

Boom times for Team Avocado

Consumers prepared to pay well for good quality fruit

THIS year's record returns for avocado in Australia sends a message that there is no need to heavily discount prices even during times of big harvests, says Team Horticulture managing director Alistair Young.

Individual fruit are fetching up to \$5 in Australia supermarkets this summer as a result of a shortage of avocados from New Zealand and Australia.

"The lesson to be learned is that consumers 'must have' avocados and are prepared to pay high prices for them, so even in times of plenty we should not be heavily discounting fruit," he said.

These prices, the highest Young has seen in 22 years in the business, weren't likely to be repeated in the short term but the demand for the fruit indicated exporters could achieve good returns even in years when there was a lot of fruit.

Last month, Team Avocado made a record \$4 million progress payment to 235 growers from Northland to eastern Bay of Plenty, who each received \$15 per tray for 18 to 25 count fruit.

"This is a record sum paid out at one time. Considering there are two more payments to go, the final payout is also going to be a new record also," said Young.

While it's good news for those growers, another 115 orchardists who belong to Team Avocado didn't receive the payment because they did not harvest an export crop this season.

"It's tough for those growers without an export crop and we can only hope the coming season will be kinder to them," said Young.

Avocado trees have a strong tenancy to produce fruit only every second year but it's a trait Young said the industry was working hard to correct. "This season, after our unusual spring and summer weather, trees are doing some strange things but many are showing signs of a flush as well as fruiting so we hope there will be a good-sized crop for the next season."

While a small crop from New Zealand and a decrease in the Australian harvest due to a cold winter and hail storms were largely responsible for the record \$3.50 to \$5 a piece prices the public paid for fruit, Young said that was not the only reason.

"Team Avocado has been working hard in the markets to educate the public and retailers about how to eat and how to handle avocado. Our pre-ripening



Elaine Fisher
RURAL REPORTER

programmes in supermarkets have also helped increase demand."

Fruit is pre-ripened by Australian companies, under contract to Team Horticulture and the company also contracts personnel to educate produce department staff on the correct handling and rotation of fruit.

Every tray of fruit is tracked from the time it is packed to its delivery to supermarkets so the inventory can be managed to ensure fruit stays fresh.

The storage ability of fruit is of prime importance and Team Horticulture pays an extra \$1 a tray to up to 90 per cent of its growers who apply copper, which prolongs shelf life, to their crop. It also encourages its growers to be part of the integrated pest monitoring programme AvoGreen under which sprays are only applied once pests reach a prescribed level in orchards.

Team Horticulture is the marketing company established by the Team Avocado Trust, founded in the early 1990s by a group of about 49 growers, dissatisfied with the marketing of their fruit.

Today, the trust has a membership of 370 growers who benefit from the co-operative structure which sees all funds returned from the market administered by the trust and paid to growers.

The trust has a board of seven growers and the Team Horticulture managing director, which makes decisions on payments, research and development and marketing.

"It was the trust that decided to make the record payment to growers in January because we had the funds to do so and cash flow is important to growers right now," said Young.

"Marketing perishable produce can be a risky business.

"However, an income pooling system and a growers' controlled trust structure administering income means that our growers' commercial risks are minimised.

"Regular interim payments during the season ensure good cash flow. Additionally, Team's product is fully insured from packhouse to market."

Team Horticulture markets avocados under the Qavo and



GOING FOR IT: Alistair Young says there's no need to discount prices even in times of plenty.

PICTURE / FILE

Avanza brands and its supply base is spread from the Bay of Plenty, through Pukekohe, Orere Point, Mangawhai, Whangarei to the Far North.

Australia continues to be New Zealand's most important market but Japan, Asia and the US also hold potential.

"We did a major programme to Japan and South-East Asia this season and it was successful but, unfortunately, we could not do justice to the US because we didn't have enough fruit."

The US holds exciting promise but Young said strong competition

would come from South American producers, including Mexico, Chile and Peru and the Dominican Republic in the Caribbean.

"They are much close to the US, have free trade agreements and have the potential to produce fruit of equal quality to ours. However, the New Zealand Inc brand is very strong in the markets and we have to ensure we protect that image and do everything we do better than anyone else."

While plantings have slowed in the Bay of Plenty, new trees are still going in Northland but Young

said he was not concerned about an over-supply.

"We were supposed to be over-supplied five years ago and we still can't meet market demand."

Fresh fruit will remain the industry's prime focus but moves to establish an ultra-high-pressure processing plant in New Zealand for second-grade avocados would help improve grower returns and provide products ideal for the food service industry, he said.

"Avocado oil, which is a fantastic product, is important but there is little money for grower in supply fruit for oil production."