

Lychee Annual Investment Plan 2021/22

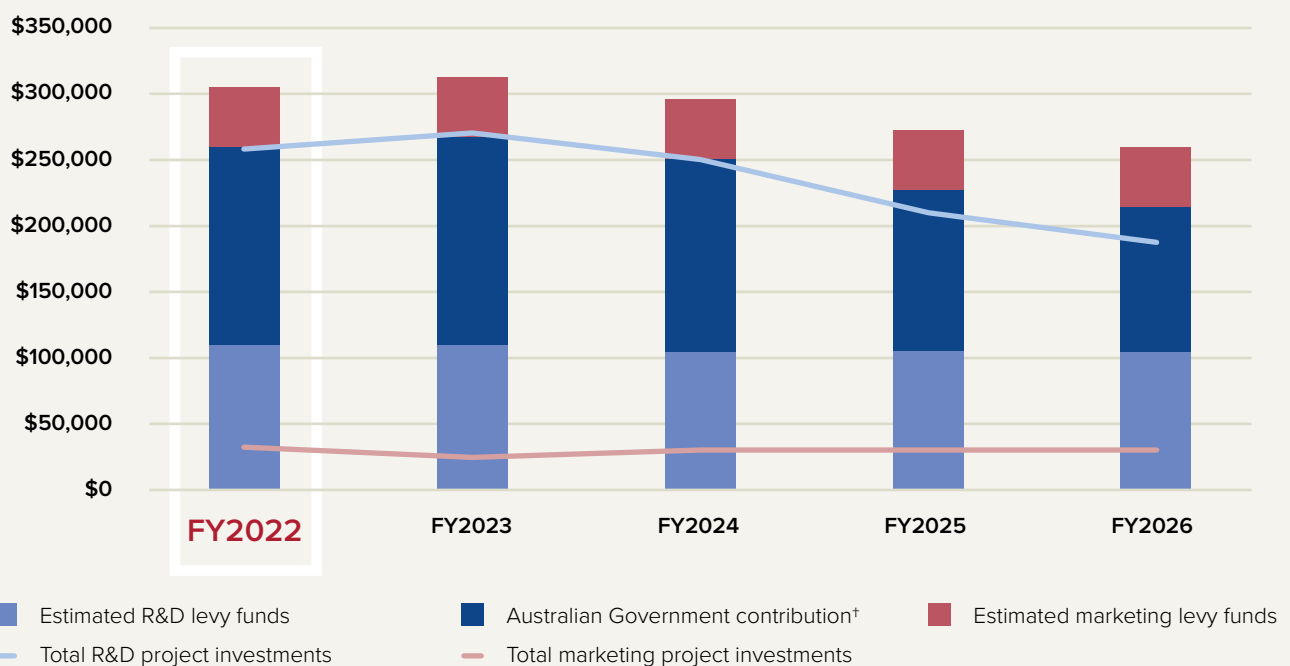


The 5-year Strategic Investment Plan

The lychee Strategic Investment Plan (SIP) 2022-2026 provides a roadmap to guide Hort Innovation's investment of lychee industry levies and Australian Government contribution, ensuring investment decisions are aligned with industry priorities.

Figure 1 provides an indicative overview of the Lychee Fund's funding availability over the life of the SIP (FY2022-FY2026).

FIGURE 1. INDICATIVE FUNDING AVAILABILITY FOR THE LYCHEE FUND'S FIVE-YEAR INVESTMENT PROGRAM



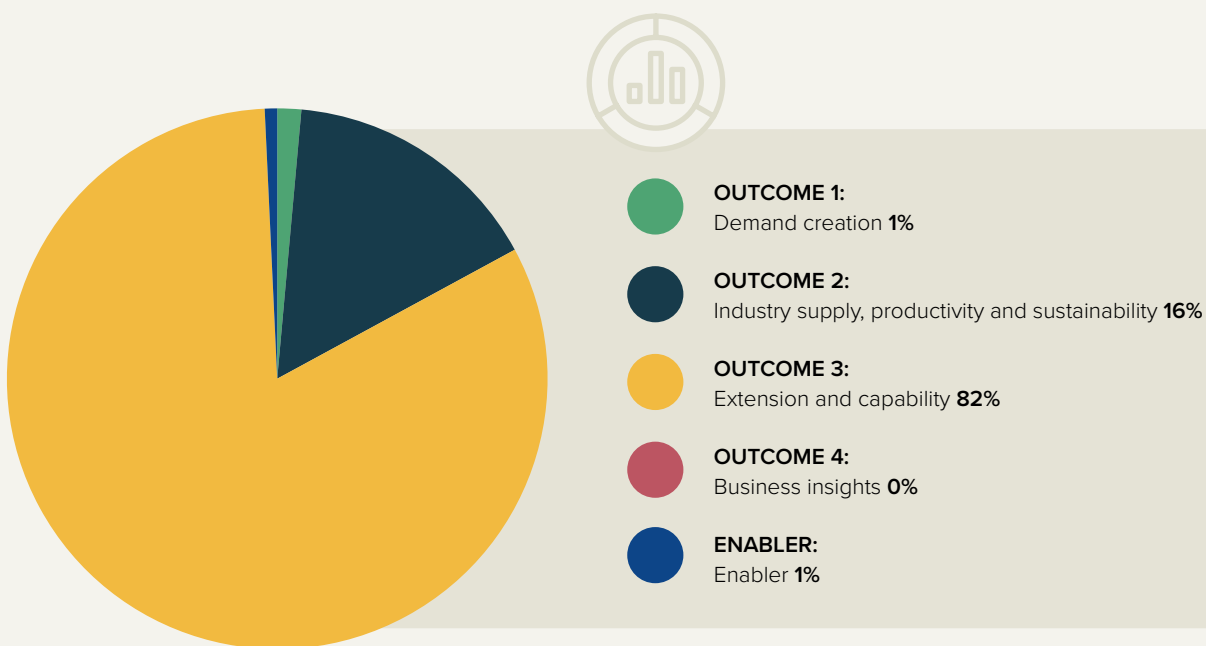
* Australian Government contribution is only applicable to the estimated levy funds for R&D.

About the lychee Annual Investment Plan

Investment decisions in the Lychee Fund are guided by the lychee SIP 2022-2026 and prioritised based on potential industry impact, as well as availability of levy funds each year. Specific investments to address the SIP outcomes and strategies, and how they align with industry strategic priorities are outlined in detail through the lychee AIP each year.

Figure 2 summarises how the AIP will invest in the SIP outcome areas for FY2022.

FIGURE 2. LYCHEE STRATEGIC INVESTMENT PLAN EXPENDITURE ANALYSIS FY2022



\$97,270

THE **TOTAL AMOUNT COMMITTED FROM EXISTING INVESTMENT** IN THE LYCHEE FUND FOR 2021/22

Lychee Annual Investment Plan in detail

The financial table on the following pages provides detail on current investments and how new investments will be made in the Lychee Fund in FY2022. Outcomes in the lychee SIP 2022-2026 are defined below for your reference when reading the financial table.

Outcome 1 – Demand creation

Demand creation supports the Australian lychee industry to develop existing and future domestic and international markets.

Outcome 2 – Industry supply, productivity and sustainability

The Australian lychee industry has increased profitability, efficiency and sustainability through innovative research and development and sustainable pest and disease management.

Outcome 3 – Extension and capability

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

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.

Enabler

Investments that support the delivery of the Strategic Investment Plan.

TABLE 1. INDICATIVE ESTIMATES FOR THE LYCHEE ANNUAL INVESTMENT PLAN 2021/22 AS AT **1 JULY 2021**

RESEARCH AND DEVELOPMENT

	\$
OPENING FUND BALANCE	177,629
Levy income	110,000
Levy collection costs	(7,780)
Australian Government contribution	150,390
Other income	–
TOTAL INCOME	252,610

Contracted R&D projects

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Industry supply, productivity and sustainability	Improve industry preparedness and resilience to biosecurity threats	MT18006	Biosecurity Plan for the Lychee, Papaya and Passionfruit Industries	–	2,890	–	–	2,890
Industry supply, productivity and sustainability	Support and co-ordinate crop protection regulatory activities with the potential to impact plant protection product access, both in Australia and internationally*	MT20007	Regulatory Support & Response Co-ordination	–	334	–	–	334
Industry supply, productivity and sustainability	"Generate residue, efficacy and crop safety data to support applications to the Australian Pesticides and Veterinary Medicines Authority that seeks to gain, maintain or broaden access to priority uses for label registrations and/or minor use permits for crop protection needs**"	ST17000	Data Generation Program for Minor Use	–	12,000	–	–	12,000
Extension and capability	Deliver communication and extension capability to support positive change in the areas of sustainable pest and disease management, export and trade development and demand creation	LY20000	Lychee Industry Communication Program	–	25,187	–	25,187	50,374

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Contracted R&D projects (continued)

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Extension and capability	Deliver communication and extension capability to support positive change in the areas of sustainable pest and disease management, export and trade development and demand creation	LY20001	Scale and mealybug management options for lychee growers – An extension toolkit	–	14,780	–	14,780	29,560
Enabler	Enabler	MT18011	Ex-post impact assessment	400	320	–	–	720
Contracted investment				400	55,511	–	39,967	95,878

Uncontracted new R&D investments

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Business insights	Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*	MT21004	Behavioural Data	–	–	–	–	6,000
Business insights	Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*	MT21003	Demand Spaces	–	–	–	–	1,197
Business insights	Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*	MT21200	Usage and attitudes	–	–	–	–	610
Uncontracted new investment				–	–	–	–	7,807
Available for new investment								181,073
CCR								42,781
Projected end balance								102,700

Disclaimer: All figures are indicative only and may change depending on milestone achievements and actual income and expenditure.

* Foundational investments provide data and information that underpin the delivery of other SIP outcome areas and will be aligned to this strategy. Foundational investment areas include:

- Consumer behavioural data
- Consumer usage and attitudes, and brand health tracking data
- Impact assessments
- Trade data
- Crop protectant data.

MARKETING

	\$
OPENING FUND BALANCE	(2,915)
Levy income	45,000
Levy collection costs	(3,680)
Other income	–
TOTAL INCOME	41,320

Contracted marketing projects

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Demand Creation	Increase domestic consumer demand for fresh, quality Australian lychees through improving knowledge, attitudes and purchase intent	MT20600	Media Strategy, Planning & Buying Services	–	–	–	–	–
Demand Creation	Increase domestic consumer demand for fresh, quality Australian lychees through improving knowledge, attitudes and purchase intent	TBC	FY22 Lychee Marketing Plan	–	–	–	–	27,090
Contracted investment				–	–	–	–	27,090

Uncontracted new marketing investments

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Business insights	Increase industry alignment with quality and brand-positioning opportunities driven by consumer insights*	MT21650	Brand Health Tracking	–	–	–	–	–
Uncontracted investment				–	–	–	–	–

Continued >>

Uncontracted new marketing investments (continued)

Outcome	Strategy	Project code	Project title	Quarter 1 \$	Quarter 2 \$	Quarter 3 \$	Quarter 4 \$	Total \$
Available for new investment								1,886
CCR								7,269
Projected end balance								2,160

Disclaimer: All figures are indicative only and may change depending on milestone achievements and actual income and expenditure.

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- Consumer usage and attitudes, and brand health tracking data
- Impact assessments
- Trade data
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Financial table definitions:

Opening fund balance: Forecast opening fund balance

Net levy income: Net levy income/revenue that is generated and collected by levy revenue services (LRS)

Australian Government contribution: Amount of contribution from the Australian Government on R&D levy-funded expenditure

Contracted investment: Estimated value of contracted projects

Uncontracted investment: Represents the estimated dollar value that is available for potential new investments for industry subject to industry advice

CCR: Cost to implement and manage R&D and marketing investment programs for each industry

Projected end balance: Forecast of the anticipated final position of each fund

Enabler: Investments that support the delivery of the SIP

Available for new investment: Uncontracted projects and the figure indicated in the SIP as available for new investment

Find out more information on the Lychee Fund
at www.horticulture.com.au/lychee/