

What happened in the Melon Fund last year?

Annual Report 2020/21



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

Throughout another challenging year for the horticulture sector, activity in the Melon 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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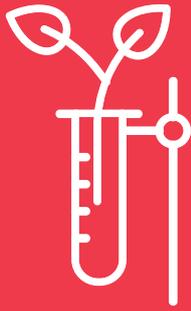
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\$755,024

invested in R&D



20

active R&D investments



\$771,019

in levies collected

by the Government and passed on to Hort Innovation for investment



11%

Australia's melon exports account for 11 per cent of production, having grown from 16,239 tonnes in 2013/14 to 21,772 tonnes in 2019/20



50%

Half of Australian households bought melons in 2019/20



4

The majority of melons are grown in four key parts of Australia: the Northern Territory, New South Wales, Western Australia and Queensland. Smaller levels of production are also see in South Australia and Victoria.

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



High-impact work to strengthen food safety and the adoption of best practice across the melon supply chain – see p8



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



A new industry communications program, delivering the *Melon News* quarterly magazine, the industry website (www.melonsaustralia.org.au/industry) and much more



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*

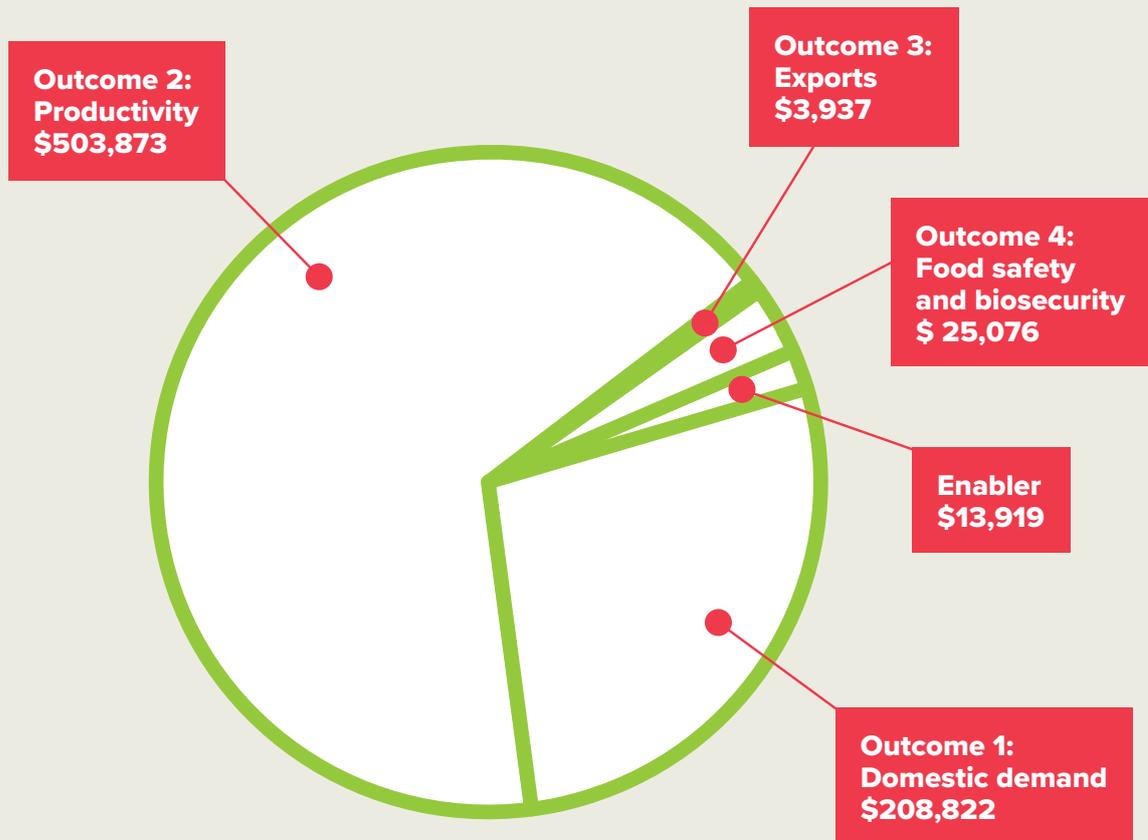


Projects supported by grants secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2020/21 for more*

You can visit www.horticulture.com.au/melon 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 Melon 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 Melon Fund are guided by the melon 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 initiatives that are aligned to these.

In the above chart, you can see how project expenditure in the Melon 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: Domestic demand

By 2021, improved consumer perceptions of melon quality have supported increased domestic demand

Project title and code	2020/21 investment	Status	More information
Market intelligence reports: Melons non-protocol markets (VM18005)	\$55,700	Ongoing	hortinn.com/vm18005
Educating health professionals on Australian melons (VM20003)	\$138,002	Ongoing	hortinn.com/vm20003
Business case to implement a marketing levy for the Australian melon industry (VM20004)	\$15,120	Ongoing	hortinn.com/vm20004

Outcome 2: Productivity

By 2021, the Australian melon industry has increased on-farm production efficiency, enabling improved returns to growers

Project title and code	2020/21 investment	Status	More information
Development and implementation of protocols to enable importation of improved honey bee genetics to Australia (MT18019)	\$25,000	Ongoing	hortinn.com/mt18019
Across horticulture support for export MRL compliance (MT19006)	\$10,061	Ongoing	hortinn.com/mt19006
Field-based testing for fall armyworm (MT19014)	\$8,000	Ongoing	hortinn.com/mt19014
Identifying potential parasitoids of the fall armyworm, Spodoptera frugiperda, and the risk to Australian horticulture (MT19015)	\$15,000	Ongoing	hortinn.com/mt19015
Management strategy for serpentine leafminer (MT20005)	\$25,000	Ongoing	hortinn.com/mt20005
Melon industry development and communication (VM17001)	\$77,475	Completed	hortinn.com/vm17001

Continued

Investments

Outcome 2: Productivity (continued)

Project title and code	2020/21 investment	Status	More information
Food safety training, extension and capacity for the melon industry (VM17002)	\$11,026	Completed	hortinn.com/vm17002
Food safety training, extension and capacity for the melon industry – phase 2 (VM18003)	\$59,403	Completed	hortinn.com/vm18003
Understanding and managing the role of honey bees in CGMMV epidemiology (VM18008)	\$130,000	Ongoing	hortinn.com/vm18008
2020 Australian melon industry conference and field day (VM19002)	\$4,500	Completed	hortinn.com/vm19002
Melon industry communications evaluation, needs analysis and strategy development (VM20001)	\$27,500	Completed	hortinn.com/vm20001
Melon industry communication program (VM20006)	\$110,908	Ongoing	hortinn.com/vm20006

Outcome 3: Exports

By 2021, the Australian melon industry has developed and maintained export market opportunities, enabling increased returns to growers

Project title and code	2020/21 investment	Status	More information
Horticulture trade data (MT19005)	\$3,937	Ongoing	hortinn.com/mt19005

Outcome 4: Food safety and biosecurity

By 2021, the Australian melon industry has implemented actions in prioritised areas to mitigate and minimise risks including food safety and biosecurity

Project title and code	2020/21 investment	Status	More information
Risk and crisis management planning for the melon industry (VM18002)	\$25,076	Completed	hortinn.com/vm18002

Financial operating statement

Melon Fund Financial operating statement 2020/21

	R&D (\$)	Total (\$)
	2020/21 July – June	2020/21 July – June
OPENING BALANCE	1,698,909	1,698,909
Levies from growers (net of collection costs)	771,019	771,019
Australian Government money	441,888	441,888
Other income*	5,404	5,404
TOTAL INCOME	1,218,311	1,218,311
Project funding	755,024	755,024
Consultation with and advice from growers	605	605
Service delivery	128,147	128,147
TOTAL EXPENDITURE	883,776	883,776
Levy contribution to across-industry activity	–	–
CLOSING BALANCE	2,033,444	2,033,444
Levy collection costs	16,158	16,158

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



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

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

Best practice guidelines boost the melon brand and rebuild consumer confidence

This investment builds on the work of an earlier program, strengthening the food safety systems of the Australian melon industry by supporting the adoption of best practice guidelines, right through from vine to supermarket. Like its predecessor, this nationwide program supports food safety training activities for rockmelon and watermelon growers, farm managers and key farm workers.

The challenge

The 2018 Listeria outbreak severely impacted the entire Australian rockmelon industry. To rebuild consumer confidence a Best Practice Guide to help the industry identify and manage potential microbial threats was required, strengthening the industry's food safety systems, and mitigating potential risks.

Meet Jamie

Jamie Schembri from Greenview Farm, located in the Riverina irrigation area of NSW, has been involved with the program from the start. His farm was severely impacted by the listeria incident in 2018 but is now confident his operation is among the safest in the world.

"We've greatly benefitted from the services provided by this program through the independent technical advice that we've been taking frequently," says Jamie. "With any change and technical troubleshooting with food safety and supply chain, we reach out to them (the project team) to find practical and cost-effective solutions."

"Under the program we received best practice guidance in setting up our postharvest water filtration and treatment systems, along with the verification of food safety controls in washing and sanitation."

Jamie's farm was also part of the program's food safety surveillance, which meant allowed the research team to regularly visit and collect fruit and environmental samples from the field and packing shed.

"Such services and scientific advice are much appreciated and a real value for the melon levy."



Jamie Schembri, Greenview Farm, Riverina, NSW

"We are always looking to how we can improve our operation. We believe that our melons are safe and healthy for consumers, but we don't want to rest on our achievements," Jamie says.

"We are always looking at new methods and research in food safety."



The approach

The earlier phase of this project worked with individual Australian rockmelon growers to review and audit current practices and critical control points.

One-on-one food safety consultations with growers, managers and key farm staff also took place to identify potential problems and develop effective solutions and mitigation strategies.

The impact

The current iteration of the project now also includes watermelons, and a Melon Food Safety Best-Practice Guide and grower “toolbox” has been developed to keep melons safe through the entire supply chain. The toolbox includes risk assessment templates, training guides, food safety posters and record sheets to support food safety and encourage compliance with the program.

While melon safety requires constant vigilance and ongoing compliance and training, the measures already in place because of this program have seen a steady

increase in consumer confidence. This program has fostered a collaborative and consistent approach to melon safety, underpinned by the supply of safe fruit to consumers.

Going forward, this program will continue to monitor and improve growers’ food safety practices and recommend improvements based on the latest science and research.



“We’ve greatly benefitted from the services provided by this program through the independent technical advice that we’ve been taking frequently.”

Jamie Schembri, Greenview Farm, Riverina, NSW

For more information, visit hortinn.com/vm18003

Project details

Food safety training, extension and capacity for the melon industry – phase 2 (VM18003)

Key research provider: NSW Department of Primary Industries

Start date: June 2019

Expected end date: October 2020

Estimated value for life of project: \$297,016

Minor use permits

The Hort Innovation Melon 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/melon-minor-use.

Permits in 2020/21

During the 2020/21 financial year, a successful new permit, PER87809 was prepared by Hort Innovation and submitted to the APVMA, facilitated through the *Melon industry minor use program* (VM16000).

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 melon 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 melon industry, current as of 24 August 2021.

Permit ID	Description	Date issued	Expiry date	Permit holder
PER14840 Version 3	Bupirimate / Cucurbits (bitter melon, cucumber, gherkin, pumpkin, squash, watermelon, squash, zucchini) and Peppers / Powdery mildew	01-Oct-14	30-Sep-24	Hort Innovation
PER12221 Version 4	Petroleum oil / Specified vegetable crops (including melons) / Specified insect pests (including greenhouse whitefly, sweetpotato whitefly and silverleaf whitefly B biotype and whitefly Q biotype)	29-Jun-12	30-Nov-22	Hort Innovation
PER87065	Dimethoate / Melons including watermelons (post-harvest) / Various fruit fly species	18-Feb-19	28-Feb-24	Hort Innovation
PER82428 Version 4	Methomyl / Various crops including fruiting vegetables – (cucurbits) / Various pests -Helicoverpa, cucumber moth, cluster caterpillar, loopers, webworm, rutherghlen bug, Thrips – including WFT	22-Apr-16	31-Mar-24	Hort Innovation
PER14650 Version 2	Etoxazole (Paramite Miticide) / Melons (including cantaloupe, honeydew melon, watermelon) / Two-spotted mite	07-Nov-14	28-Feb-23	Australian Melon Association Inc. (AMAI) C/Hort Innovation
PER14765 Version 4	Hexythiazox (Calibre) / Cucurbits including melons / Tomato russet mite, broad mite, and two-spotted mite	21-Feb-15	30-Sep-23	Hort Innovation

Continued

Minor use permits

Current permits (continued)

Permit ID	Description	Date issued	Expiry date	Permit holder
PER80718 Version 3	Methyl Bromide / Fruit and fruiting vegetables, food producing plants and ornamentals / Fruit fly, whitefly and thrips (Quarantine treatment all States)	12-Apr-15	31-Mar-25	Biosecurity SA
PER13859 Version 2	Dimethoate / Orchard clean-up – fruit fly host crops following harvest / Fruit fly	9-Feb-15	31-Jul-24	Hort Innovation
PER80101 Version 3	Clothianidan (Samurai) / Cucurbit vegetables / Cucumber fruit fly	10-Nov-15	30-Sep-23	Hort Innovation
PER81876 Version 3	Abamectin / Fruiting vegetables, including cucurbits (except sweet corn and mushrooms), leafy vegetables (except lettuce), legume vegetables, root and tuber vegetables, bulb onions, cabbage (head), celery, rhubarb and bulb vegetables (including leeks and spring onions) / Vegetable leafminer (<i>Liriomyza sativae</i>)	24-Jun-16	30-Apr-24	Hort Innovation
PER87809	Thiamethoxam and chlorantraniliprole (Durivo) / various specified crops (including melons protected and field) / various specified pests (including corn earworm, native budworm, cabbage aphid, green peach aphid, silverleaf whitefly, greenhouse whitefly, Western flower thrips, onion thrips QLD only)	06-Apr-21	30-Apr-24	Northern Agriservices
PER80138 Version 8	Alpha-Cypermethrin / Cucurbit vegetables / Cucumber fruit fly	26-Feb-15	31-Mar-25	Hort Innovation
PER89263	Emamectin (Proclaim Opti Insecticide) / Cucurbits / Fall armyworm (<i>Spodoptera frugiperda</i>)	10-Mar-20	31-Mar-23	Hort Innovation
PER89293	Methomyl / Cucurbits / Fall armyworm (<i>Spodoptera frugiperda</i>)	10-Apr-20	30-Apr-23	Hort Innovation
PER89241	Spinetoram (Success Neo and Delegate Insecticide) / Cucurbits / Fall armyworm (<i>Spodoptera frugiperda</i>)	06-Mar-20	31-Mar-23	Hort Innovation
PER89259	Chlorantraniliprole (Coragen, Altacor and Altacor Hort Insecticide) / Fruiting vegetables (including cucurbits) / Fall armyworm (<i>Spodoptera frugiperda</i>)	06-Mar-20	31-Mar-23	Hort Innovation
PER89870	Spinosad (Entrust Organic) / Various including cucurbits / Fall armyworm	21-Jul-20	31-Jul-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 Melon Fund

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The melon R&D levy was invested this way during the year, guided by the melon 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 Melon Fund, visit www.horticulture.com.au/melon. 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

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