

Record returns for avocado growers

Bay of Plenty avocado growers are expecting the highest payouts in 20 years after achieving record peak retail prices of up to \$AU5 per piece in Australia this summer.

Final returns reporting will not be completed until later this year but industry spokespeople agree overall prices were significantly stronger than in previous years. The \$AU5 per piece price was achieved in premium stores in premium locations during January and the average per piece price will be lower.

New Zealand Avocado Growers' Association chairman John Schackenberg says overall prices were up approximately 20-25 per cent on last year.

Best results

"These are almost certainly the best returns since about 2000, when we were in the American market at a 40 cent exchange rate," says John.

Team Avocado director Carwyn Williams says the strong returns are due to a combination of factors, including a shortage of Australian fruit, with the cold winter

experienced in Western Australia in 2009 causing that region to have a lower than expected crop. As at February 19, New Zealand

avocado exports for the 2009/2010 season were around 200,000 trays below the original 2.4 million tray export estimate.

"Econ 101 tells you that when demand went up higher than supply consumers were prepared to pay bigger prices," says John.

Ongoing promotion

However, the NZAGA and exporters are also crediting ongoing promotional and educational campaigns with creating strong demand for avocados.

The New Zealand Avocado Industry Council spent \$AU240,000 on promotion in Australia from November 2009 to January 2010, when Avocados Australia Ltd does not actively promote the fruit.

For the first time the council used Avocados Australia Ltd's 'Add an Avo' marketing material, but

changed the slogan to 'Add an Avo this Summer'.

"Consumers received the same generic message for 12 months," says John.

"I think there is a significant connection between this and increased demand."

Carwyn agrees,

"Consumers know

what an avocado is and they want more. And cream on the top was they didn't have enough Australian fruit."

John believes the increase in Australian demand for avocados this season is good news for New Zealand growers. NZ production volumes are expected to increase in the future so the industry has been working to develop new markets other than Australia.

"The experience this season in Australia suggests we haven't found the ceiling in terms of Australian consumption in our export window yet. It may surprise us that they can take a lot of fruit in years ahead. There are exciting market dynamics for New Zealand going forward," says John.

By *Natasha Mitchell*

