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China, India to be focus for lift to \$250m a year

Elaine Fisher | 31st August 2010

India and China offer untapped potential for New Zealand avocado growers and could prove vital once the industry achieved its vision of producing 12 million trays, earning \$250 million by 2015, an industry expert says.



A target of 12 million trays in five to six years is seen as not unrealistic.

"As production increases, it is imperative that markets are available that can absorb this increased volume while returning value back to growers," Henry Pak, technical manager for the Avocado Industry Council, told growers who attended the New Zealand Avocado Growers Association annual meeting in Tauranga on Friday.

The industry was working with MAF Biosecurity New Zealand to open new markets in China and India he said.

"Both these markets offer the opportunity to access the untapped potential of large populations that have an increasing discretionary income," Dr Pak said.

Earlier at the meeting, John Schnackenberg, chairman of the New Zealand Avocado Growers Association and Avocado Industry Council, said while the industry exported four million trays (against a predicted five million) last season, achieving 12 million in five to six years was not unrealistic.

"It will happen. The number of trees in the ground and their age shows 12 million trays by 2015 is very real and we must ensure we can produce and sell the fruit to achieve the best value for growers within an industry which is sustainable," he said.

Dr Pak said to meet those goals it was imperative that access was improved to existing markets in South-East Asia.

"The industry has initiated a joint project between the Plant Market Access Council and New Zealand Food Safety Authority to overcome barriers that exist in terms of lack of MRLs (maximum residue limits) in these markets for some of our most commonly used pesticides."

The introduction of the AvoGreen, an audited production system using integrated pest management (IPM) to ensure pesticides were used only when needed, was a key strategy aimed at increasing the percentage of the national crop with unrestricted access to all markets. "It also delivers a mechanism for our exporters to differentiate New Zealand avocados from competing product."

Irregular bearing, with many avocado orchards producing a commercial crop only every two years, continued to be the focus of industry-funded research. "It is an area with strong collaboration with scientists from Plant & Food Research.

"This collaborative approach will be extended with planning under way for a joint project involving researchers from Australia, New Zealand, US, South Africa, Chile, Mexico and possibly Spain."

Dr Pak said up to 40 leading experts would gather in San Francisco to pool their knowledge of what caused biennial bearing.

In New Zealand, the council was carrying out its own research, including surveying the country's top 50 growers to discover what it was about their practices which produced such good results. However, Dr Pak said every orchard and every management system across all those growers was different, but there were areas of common ground which could prove useful.

The council would also survey some of the poorer producing growers in order to discover what influenced their results.

"We are looking at the starch cycle in the trees to find out what role carbohydrates play and assess what likely levels are needed to produce fruit in the following season."

Flower pruning either manually or by spray, to control crop volumes in "on" years might be an option and the AIC was also looking at the impact of tree pruning.

"We tend to leave it too late, when a large root system has developed, meaning the tree is out of balance in terms of vigour and re-growth," Dr Pak said.

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"A key outcome (of the research) is to develop tools to assist in the timing of grower interventions, such as pruning and nutrient inputs."

Mr Schnackenberg said the industry must also review strategy in light of results of the recent grower survey that showed more than 60 per cent of growers were over the age of 56 and, for almost 60 per cent of growers, avocados accounted for only 10 to 20 per cent of their income.

Full analysis of the survey, responded to by 30 per cent of growers (471 of 1547), to determine how demographics affected the results, were still to be conducted, but initial results showed many growers were considering some form of disinvestment in the industry because it was not economic for them or not complementing their lifestyle.

While the predicted \$250 million industry income in five years was impressive, it was likely growers would receive only about 50 per cent of that sum and the industry had to find ways to achieve economies of scale and greater efficiencies to return more to growers, he said.

During the meeting, growers voted in favour of increasing the export commodity Levy from 17.5c per export tray to 37.5c for the purposes of creating a generic promotion fund for domestic and export use (while export management fees are likely to reduce by 27.5c per tray). They also supported a 3 per cent levy for local market and processed avocados.

GROWER SURVEY

471 of 1547 growers responded.

8.9 per cent aged 35-45.

27.2 per cent aged 46-55.

40.9 per cent aged 56-65.

22.6 per cent 66+.

10-20 per cent of income derived from avocado for 60 per cent of growers.

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