

Lychee Annual Investment Plan 2022/23



Industry position

The Australian lychee industry continues to experience strong domestic and export growth with minor fluctuations due to seasonal conditions. Compared with other tropical fruit categories, the lychee industry exports a higher percentage of its production. The value of the industry has also grown due to the increase in demand and higher returns experienced in both domestic and export market sales. Most lychee production occurs in Atherton, Rockhampton, Bundaberg and Sunshine Coast in Queensland.

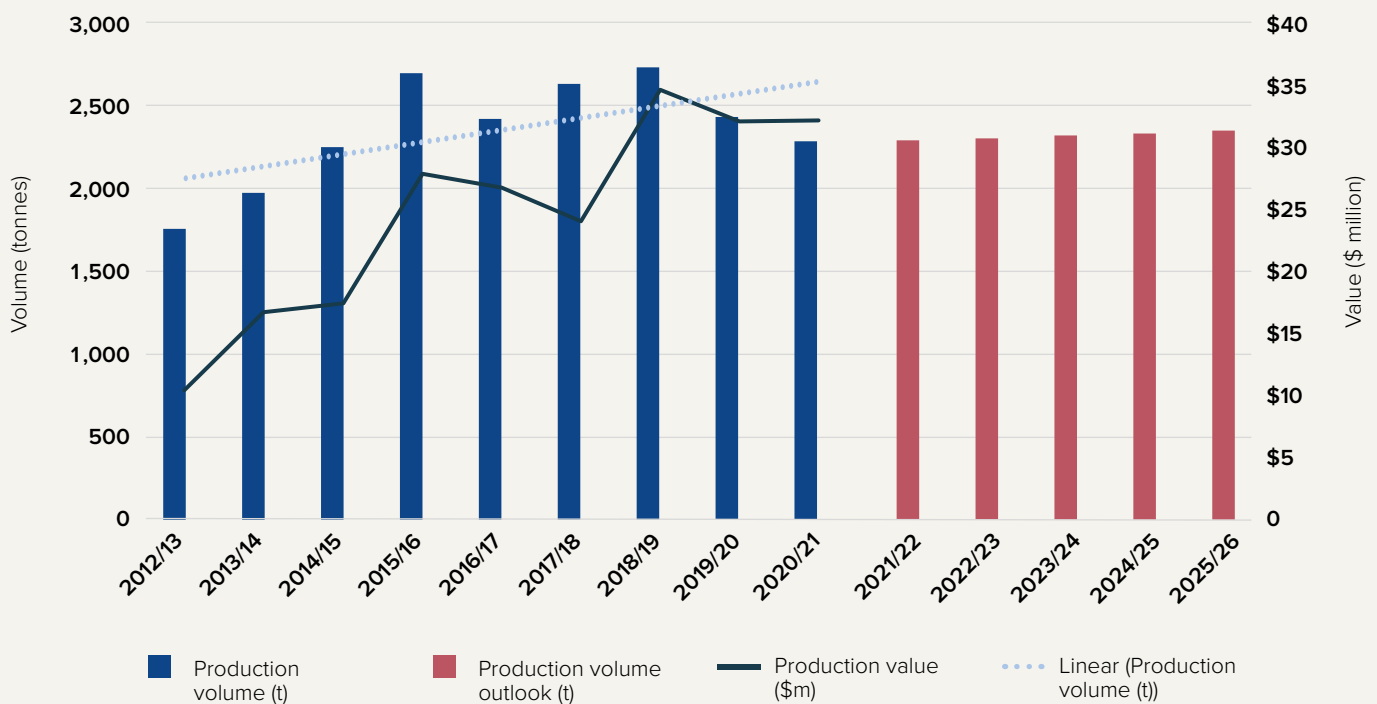
Further background on the lychee industry and its priorities can be found in the [lychee Strategic Investment Plan \(SIP\) 2022-2026](#). Further information on industry statistics can be found in the [Australian Horticulture Statistics Handbook](#).

The key challenges for the lychee industry are: driving demand; export; and improving production efficiencies.

Lychee production

Lychee production volume (tonnes) and value (\$ millions) from 2012/13 to 2025/26 is available in **Figure 1** and shows the predicted production trend for the next five years based on ABS population growth rate projections.

FIGURE 1. LYCHEE PRODUCTION 2012/13 TO 2025/26



Note: the estimated production volume is not an accurate indicator for the value of statutory levies to be received by Hort Innovation.

Source: Australian Horticulture Statistics Handbook for the year ending 30 June 2021 and analysis based on Centre for Population 2022, National population projections in the 2022-23 Budget, 2021-22 to 2032-33, the Australian Government, Canberra.

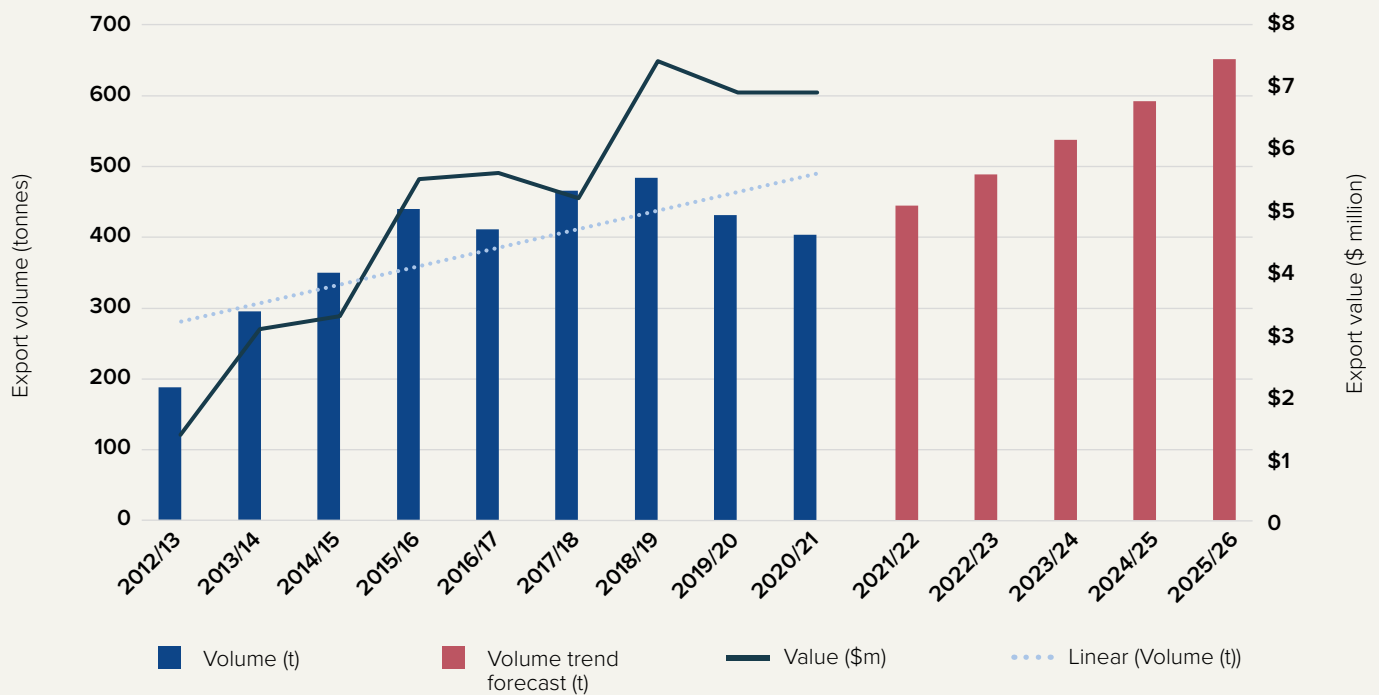
Production trends:

- An estimated 2,283 tonnes of lychees were produced in 2020/21 valued at \$32.0 million
- Production since 2012/13 has increased from 1,759 tonnes, representing a compound annual growth rate of 3.31% over the past eight years
- Lychees are produced as a single annual crop with production significantly dependent on rainfall at the right time and cold winters to induce flowering. Therefore, whilst lychee production has increased since 2012/13, annual output is prone to some volatility
- Production value has increased from \$10.6 million in 2012/13 to \$32.0 million in 2020/21, representing a compound annual growth rate of 14.81% and over-indexing the rate of increased production.

Lychee exports

Lychee industry export volume (tonnes) and value (\$ millions) from 2012/13 to 2025/26, showing expected exports over next three years is 1,472 tonnes, can be seen in **Figure 2**.

FIGURE 2. LYCHEE EXPORTS 2012/13 TO 2025/26



Source: Australian Horticulture Statistics Handbook for the year ending 30 June 2021, with predicted export based on the eight-year compound annual growth rate.

Export trends:

- 18% (404 tonnes) of lychee production volume was exported in 2020/21.

Investment advice and consultation

The lychee Annual Investment Plan (AIP) 2022/23 was presented to the lychee Strategic Investment Advisory Panel (SIAP) (**Table 1**) in August 2022.

TABLE 1. LYCHEE SIAP

Name	Organisation
Derek Foley	Electra Farmlands
Craig van Rooyen	Sweet Sensations Farm
Frank Bosnic	PJ & F Bosnic
Jill Houser	Mooloolah Valley Orchard
Martin Joyce	Coolbie Orchard
Christopher Richard Salta	Mooloolah Valley Orchard
Yan Diczbalis	Palm Hearts Australia

The investment process

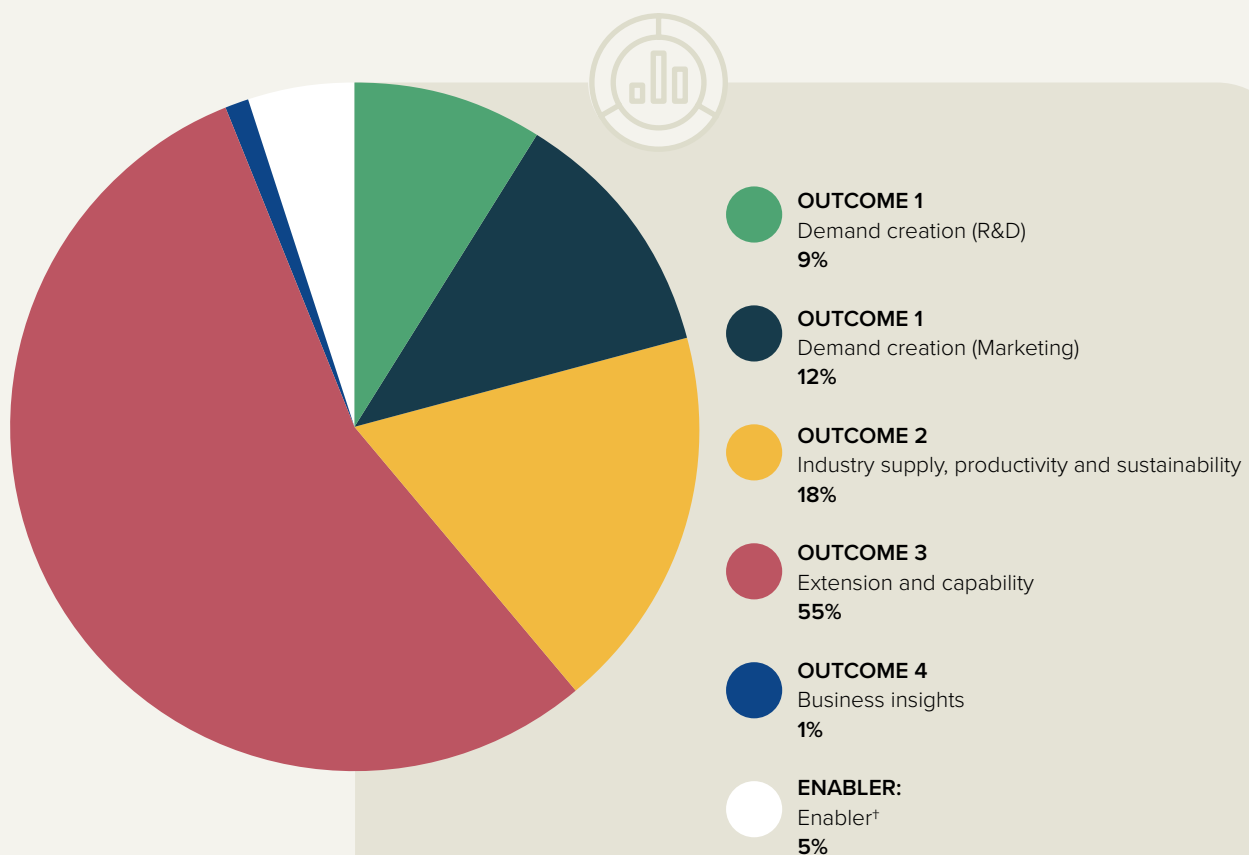
Investments specific to the Lychee Fund are guided by the industry's SIP and AIP. The SIP provides an overarching roadmap for industry to follow, and the AIP details how levy dollars will be spent each year to achieve industry goals.

Learn about how Hort Innovation makes investment decisions, and the process for making investments on our website [here](#), or watch a video about how investment decisions are made at the lychee 'fund management' page on our website [here](#).

Current investments

The lychee SIP details the industry's strategic goals centred around four outcome areas: demand creation (both R&D and marketing based); industry supply, productivity and sustainability; extension and capability; and business insights. Under each of those outcomes, there are industry-specific strategies and key performance indicators (KPIs) that provide guidance on how the lychee industry will work towards achieving the outcomes. **Figure 3** below identifies committed investment expenditure in each of the SIP outcome areas for 2022/23.

FIGURE 3. COMMITTED EXPENDITURE FOR LYCHEE SIP INVESTMENTS 2022/23



[†] Enabler: projects that support the broader delivery of the industry's project investments. Examples of enabler projects include annual reporting and monitoring and evaluation capacity.

Table 2 indicates the current invested projects for 2022/23 that are aligned to the respective outcomes and strategies for the Lychee Fund. More information is available on the Hort Innovation website about the projects that have a hyperlink. A full report on the Lychee Fund can be found in the [lychee Annual Report 2020/21](#), and the Annual Report 2021/22 will be published in October this year [here](#).

TABLE 2. CURRENT INVESTED PROJECTS IN THE LYCHEE FUND

Outcome	Strategy	Project code	Project title	Delivery partner	Start date	End date	Life of project value
1. Demand creation	1. Consumer demand	MT20600 ^M	Media strategy, planning and buying services	Atomic Search	26/10/20	30/7/23	\$4,176
1. Demand creation	1. Consumer demand	MT21620 ^M	FY2022 Small tropicals, social media and creative	Bite Communications	4/11/21	7/7/22	\$15,000
1. Demand creation	1. Consumer demand	MT21600 ^M	Small tropicals media 2022/23	Atomic Search	4/2/22	31/7/22	\$11,084
1. Demand creation	3. Market access	ST21007	Australian horticulture international demand creation	Kantar Insights Australia	3/6/22	31/3/23	\$9,750
1. Demand creation 2. Industry supply, productivity and sustainability 3. Extension and capability	3. Market access 1. IPDM 1. Extension capability	LY20001	Scale and mealybug management options for lychee growers – An extension toolkit	Department of Agriculture Fisheries, Queensland	23/2/21	2/12/22	\$78,827
2. Industry supply, productivity and sustainability	2. Biosecurity preparedness	MT18006	Biosecurity plan for the lychee, papaya and passionfruit industries	Plant Health Australia	25/2/20	13/11/24	\$37,362
2. Industry supply, productivity and sustainability	3. Pollination	MT21008	National bee pest surveillance program: Transition program	Plant Health Australia	26/6/22	15/12/24	\$9,395
2. Industry supply, productivity and sustainability	5. Crop protection	MT20007	Regulatory support and response co-ordination (pesticides)	AKC Consultancy	2/8/21	1/7/24	\$2,509
2. Industry supply, productivity and sustainability	5. Crop protection	LY16000	Lychee industry minor use program	Hort Innovation	1/7/22	30/6/23	\$4,050
2. Industry supply, productivity and sustainability	6. Crop safety	ST18001	Generation of data for pesticide applications in horticulture crops 2018/19	Peracto	27/5/19	15/1/23	\$14,845
3. Extension and capability	1. Extension capability	LY20000	Lychee industry communications program	Australian Lychee Growers Association	29/1/21	30/11/23	\$209,892
4. Business insights	1. Consumer insights	MT21003	Consumer demand spaces for horticulture	Kantar Insights Australia	17/1/22	15/7/22	\$948
4. Business insights	1. Consumer insights	MT21004	Consumer behavioural data program	Nielsen Connect Australia	29/3/22	20/11/26	\$14,462

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CURRENT INVESTED PROJECTS (continued)

Outcome	Strategy	Project code	Project title	Delivery partner	Start date	End date	Life of project value
4. Business insights	1. Consumer insights	MT21201	Pilot program – Consumer usage, attitude and brand tracking	Fifty-Five 5	22/4/22	31/7/22	\$151
4. Business insights	1. Consumer insights	MT21202	Consumer usage and attitude tracking – 2022/23	Fifty-Five 5	30/6/22	31/7/23	\$783
Enabler [†]	Enabler [†]	MT21013	Fund Impact Assessment 2020/21: cherry, sweetpotato, vegetables, small tropicals	Ag Econ	6/5/22	30/11/22	\$6,952
Enabler [†]	Enabler [†]	MT21015	Horticulture impact assessment program 2020/21 to 2022/23	Ag Econ	6/5/22	30/11/24	\$1,236
Enabler [†]	Enabler [†]	LY22910	Grower advice and consultation	Hort Innovation	1/7/22	30/6/23	\$4,200
Enabler [†]	Enabler [†]	MT20003	SIP Development Support	Hort Innovation	1/4/20	30/6/23	\$1,000.00

[†] Enabler: projects that support the broader delivery of the industry's project investments. Examples of enabler projects include annual reporting and monitoring and evaluation capacity.

^M Projects funded by the marketing levy

Key for project codes:

Projects starting with LY are funded by the lychee levy only

Projects starting with MT are funded by multiple industries, including with lychee levy contribution

Projects starting with ST are strategic co-investment, with lychee levy contribution

Financial statements

View the Lychee Fund's most up-to-date financial operating statement [here](#) and the annual project summary [here](#) on the Hort Innovation website.

Recommended investments in 2022/23

The financial balance in the Lychee Fund has increased over recent years to a level that can sustain potential increases in project investment from 2023/24. The industry is actively considering options and will make a recommendation soon. No R&D investment recommendations have been sought for advice. The lychee SIAP is currently considering investment in a Marketing Plan for 2022/23 (**Table 3**).

TABLE 3. LYCHEE SIAP MARKETING INVESTMENT RECOMMENDATIONS FOR 2022/23 (CURRENTLY UNDER CONSIDERATION)

Priority	Investment	Outcome	Strategy
1	Lychee Marketing Plan 2022/23	1: Demand creation	1: Consumer demand

Note: Wherever possible, investments will be aligned to form multi-industry projects, and all investments are subject to funding availability. If investments do not occur in this financial year, then they will be reconsidered and reprioritised for the lychee AIP 2023/24.

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