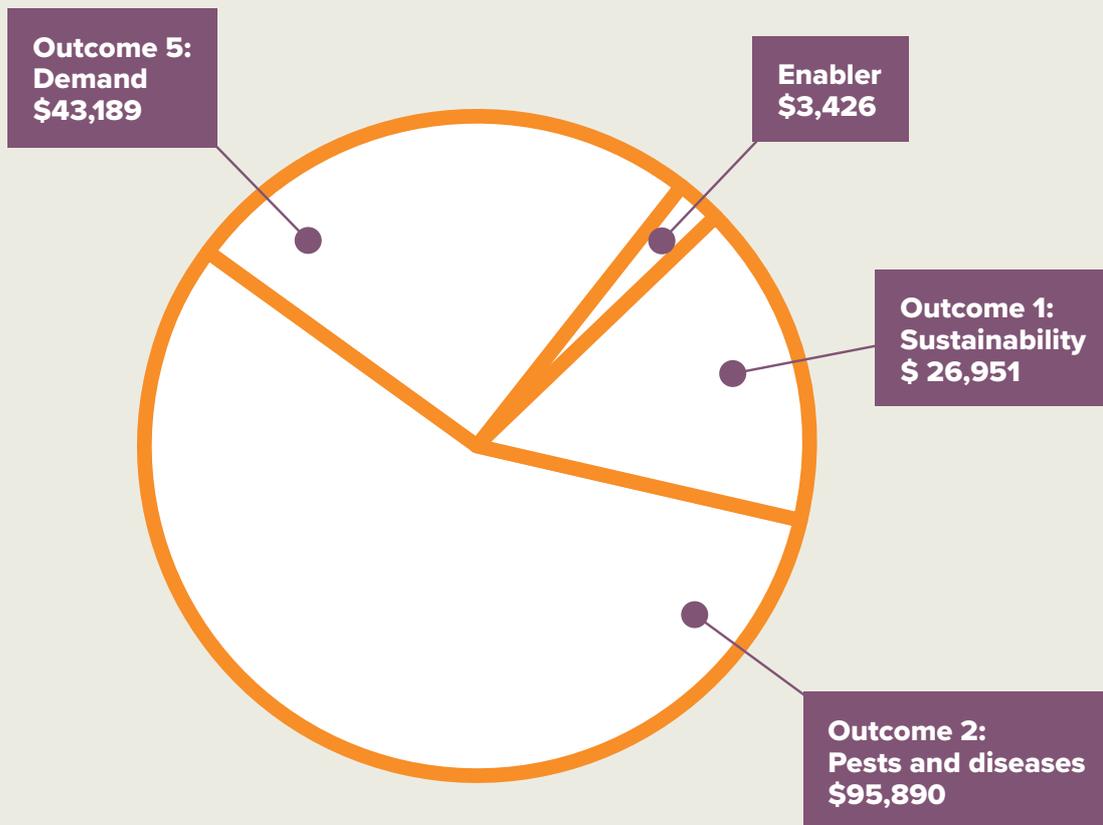


Projects supported by grants secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2020/21 for more*

You can visit www.horticulture.com.au/passionfruit 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 Passionfruit 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 Passionfruit Fund are guided by the passionfruit 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 Passionfruit Fund during 2020/21 was aligned to the SIP. Each project has been allocated to a SIP outcome based on its primary objective

There was no activity during 2020/21 under Outcome 3: Quality or Outcome 4: Industry data. 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: Sustainability

Improved farm and industry sustainability from identifying and adopting better practices

Project title and code	2020/21 investment	Status	More information
Australian passionfruit industry communications program (PF16003)	\$26,951	Completed	hortinn.com/pf16003

Outcome 2: Pests and diseases

Improved pest and disease management and the development of new varieties that increases grower productivity and profitability

Project title and code	2020/21 investment	Status	More information
Biosecurity plan for the lychee, papaya and passionfruit industries (MT18006)	\$4,982	Ongoing	hortinn.com/mt18006
Strategic Agrichemical Review Process (SARP) – Updates (MT19008)	\$1,000	Completed	hortinn.com/mt19008
Passionfruit industry minor use program (PF16000)	\$614	Ongoing	hortinn.com/pf16000
National passionfruit breeding and evaluation program (PF19000)	\$80,000	Ongoing	hortinn.com/pf19000
Generation of data for pesticide application in horticulture crops 2018 (ST17000)	\$9,294	Ongoing	hortinn.com/st17000-passionfruit

Outcome 5: Demand

Increased domestic demand and export opportunities that maintain price stability

Marketing activities during 2020/21 contributed to demand-related outcomes in the SIP. You can read more about the passionfruit marketing campaign on p9.

Financial operating statement

Passionfruit Fund Financial operating statement 2020/21

	R&D (\$)	Marketing (\$)	Total (\$)
	2020/21 July – June	2020/21 July – June	2020/21 July – June
OPENING BALANCE	29,681	26,387	56,068
Levies from growers (net of collection costs)	120,802	120,825	241,627
Australian Government money	76,027	–	76,027
Other income*	266	201	467
TOTAL INCOME	197,095	121,026	318,121
Project funding	126,267	79,683	205,950
Consultation with and advice from growers	–	–	–
Service delivery	25,786	17,674	43,460
TOTAL EXPENDITURE	152,053	97,357	249,410
Levy contribution to across-industry activity	–	–	–
CLOSING BALANCE	74,723	50,056	124,779
Levy collection costs	2,559	2,487	5,046

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



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

The passionfruit 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 passionfruit SIP identifies four outcome areas that will contribute to the productivity and profitability of the passionfruit 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 passionfruit 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 Passionfruit Australia. 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/passionfruit-fund-management to view both documents and get a full picture of how your levy will be invested over the next five years.

Producing new, more productive breeds of passionfruit

The central goal of this investment is to develop new higher-yielding varieties of passionfruit that satisfy more consumer tastebuds and end up in more shopping baskets.

The challenge

The passionfruit industry is based on scion varieties of fruit that have been propagated by tip cuttings for more than a decade. Consequently, growers are seeing declines in fruit size and yield. They want new varieties to safeguard their productivity and profitability.



Ross Brindley (far left), passionfruit grower, Bundaberg

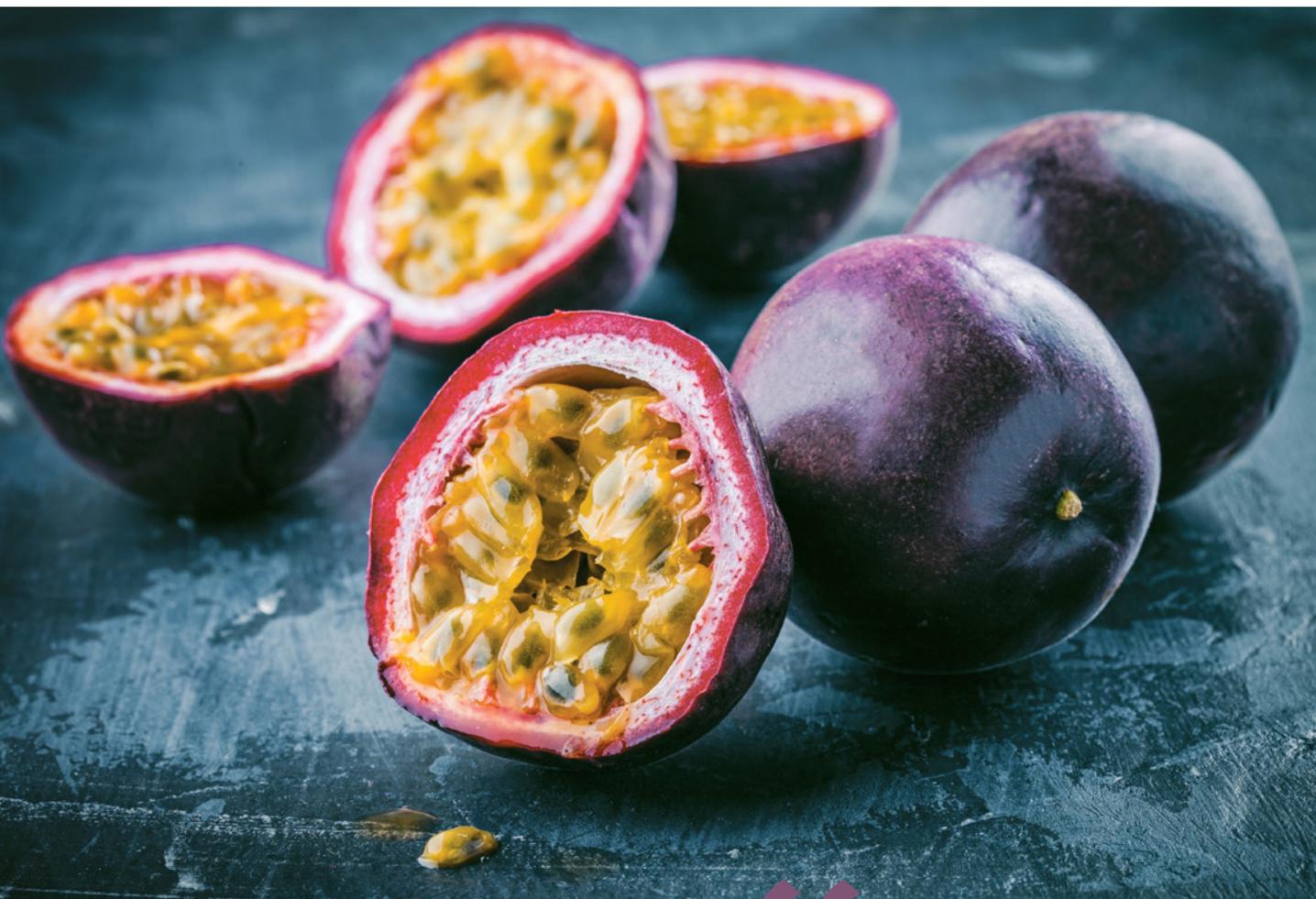
Meet Ross

“It’s hard to overstate the importance of this research program,” says Bundaberg passionfruit grower, Ross Brindley. “If we don’t get a new variety, in three years’ time, we won’t have a purple passionfruit industry. That’s how important this is.”

The lack of genetic diversity in Australian passionfruit has led to a slowly decreasing yield over time, which is beginning to have an impact.

“We’ve got two main varieties and they’ve been deteriorating for the last six to eight years,” says Ross. “We’ve desperately needed new varieties, but until now, there’s been no real breeding program. There were individual growers trying it themselves, but there was a lack of organisation, continuity and expertise. This breeding program is really targeted – targeted at new varieties, and it’s addressing this very, very important issue.”

Continued



The approach

This project expands on the first phase of the breeding program, building on the expertise and resources developed over the past four years. Research has focused mainly on scion varieties, with breeding trials aimed at producing, selecting, and evaluating new high-yielding varieties for Australian passionfruit growers.

The impact

Early research trials have uncovered some promising lines that are both productive and acceptable to the consumer. These will be further evaluated and developed by the research team to deliver new varieties for Australian growers. The program continues to engage growers through a grower-focused reference group, field walks, presentations, and industry articles.

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Ross Brindley, passionfruit grower, Bundaberg

For more information, visit hortinn.com/pf19000

Project details

National passionfruit breeding and evaluation program (PF19000)

Key research provider: Southern Cross University

Start date: November 2020

Expected end date: May 2025

Estimated value for life of project: \$499,996

Getting more Australians to ‘add a dash of passionfruit’

In 2020/21 marketing’s aim was to increase awareness and get more Australians to ‘add a dash of passionfruit’ to enhance everyday meals.

The opportunity

Research highlighted independent singles – health-conscious, but keen to treat themselves and their friends – as a demographic, ripe for the picking.

The approach

By leveraging consumer insights and tapping into the news agenda, the campaign reached the target audience where they were most engaged: social media. It hit them with compelling new content, and with the help of geo-targeting technology, drove them to make a purchase while near major shopping locations.

Working with renowned food photographer, stylist, and recipe guru Bonnie Coumbe, four new passionfruit recipes were created for the campaign, complete with tempting videos and images.

The marketing team also partnered with respected dietitian Lisa Yates to dissect the passionfruit’s nutritional properties. Not just delicious, they’re great for skin,

gut health, and packed with immunity-boosting vitamin C, antioxidants, and mood boosters. Through social media and targeted public relations, the target demographic was left in no doubt about these many great qualities.

Throughout summer and winter, the team kept media engaged, with 36 pieces of coverage in *Better Homes and Gardens*, *Woman’s Day*, *Westfield*, *Buy Australian*, and *Good Fruit and Vegetables*, to name a few.

With awareness increased, it was important convert the campaign’s content consumers into passionfruit purchasers. To do this, the team partnered with consumer behaviour experts, Blis, to target them near major grocery stores. They were enticed with an ad on their mobile device, urging them to ‘add a dash of passionfruit’ while shopping.



Healthy benefits of a #dashofpassionfruit



“

The outcome

Thanks to great content, strategic partnerships, innovative technology, and positive publicity, millions of Australians now know the many benefits of passionfruit and are more likely to buy. The reach and engagement of the campaign can be seen in the numbers:

- Almost 3 million views on social media, with more than 53,000 likes, shares, and comments
- Shoppers were 38 per cent more likely to enter a grocery store after receiving the proximity-targeted ads on their mobile device

“We had quite a few discussions with the marketing team about what activities would be most effective. With a limited budget it was important to be targeted and agile so that we could ramp up marketing to increase demand during the high supply times. It’s still a work in progress, but working with the industry, the marketing activity was able to adapt with those supply and demand drivers. It’s been successful over the last year and we’re working with them to fine tune that in the future.”

Dennis Chant, NSW passionfruit grower

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

Project details

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

Minor use permits

The Hort Innovation Passionfruit 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/passionfruit-minor-use.

Permits in 2020/21

During the 2020/21 financial year, a successful new permit application for PER89943, and successful renewals for PER12450 and PER84258 (issued as PER90591) were prepared by Hort Innovation and submitted to the APVMA, facilitated through the *Passionfruit industry minor use program* (PF16000).

A successful new permit application for PER88379 was also approved in 2020/21, with the application submitted 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 passionfruit industry.

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



Minor use permits

Current permits

Below is a list of minor use permits for the passionfruit industry, current as of 25 August 2021.

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
PER12781 Version 3	Cabrio (pyraclostrobin) / Passionfruit / Anthracnose and septoria spot	13-Mar-12	30-Jun-23	Passionfruit Australia Inc (PAI)
PER87607	Phosphorous acid / Passionfruit / Phytophthora blight	05-Apr-19	30-Apr-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
PER14421 Version 3	Glyphosate (RoundUp) / Passionfruit / Grass and broadleaf weeds	31-Oct-13	31-Aug-23	PAI C/Hort Innovation
PER90591	Fenbutatin Oxide (Miticide) / Passionfruit / Passionvine mite and two-spotted mite	09-Apr-21	30-Apr-26	Hort Innovation
PER13859	Dimethoate / Orchard cleanup – fruit fly host crops following harvest / Fruit fly	09-Feb-15	31-Jul-24	Growcom
PER14662 Version 2	Petroleum oil and paraffinic oil / Passionfruit / Passionvine mite and two-spotted mite	29-Mar-15	30-Jun-25	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
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	Trivor Insecticide (acetamiprid and 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
PER88379	Etoxazole / Passionfruit / Passionvine mite and two-spotted mite	22-Feb-21	28-Feb-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.

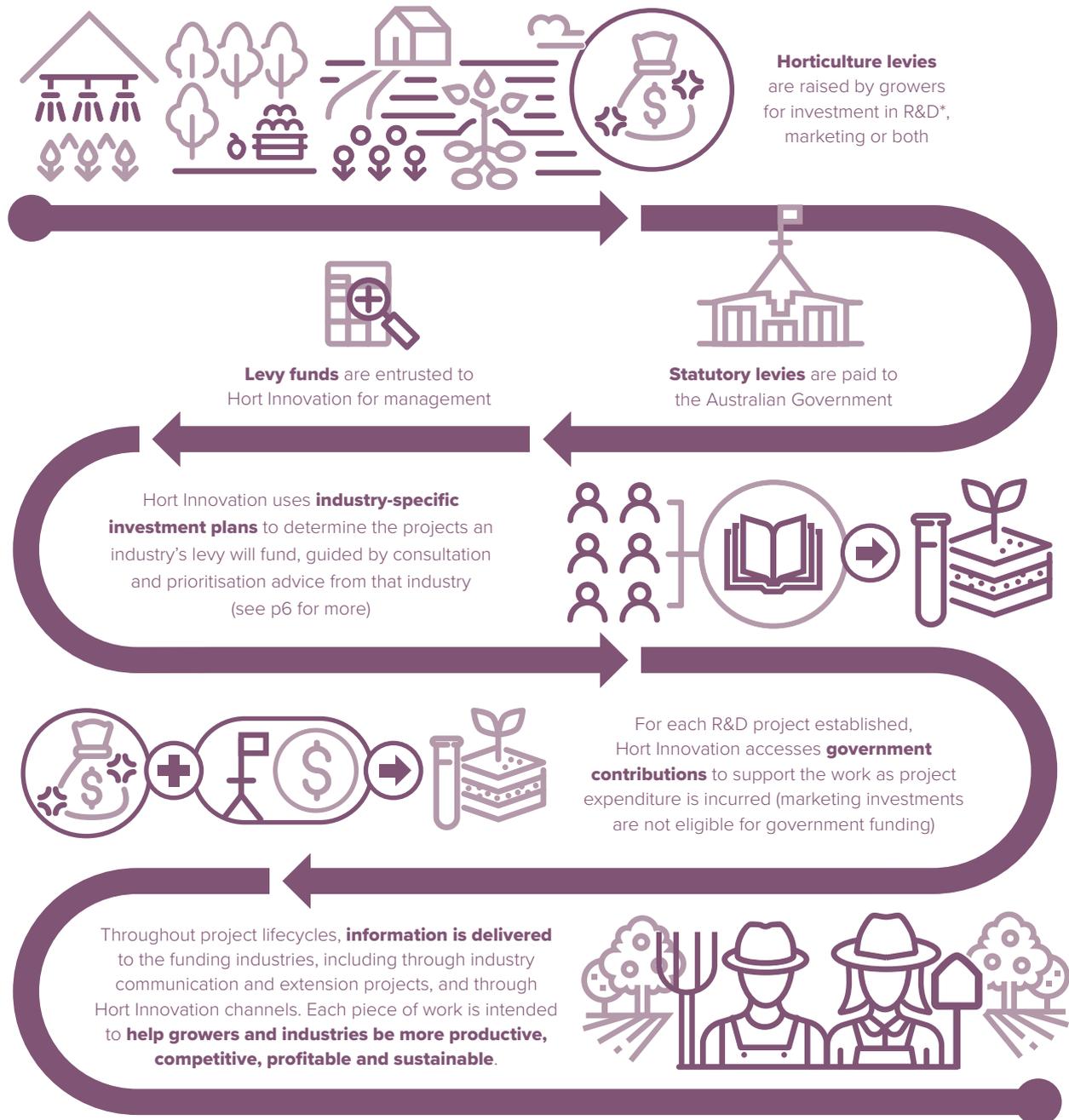
Keep up to date!

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 Passionfruit Fund

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

Hort Innovation

Horticulture Innovation Australia Limited
ACN 602 100 149

Level 7, 141 Walker Street
North Sydney NSW 2060 Australia

02 8295 2300 | communications@horticulture.com.au

www.horticulture.com.au

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