

Persimmon

INDUSTRY ANNUAL REPORT
2011



Overview

Persimmons were in plentiful supply during the 2010/11 season. Highlights of the year included:

- The ongoing research into alternatives for Dimethoate and Fenthion.
- The continuing research (undertaken through the Australian sweet persimmon – phase 2 project) on varieties with superior yield, pest and disease resistance and fruit quality characteristics.

Market access continues to be a priority for the upcoming year, with the short term goal being to access new markets.

The persimmon industry, unlike other industries in Northern NSW and QLD, managed to avoid major crop losses as a result of the wet weather.

Levy investment

In 2010/11 the total levy income received was \$109,484. The current levy is \$0.0625/kg. A total of \$150,227 was invested into R&D projects and \$66,088 went towards marketing projects. The Australian Government provided \$72,344 of matched funding to support the R&D levy program.

In addition to levy funds, \$1,935 of voluntary contributions (VC) was provided to the industry for supplementing levy-funded projects and/or solely funding VC-only projects in the R&D and marketing

programs. VC funds are matched by the Australian Government.

HAL is responsible for managing these funds and takes advice on how to invest the funds from the Industry Advisory Committee (IAC). Consultation with the IAC is essential in determining the most critical investment priorities for the industry.

In 2010/11, Persimmons Australia Incorporated acted as the service provider on 1 project.

The industry also contributes 3% of levy and/or voluntary contributions (matched) to an across industry program that addresses issues that affect all of horticulture, such as water availability, climate change, biosecurity, market access.

R&D program

The focus of the persimmon R&D program continued to be the Australian sweet persimmon – phase 2.

Marketing program

Highlights of the 2010/11 marketing program included:

- The Assiette restaurant briefings hosted by the persimmon ambassador, Warren Turnbull.
- A four-week in-store sampling program conducted in NSW, Queensland and

Victoria which achieved a conversion rate of 43% on average over the course of the program.

Strategic objectives

The process for determining the industry's priorities begins with the development of the industry's strategic plan. The plan guides future R&D and marketing investment over a five year period. Activities in the 2010/11 period were therefore guided by the Persimmon Strategic Plan 2009 which can be found on the HAL website www.horticulture.com.au.

These plans are developed to reflect both the industry's priorities and the Australian Government's rural R&D priorities. The plans are reviewed regularly.

The industry's objectives, as outlined in the strategic plan, are:

1. Increase on-farm productivity
2. Improve supply chain management
3. Increased demand for product
4. Strengthen industry capacity

Conclusion

This report provides a snapshot of project activities in the 2010/11 year. The report's sections are divided by the industry's objectives to reflect the activities being undertaken that address these industry issues.

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The projects in this report have been funded by HAL using the persimmon levy and/or voluntary contributions from industry with matched funding from the Australian Government for all R&D activity.

Increase on-farm productivity

Australian sweet persimmon industry development - phase 2

Pre-harvest trials have been conducted under this project to evaluate orchard management techniques that aim to reduce tree vigour and increase fruit size and fruit set. A series of experiments including calcium uptake trials, cincturing and the use of growth retardants were completed in 2011. Promising results have been achieved in all trials despite extremely wet growing conditions earlier in the year.

Cincturing and the use of the growth retardant Sunny® reduced tree vigour by 30–40% and increased fruit size. Cincturing has also been beneficial in increasing fruit set. Calcium uptake trials revealed that biological bacteria (Fulzyme) and fungi (Mycorrhizae), when used alone, and when combined with gypsum,

increase leaf calcium levels. This can result in better fruit quality and prolonged storage life. Results from these trials have been published in the *Persimmon Press* (Issue 52: 5–9) and will be discussed at the AGM and the levy payers meeting in September 2011.

Trials have identified chemicals that may be effective in controlling clearwing moth infestations. These chemicals need to be investigated further as the unavailability of pheromones has led to heavy infestations in some orchards. DEEDI entomologists are currently assisting with clearwing moth research in an effort to understand more about this moth's life cycle with the aim to implement effective control measures.

The astringent Spanish variety 'Rojo Brillante' has been imported and

distributed for trial in persimmon growing regions of Queensland and South Australia. Larger numbers of trees have been propagated at Maroochy Research Facility to evaluate its suitability for the Australian persimmon industry. A collection block has also been established to evaluate previously introduced Japanese varieties.

Project PR09000

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CLIMATE CHANGE RD&E

Climate change research is not new, but the urgency of information for producers to understand and be able to respond to the threats of climate change is. Since 2007 HAL's climate RD&E investment, through industry levies, voluntary contributions and matched Federal Government funds, has increased by 30%. Achievements include: empowerment of industry leaders, through forums and presentations; partnerships, through cross-collaborative programs; and adoption, through grower workshops and fact sheets.

Further climate RD&E is planned in 2011, including generation of information on the critical temperature thresholds of a number of horticulture crops, identification of best management practices on-farm for reducing emissions and linkages with the Climate Change Research Strategy for Primary Industries (CCRSPI). Information on Climate RD&E and links to various tools for industry are available at www.horticulture.com.au/climate.

APEC study tour to the South East Asia markets

APEC undertook a study tour of the markets in South East Asia in June 2010 with the intention of giving Australian persimmon growers an opportunity to:

- Meet face-to face with importers, chain buyers and consumers in these marketplaces.
- Learn more about how the Australian product performs during transportation and redistribution.
- Discuss the ever changing requirements of these markets.
- Build on the relationships within the supply chain and improve communication avenues for the future.

Nine Australians participated in the tour supported by Horticulture Australia Limited's (HAL) voluntary contribution funding scheme. The itinerary covered the main marketing centres of Singapore, Kuala Lumpur and Hong Kong.

Australian produce was observed as maintaining a "clean and green" image and the timing of Australia's persimmon harvest continues to provide a window of opportunity in these markets, particularly during late April and May when there is no competition from other countries.

Project PR09002

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Minor use permits for the persimmon industry

Pesticides are a valuable tool for the persimmon industry. Due to the size of the industry in Australia it may not always be economically viable for chemical companies to pursue chemical registrations for the control of pests and diseases that impact on the industry. To ensure that the industry still has access to pesticides that allow them to control pests and diseases of significance, the Australian Pesticides and Veterinary Medicines Authority (APVMA) can allow access to some pesticides they would not otherwise have access to via the Minor Use Permit scheme.

This project was established to fund activities that will allow access to minor use permits. To date this project has assisted in access to minor use permits for Mancozeb, for the control of Cercospora leaf spot, and Methoxyfenozide, for the control of Leaf roller, Yellow peach moth and Orange fruitborer. Additional information on these permits can be found on the APVMA website.

Project PR10001

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Increase demand for product

Persimmon marketing program 2010/11

The 2010/11 persimmon marketing campaign was developed to increase awareness of the fruit and publicise its versatility.

Public relations

The following PR activities were carried out during 2010/11:

- 'Announce the season'

Two electronic media releases were sent to leading media and trade partners in the lead up to the season. The media releases included information on the season, varietal differences, usage suggestions, selection, storage and handling tips. The electronic releases attracted an opening rate of over 15% of the international direct marketing benchmark of 20%.

- Outreach to media and food leaders

A media package containing the Sweet & Original' message was delivered to media outlets closer to the season.

- Assiette briefings: Sweet & Original.

- At the start of the season, key food media were invited to experience sweet and original persimmon based recipes at Assiette.

- Attendees included: the *Daily Telegraph* (Taste.com), *Australian Good Taste*, *Super Food Ideas*, *Woolworths Fresh*, *Taste.com*, *Better Homes and Gardens TV*, *Prevention*, *Weight Watchers*, *Women's Health*, *Men's Health*, *New Idea*, *Australian Women's Weekly* and *Woman's Day*.

In-store demonstrations

The persimmon industry conducted a four week in-store sampling program in April and May 2011 in NSW, Queensland and Victoria.

The primary target market was consumers aged 20–35 years of age. The secondary target market was main grocery buyers aged 35+.

The program achieved a conversion rate of 43% on average over the four week period; whereby 4 in 10 people who tasted persimmons bought the fruit as a direct result of trialling.

Projects PR10501, PR10502, PR10503, PR10504, PR10505, PR10506

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Strengthen industry capability

Multi-industry economic evaluation

This multi-industry economic evaluation project is funded by the R&D levy contribution of six small industries (chestnut, custard apple, passionfruit, pineapple, papaya and persimmon). The project commenced in March 2011 and is due for completion by the end of September 2011.

The Australian Government has identified the need to substantiate the return on investment to both the levy payer and the broader community. As a result, horticultural industries which are members of HAL are requested to support a project conducted in accordance with these guidelines.

Following the Council of Rural R&D Corporations (CRRDC) evaluation methodology, a list of all the R&D projects implemented in the last five years (including those that are currently in an advanced stage) will be prepared and grouped according to the HAL portfolio. One project from each of the six participating industries will be randomly selected and evaluated by the evaluation team.

Project MT10045

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Industry profile publication

The mango, melon, pineapple, custard apple, lychee, persimmon, papaya, and passionfruit industries have come together to develop a new industry publication which provides information on this growing sector of Australian horticulture to create a better understanding of its collective value.

The publication collates data from the Australian Bureau of Statistics (ABS), peak industry bodies, sales and consumer research, and will be made available electronically to relevant federal and state agencies as well as other stakeholders.

Project MT09049

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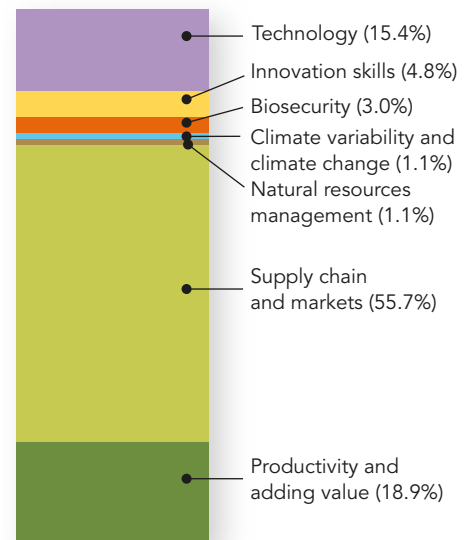
INVESTING IN AUSTRALIAN HORTICULTURE

Australian Government priorities

As part of the Australian Government's commitment to rural research and development, horticulture industries can access matching Commonwealth funding through HAL for all research and development activities.

The Australian Government's Rural Research and Development Priorities aim to foster innovation and guide R&D effort in the face of continuing economic, environmental and social change. HAL's operations are closely aligned with these priorities.

This chart shows the percentage of expenditure in HAL's persimmon R&D program against each of the Australian Government priorities for rural research and development. Full details of expenditure across all industries is available in HAL's annual report at www.horticulture.com.au



Productivity and adding value

Improve the productivity and profitability of existing industries and support the development of viable new industries.

Supply chain and markets

Better understand and respond to domestic and international markets and consumer requirements and improve the flow of such information through the whole supply chain, including to consumers.

Natural resource management

Support effective management of Australia's natural resources to ensure primary industries are both economically and environmentally sustainable.

Climate variability and climate change

Build resilience to climate variability and adapt to and investigate the effects of climate change.

Biosecurity

Protect Australia's community, primary industries and environment from biosecurity threats.

Innovation skills

Improve the skills to undertake research and apply its findings.

Technology

Promote the development of new and existing technologies.

HAL's roles and relationships

Horticulture Australia Limited (HAL) is a not-for-profit industry owned company. Its role is to manage the expenditure of funds collected by the Australian Government on behalf of horticulture industries.

In 2010/11 HAL invested more than \$90 million in projects to benefit horticulture industries.

An Industry Advisory Committee (IAC) is established for each industry with a statutory levy and annual income exceeding \$150,000.

The Industry Representative Body (IRB) for an industry is responsible for recommending to HAL the establishment of, and any changes to, statutory levies. The IRB for an industry with a statutory levy recommends membership of the IAC to HAL and must demonstrate how the skills required on an IAC are met by the persons they recommend for appointment to the committee.

For more information please visit www.horticulture.com.au

HAL partnership agreement and consultation funding

The partnership agreement between Persimmons Australia and HAL sets out the tasks each organisation will perform to enable the other to discharge its responsibilities related to levy payers and industry services. Partnership agreement activities are funded by HAL using the Persimmons Australia R&D levy and matched funds from the Australian Government as well as persimmon marketing funds.

These funds enable Persimmons Australia to undertake the Annual Levy Payers' Meeting, conduct IAC meetings, attend HAL Industry Forums, and attend HAL /Persimmons Australia Executive Board to Board consultation meetings, and other formal and informal consultation between personnel of Persimmons Australia and HAL.

The full year consultation funding expenditure for Persimmons Australia in 2010/11 was \$26,989. This represents 12.5% of the total annual levy expenditure. Consultation funding in respect of R&D represents 17.4% of the investment in R&D expenditure and consultation funding in respect of marketing represents 1.2% of the investment in marketing expenditure.

Project PR10910

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ACROSS INDUSTRY PROGRAM

The persimmon industry contributes funding towards an across industry program that addresses issues affecting all of horticulture. Details of the current program are listed below. A full report of the program can be found at http://www.horticulture.com.au/industries/across_industry_program.asp

Project No.	Project title	Levy or VC	Project start	Project finish	Organisation	Contact
Objective 1: To enhance the efficiency, transparency, responsiveness and integrity of the supply chain						
AH09009	Food security discussion paper	Levy	30/7/10	28/1/11	Growcom	Troy Reeves 0408 135 003
Objective 2: Maximise the health benefits of horticulture products						
AH09023	Health and well-being in horticulture	Levy	1/11/09	1/11/10	Team Rowley Pty Ltd	Chris Rowley 02 8901 0329
Objective 3: Position horticulture to compete in a globalised environment						
AH09018	Office of Horticulture Market Access – National Director	Levy	1/4/10	28/2/12	Stephen Winter & Associates Pty Ltd	Stephen Winter 03 9832 0787
AH09019	Office of Horticulture Market Access – Technical (SPS and Research and Development) Manager	Levy	1/10/09	30/9/10	Kalang Consultants	Rob Duthie 02 6286 7151
AH09021	Office of Horticulture Market Access – Operations Support	Levy	1/9/09	31/12/11	Horticulture Australia Limited	David Moore 02 8295 2330
AH09027	Investing in Youth successful scholarship applicant	Levy	31/5/10	31/3/14	Rural Industries R&D Corporation	Ken Moore 02 6271 4127
Objective 4: Achieve long term viability and sustainability for Australian horticulture						
AH09003	Plant protection: regulatory support and co-ordination	Levy	1/07/09	30/5/14	AKC Consulting Pty Ltd	Kevin Bodnaruk 0408 567 252
AH10003	Horticulture component of the National Climate Change Research Strategy for Primary Industries	Levy	1/4/11	31/8/11	Horticulture Australia Limited	Peter Melville 02 8295 2317
AH10006	Pesticide spray drift in horticulture – a response to new guidelines from the APVMA	Levy	1/7/10	31/5/11	Horticulture Australia Limited	Peter Melville 02 8295 2317
AH10009	Response to Productivity Commission	Levy	1/10/10	31/3/11	Horticulture Australia Limited	Warwick Scherf 02 8295 2323
MT08042	Driving collaboration in Australian horticultural research	Levy	1/12/08	30/6/11	RIS Projects	Russell Soderlund 03 5968 3599
MT09043	Enhancing confidence in product integrity in domestic and export markets	Levy	1/7/10	30/6/11	Horticulture Australia Limited	Warwick Scherf 02 8295 2323
MT10029	Managing pesticide access in horticulture (cont. from AH04009 and MT07029)	Levy	1/7/10	2/7/15	AgAware Consulting Pty Ltd	Peter Dal Santo 03 5439 5916
MT10049	A multi target approach to fruitspotting bug management	Levy	1/3/11	1/4/16	NSW Department of Industry and Investment	Dr Ruth Huwer 02 6626 2451
Objective 5: Other						
AH10012	Horticulture support for the CRCNPB rebid	Levy	15/9/10	31/12/10	CRC For National Plant Biosecurity	Scott Baxter 02 6201 5067

PERSIMMON PROGRAM

Project No.	Industry obj.	Rural R&D priorities	Project title	VC or Levy	Project start	Project finish	Organisation	Contact
MT06022	3		Generation of dimethoate and fenthion residue samples to maintain market access	VC / Levy	6/6/07	16/8/10	Agronico Research Pty Ltd	Dale Griffin 03 9775 4230
MT09049	4	 	Subtropical and tropical fruits collective industry profile publication	VC / Levy	29/3/10	31/5/11	Produce Pathways	Anne Larard 0432 395 985
MT10017	2		Understanding the purchase behaviour of fresh produce consumers	VC / Levy	1/9/10	30/8/12	Horticulture Australia Ltd	Elisa Tseng 02 8295 2341
MT10045	3		Multi-industry economic evaluation – BCA	Levy	1/3/11	30/9/11	AgEconPlus Pty Ltd	Michael Clarke 02 9817 5888
MT10049	3	 	A multi target approach to fruitspotting bug management – budget allocation		20/11/10	30/4/16	Horticulture Australia Limited	Dr Ruth Huwer 02 6626 1196
PR09000	1	 	Australian sweet persimmon industry development – phase 2	Levy	1/9/09	31/5/12	Department of Employment, Economic Development & Innovation	Simon Redpath 07 4132 5545
PR09002	2	 	APEC study tour of the markets in South East Asia – June 2010	VC	2/11/09	31/12/10	Australian Persimmon Export Co	Dr Alison Fuss 07 4637 9925
PR10001	2		Minor use permits for the persimmon industry	Levy	31/3/11	30/5/12	Horticulture Australia Limited	Ben Callaghan 02 8295 2374
PR10501	3	N/A	2010/11 persimmon public relations	Levy	1/7/10	30/6/11	Impact Communications Australia	Elisa Tseng 02 8295 2341
PR10502	3	N/A	2010/11 persimmon creative development	Levy	1/7/10	30/6/11	Eleven Communications	Elisa Tseng 02 8295 2341
PR10503	3	N/A	2010/11 persimmon POS	Levy	1/7/10	30/6/11	Horticulture Australia Limited	Elisa Tseng 02 8295 2341
PR10504	3	N/A	2010/11 website maintenance	Levy	1/7/10	30/6/11	Horticulture Australia Limited	Elisa Tseng 02 8295 2341
PR10505	3	N/A	2010/11 persimmon in-store demonstrations	Levy	1/7/10	30/6/11	Emporio Promotions & Personnel P/L	Elisa Tseng 02 8295 2341
PR10506	3	N/A	2010/11 persimmon recipe development	Levy	1/7/10	30/6/11	Horticulture Australia Limited	Elisa Tseng 02 8295 2341
PR10800	3	 	Industry annual report	Levy	1/7/10	30/6/11	Horticulture Australia Limited	Ana Reynolds 02 8295 2300
PR10900 /10	4	 	2010 persimmon partnership agreement	Levy	1/7/10	10/8/11	Persimmon Industry Association Inc	Jeanette Wilson 07 5483 3734

Australian Government Rural R&D Priorities: Productivity and adding value Supply chain and markets Natural resource management
 Climate change and climate variability Biosecurity Innovation skills Technology

PERSIMMON INVESTMENT SUMMARY

Year ended 30 June 2011

	Marketing 2010/11 \$	R&D 2010/11 \$	Combined 2010/11 \$
Funds available 1 July 2010	33,120	99,268	132,388
INCOME			
Levies received	43,794	65,690	109,484
Commonwealth contributions		72,344	72,344
Other income	1,326	4,056	5,382
Total income	45,120	142,090	187,210
Budget	48,575	165,756	214,331
Variance to budget	(3,455)	(23,666)	(27,121)
PROGRAM INVESTMENT			
Levy programs	55,672	126,430	182,102
Service delivery programs by HAL	7,296	18,258	25,554
Across industry funding		1,678	1,678
Levy collection costs	3,120	3,861	6,981
Total investment	66,088	150,227	216,315
Budget	66,794	192,027	258,821
Variance to budget	706	41,800	42,506
Annual surplus/deficit	(20,968)	(8,137)	(29,105)
Funds available 30 June 2011	12,152	91,131	103,283

Persimmon Industry Advisory Committee (IAC)

Kent Andrew (Chair)
 Jeanette Wilson (Secretariat)
 Stephen Jeffers
 Nick Hobbs
 Geoff Patteson
 Colin Temby
 Astrid Hughes (ex-officio)



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