

Japan wants Bay's avos

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Japan's largest importer of avocados, Union Company Ltd, can't get enough New Zealand avocados, which is good news for the future of Bay of Plenty growers.

Australia is currently New Zealand's biggest export market for avocados but increased production there and in New Zealand means Kiwi orchardists need to look for new overseas buyers.

The Avanza group is a joint initiative of exporters Team Avocado, Primor, Global Fresh, and Freshco to develop markets in South East Asia.

Union Co. president Tatsuya Ishiguro was in Tauranga on Thursday, August 7 as part of a three-day visit to New Zealand to secure more fruit for the coming season.

Avanza representative and Team Avocado director Carwyn Williams took Tatsuya to Aerocool and Apata packhouses in the Bay of Plenty, as well as orchards in Northland.

Tatsuya says Japan's demand for avocados started to increase about six years ago, following a television promotion which highlighted the fruit's health and nutritional benefits.

"Avocados are like a super food," says Tatsuya.

Avocados are not considered a luxury item in Japan, he says, but consumers there prefer a smaller fruit size than New Zealanders. They are most commonly eaten in salads or sliced and served with soy sauce.

Currently most of Japan's avocado imports come from Mexico, which can supply fruit 12 months a year.

"The main reason is the CIF (cost, insurance, freight) price from Mexico to Japan is very competitive and the exchange rate of Japanese Yen to US dollars has been favourable," says Tatsuya.

New Zealand's avocado export season runs from September to January.

In 2008/2009 Avanza sent 100,000 trays of New Zealand avocados to Japan over three months. This equated to approximately 10% market share for that period.



Union Co. president Tatsuya Ishiguro and Team Avocado director Carwyn Williams visited Aerocool at Pongakawa this week.

This year Carwyn expects the group to export 300,000 trays to Japan.

"We need more fruit," says Tatsuya.

"We could sell double the amount and I believe that is possible in the next five years," adds Tatsuya.

"Almost all the avocados we get go straight to supermarkets, they are pre-committed."

His aim for the next five years is to work with Avanza to see New Zealand avocados achieve 35 per cent market share during the four-month peak export period.

"New Zealand avocado quality is the best available in September and October."

The transit times from New Zealand to Japan are only two weeks, compared with four weeks from South America.

New Zealand's high fruit quality results in less fruit loss, which means lower costs for importers.

"New Zealand's farming operations are much superior in terms of orchard practice and supply chain management."

In the last three years Avanza has changed its distribution approach in Japan and focussed on improving cool storage and handling. This has further reduced fruit losses experienced in the early years of exporting to Japan.

The NZ avocado industry's food safety record is also excellent – comparable with world leader Zespri according to Tatsuya.

Carwyn says getting the cost structures and supermarket and importer margins right is important for New Zealand's future success in Japan.

"We have a really good understanding of how that works and we need to structure things so everyone gets a good return."

One of the difficulties Avanza faces in developing new markets is securing enough fruit every year to meet demand. The New Zealand avocado industry experiences a biennial production cycle which leads to higher production one year and lower the next.

The 2009/2010 season will be an 'on year' in terms of production volumes. In July the New Zealand Avocado Industry Council issued a total crop estimate of 4-4.2 million trays for the 2009/2010 season. About 2.5-2.6 million trays are expected to be export quality

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