

Excellent Australian season highlights avocado effort

By editor Hans Kuiper

A splendid selling season in Australia and good progress in Japan highlighted the New Zealand avocado export effort in 2009-2010.

John Carroll of Primor Produce, also chairman of the Avocado Exporters Council, said New Zealand growers produced 2.2 million export trays, the third largest export crop to date, the record being 2.6 million in 2007-08. Crop forecasts had indicated 2.6 or 2.7 million export trays, but frost, winds and a storm in the mid-north around Whangarei trimmed that.

Australian growers had a light crop and this assisted New Zealand greatly. The Western Australian crop, an issue a year earlier, was light, but John pointed out that Australia is a 12-month market.

New Zealand supplies during the peak-supply summer period and has done a great deal to assist the development of the category there. One aspect of that has been developing excellent handling of the product, including pre-ripening.

For the most part there has been excellent co-operation from the Australian industry. This year, New Zealand has built on in-market promotion developed by Australia, but John says that it's difficult to measure the impact of that on buying patterns.

The early season American market was affected by the reduction in total crop because of weather, but there was a modest presence in that market. "America was the biggest casualty of that loss of crop."

With a small parcel of fruit, New Zealand exporters will be price-takers in that market, but it will be important for the future with dramatic increases in supply in the offing.

In Japan, John believes the New Zealand industry has made good progress but there is room for improvement in fruit presentation. One difficulty compared with Australia is that the market there is more complex in terms of in-market handlers.

Avocados go down well in Japan. A factor in consumer acceptance is that taste does not put off anyone new to the fruit and it works excellently with fish and rice dishes.

The most promising sign in emerging markets was Singapore, where Primor did promotional work for 12 weeks with excellent response, particularly from the trade. One thing in New Zealand's favour was that with a light Australian crop there was reduced supply of small fruit at modest retail prices.

Coming season

The 2010-11 crop will be on off-crop and export supply may be down 40 to 50%. However, the Australian crop is expected to be up, but not substantially. John believes New Zealand growers exporting to that market should have good results.

Alistair Young of Team Avocado said the Avanza group placed three containers of fruit in the United States. There was some delay in entering the market this season because of a US requirement to waterblast fruit because of concerns over light brown apple moth.

However, the delay worked in favour of the growers because it released more fruit for the Australian market, where light cropping on Australian orchards meant some unbelievable returns for New Zealand growers.

States normally producing fruit for the market in September such as South Queensland, South Australia and Northern New South Wales were very short so New Zealand entered the market earlier than usual.

Then in Christmas week, Alistair received a call that the crop from Western Australia, normally an important part of calculations early in the year, was lighter than they had thought in an off-crop year.

So in January-February New Zealand was struggling to supply what the market wanted.

"Our avocados were like gold bars for five weeks!" Individual fruit were selling for \$3.50 and \$4 each and even \$5. "Grower returns were going just ballistic."

The tightness of supply which was out of New Zealand's control caused some tensions.

Prices came down to earth when Shepard avocados from Queensland entered the market in February. "Shepard normally starts to eat well at the end of February."



Motuhoa Island near Tauranga, which will be an increasing source of avocados for the co-operative.

Alistair expects the export crop next season to be down perhaps 40%, but things are looking better all the time. The industry will be dependent on how benign the winter is. He hopes the mid-North will have a good season after a series of devastating storms.

The local market is a serious problem because of ill discipline by some operators. Early season discounting was a mistake.

"If you get this sort of behaviour, it makes it hard to play the game. We need to harden up."

Team Avocado has had a local market programme running all season with Progressive Enterprises.

Promising first season for co-op

Mark Yortt, managing director of the new co-operative New Zealand Avocado Marketing Ltd, commented that early season sales in the United States were delayed by the need to certify water blasters following US concern about light brown apple moth. The co-op did not ship fruit until August. Earlier entry would have given growers returns of \$15-20 for large count fruit but they got \$11-12. For small fruit, returns were in single figures. Small fruit is acceptable in that market and Chile and Mexico supply a lot of it.

Only two co-op growers had fruit shipped to the US, including American Don Rodee, who has a large orchard near Katikati.

Unfortunately, about half of Don's fruit had been wiped out by frost in June and July, but there were no problems with the remaining crop.

Calavo, the co-operative's American importer, was happy with quality.

In Australia, the co-op supplied through a long-established company Costa Group (which has a history going back to 1888)

On 20 January Team Avocado paid out \$4 million in progress payments for its growers. "This payout means all growers in Team Avocado have received \$15 on farm per tray for 18 to 25ct trays packed, up to and including last week. 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," Alistair Young announced.

and had fruit in retail outlets in Brisbane, Sydney, Melbourne and Adelaide.

There was also supply to the wholesale market, but limited fruit because most of it had been pledged to retail. The reduction of the New Zealand export crop, initially estimated as high as 3 million trays, to 2.2 million, had its impact.

"We marketed to our pre-season flow plan and commitment. Quality was generally good."

Returns in Australia were excellent and on a par with other exporters.

The co-op has ambitious plans to increase its crop volume for the coming season and enter Asian markets like Japan, Singapore, Hong Kong and South Korea. It's made contacts in all those markets and wants to band together with like-minded exporters in those markets.

Has its prospectus ready and is will be approaching growers in March-April about supply for 2010-11 season.



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