

TALKING AVOCADOS

Avocado export developments

Avocado Study Group meetings

Supply Chain Project update

Infocado Update

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Chairman's Perspective

'Avocados for Life' Conference July 2009

Hopefully by now everyone is aware of the upcoming Australia and New Zealand avocado growers' conference, to be held in Cairns on 21-24 July 2009. This is an important event for all growers in Australia and New Zealand. The conference is specifically aimed at growers, and its emphasis is on the practical aspects of growing, packing, marketing and eating great avocados. You will hear about avocados in relation to the food service industry, nutrition, and the relationship between our product and a healthy and active body and lifestyle. All of the avocado R&D and marketing agencies will be at the 'Avocados for Life' conference, it is the best place to learn and understand how the programs are created and executed, for more information go to www.anzagc.org.

Feedback to date about the program has been very positive, about the range of topics and the calibre of the speakers. I urge you to attend this conference – I can pretty much guarantee that, no matter how long you've been in the industry, you'll take away increased knowledge, enthusiasm and inspiration.

Production and Promotion

In my last column, I mentioned that the Australian industry is expecting its biggest yield ever, with a substantial increase on last year's figures. Crop forecast is still on track for just under 50 thousand tons. This is both exciting and challenging.

As a consequence of the expected crop, Avocados Australia is embarking on its biggest promotion campaign ever. We are looking to commit over \$2 million on our promotion and marketing campaign. There will be some innovative elements such as our partnership with sporting heroes (come to the conference to hear more!), increased links to the food service industry and a stronger focus on export.

Marketing

My message over the last two years has been consistent – and

it flows directly on from my predecessor, Rod Dalton. This message is that we must embrace smarter marketing. So what does this mean? Perhaps first we have to decide what it does NOT mean. It does not mean that we continue marketing our product in the same way as we have since time immemorial – that is large numbers of brands, boxes, colours etc sent to the markets to compete with each other, and receive a grossly reduced return as a result of this fractured and uncoordinated approach.



Now is a perfect time to embrace a new approach and exploit the opportunity provided by a longer supply line. We are now growing fruit 12 months of the year, with ever increasing volume. Commercial entities can now establish effective programs in both the domestic and export markets to provide customers with year round supply.

Evaluate what you are doing and revise it if necessary. Look for a new approach, new markets, new customers - and most of all, look to working together. It is time to stop thinking about your competitors as enemies. Instead, think of them as potential partners who will assist you to get the very best out of the market.

We must not squander this opportunity.

I'll use the 500 year old quote from Machiavelli once again:

"Nothing is so difficult as trying to change the nature of things. You have as sworn enemies, all those who benefit from the status quo and as lukewarm defenders those who might benefit from the new."

Henry Kwaczynski

Henry Kwaczynski
Chairman, Avocados Australia

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Industry Matters

Written, edited and compiled by

Antony Allen, CEO of Avocados Australia

Avocado production forecast for April 2009 to March 2010

The table below indicates the actual for the previous 12 months and the estimated crop volume for the next 12 months. The ongoing need for promotion, demand development and export devolvement is essential, the industry's R&D and promotion programs are fully leveraged to drive demand for and quality in avocados.

The other important area that all growers and marketing groups need to be working on in coordination and supply management in partnership with their wholesalers and other supply chain partners.

New avocado export company ready to go

The formation of a combined industry export focused company is now reality. Over the last 8 months a group and industry members have worked hard to agree on a structure to drive the development of avocado exports from Australia.

Beginning in September 2008 at the Avocados Australia Export Forum a group of key industry members formed a Working Group to work out how best to drive exports. The eight Working Group members were made up of representatives from Sunfresh,

FreshExchange, Natures Fruit Company, Donovan Family Investments, SunnySpot Packhouse, Coastal Avocados, Simpson Farms and Advanced Packing & Marketing Services.

The process of building a new export business was not easy, the need to ensure that large and small received equitable rights and value was essential to allow everyone to get to the new company structure. The structure was built with the avocado industry in mind, while using all the learnings from other successful industry export businesses.

In the end the "Avocado Export Company Pty Ltd" has been set up, with the seven of the original Working Group members listed below all agreeing to the structure.

1. FreshExchange
2. Natures Fruit Company
3. Donovan Family Investments
4. SunnySpot Packhouse
5. Coastal Avocados
6. Simpson Farms
7. Advanced Packing & Marketing Services.

The seven businesses above that have committed to export Australian Avocados together and produce directly or market over 60% of the Australian avocado crop.



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The seven members of the “Avocado Export Company Pty Ltd” have agreed to have a short period where other industry members may join the original seven as foundation members of the new export company.

If you are interested in becoming a joint owner of the Avocado Export Company Pty Ltd please contact the company direct on admin@avozexports.com or directly to any of the member businesses listed above.

Agriculture defies the downturn

A breakdown of the latest Labour Force quarterly figures show that 3000 more people got jobs in agriculture between November and February. On the other hand, there’s been a big fall in mining employment. Mining jobs increased by 30,000 in the year to November, but they’ve dropped 14,000 since the global financial crisis hit.

Tom Murphy, from the Western Research Institute at Charles Sturt University, says agriculture is benefiting from the fall in the dollar and oil price. “The weather’s been a lot better for agriculture over much of rural Australia, and finally, that fall in the mining employment - to some extent mining and agriculture employment is a bit interchangeable, so the fall-off in mining has actually loosened the labour market so that farmers can get more labour.” Source: ABC

ARS, Australian researchers team up against spotting fruit bugs

Controlling two species of semitropical bugs that damage a variety of fruit and nut crops is the objective of a joint research project between the Agricultural Research Service (ARS) and Australian researchers.

Entomologist Jeffrey Aldrich and chemist Ashot Khimian, both with the ARS Invasive Insect Biocontrol and Behavior Laboratory in Beltsville, Md., are evaluating a synthetic pheromone they produced for use in traps.

The researchers had previously identified what they suspect are distinctly different pheromones emitted by the banana spotting bug *Amblyopelta lutescens* and the fruit spotting bug *A. nitida* to attract mates. Aldrich and Khimian are now evaluating a compound that they believe replicates the pheromone released by *A. lutescens* males to attract females. Scientists also hope to eventually develop a compound to attract *A. nitida*.

The work is part of a cooperative research project between ARS and the Queensland Department of Primary Industries and Fisheries. The Australians are funding the research because the insects are major pests in tropical and semitropical areas, attacking mangoes, pecans, papaws, cashews and avocados. The insects are unpredictable, impossible to see and produce rotten spots that make the fruit unmarketable.

As part of the agreement, Australian scientists are capturing *A. lutescens*, putting them in glass containers and pulling air over them and into filters to extract the gases given off. They use solvents to extract the compounds from the filters. The ARS researchers are comparing the chemical composition of those compounds with the compound they have synthesized.

The effort could also help U.S. farmers. The insects belong to a group called the leaf-footed bugs that are members of the coreid family. Scientists have yet to identify attractant pheromones for any coreids. Coreids also are an emerging threat because of the proliferation of genetically modified crops. Genetically modified corn, cotton, soybeans and other crops target specific pests and have reduced the need to spray insecticides, but periodic spraying kept coreids in check.

ARS is the principal scientific research agency of the U.S. Department of Agriculture. Source: ARS



Avocados Australia has for a number of years paid a large amount of money for the industry’s right to use the Heart Foundation “Heart Tick” on avocados.

If you are using a “Heart Tick” logo from anyone other than the label companies Label Press, Spicer Labels, Sinclair International and Warehouse Packaging and Design you are acting illegally.

No other label printers are able to legally print the “Heart Tick” for use on avocados. Avocados Australia is undertaking a clean up of the “Heart Tick” printing. We will lose access to the “Heart Tick” logo if it is used illegally.

Avocados Australia, AUF and the Heart Foundation will enforce their Registered Trademark rights to the fullest extent.

If you have non-genuine labels do not use them. If you know of label companies offering to print non-genuine “Heart Tick” labels for you please let us know on **1300 303 971**, so we can all help keep this valuable tool.

All growers could lose access to the “Heart Tick” logo if you don’t act now.



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Industry Matters continued

Senate split on agriculture's role in emissions trading

A fight has emerged in the Senate over agriculture's role in the Federal Government's Carbon Pollution Reduction Scheme, following the release of the draft legislation.

The Greens and Coalition will push for a Senate inquiry into the Carbon Pollution Reduction Scheme, but they have very different ideas on where agriculture fits. The Green's Christine Milne wants higher pollution targets and more assistance for agriculture to help it produce lower emissions. "A higher target is non-negotiable," she says.

Meanwhile, the Nationals Leader in the Senate, Barnaby Joyce, has a zero tolerance approach to agriculture and the scheme. "I want to make sure that rural and regional Australia exists." Mr Joyce admits he hasn't yet won over the Liberals, who support some type of emissions trading scheme. Source: ABC

First NT commercial avocado investment

Did you know there are at least 80 different varieties of avocado in the world? But chances are the only thing on offer in the supermarket is a Hass variety of avocado, and it certainly won't

be locally grown. Southern state production and New Zealand imports make up the majority of what's on offer. But one Northern Territory grower is intending to turn this tide when he harvests the first commercial avocado crop next year. It's taken 15 years of research for grower Chris Nathanael to embark on this industry.

His Berry Springs orchard in the Darwin rural area. "My interest was first prompted up to 28 years ago as part of the Rare Fruit Council, we saw an avocado which had fruited after the cyclone. They were low in oil and didn't have the flavour. But we played around with it for all these years and have come up with an avocado with tougher skin and a commercial avocado. We still call it Schuller after Helmut Schuller who planted the first one (after cyclone Tracy)."

"We are looking at a fruit which will come in between mid December and mid February and that makes the difference. NZ had a flood this year and it was the first time the price fell so low. But I don't think the avocado growers of NZ made any money this year. On the local scene alone and we do sell a lot locally, 1,000 trees would be nothing virtually and I think this particular variety would compete well in the market. Once you establish them they are quite easy to look after.

"You have to apply the right fertilisers at the right time. We have

National approach to avocado levy projects

The question is often asked how do avocado levy funded projects get commissioned and how is their scope determined?

Strategic Plan 2005-2010

Firstly the avocado industry must have a strategic plan in order to invest in any area using levy funds. The avocado industry has had strategic plans in place for well over 25 years and continues to ensure the program of industry development and investment is managed strategically. It is easy to become distracted if a good strategic plan is not in place. The industry's current strategic plan is available on our website www.avocado.org.au or by contacting the office on 07 3846 6566 for a hard copy. A hard copy was mailed directly to all industry members in 2005.

Priority setting

With a strategic plan established, priority areas are determined on a yearly basis and advertised through HAL in September and October for projects to be submitted to meet those priorities by service providers such as Departments of Primary Industry, private providers etc. If no submissions for a priority area are received or the submissions are not suitable for topic or budget reasons the priority may have a project commissioned directly.

The other process that has been used recently, is more detailed briefs being provided to targeted service providers with capacity to tender for the project work.

National approach

The next area that has created some confusion is the scope of the avocado levy projects, what coverage does a project have to have?

All avocado levy projects since 2003 have had to have a "national" approach to project. What does this mean in practice? All projects need to cover at a minimum the main eight avocado growing areas with activity and work within the project work. The range of projects that have had this activity are numerous, and include the following projects, Rootstock, Canopy Management, Study Groups, Spray Workshops, R&D Roadshow, Infocado, Avoman, etc. This does not apply to Voluntary Contribution (VC) projects, VC project are not funded by levies.

The objective is always to reduce cost, so to spread a limited program across as many priority areas as is possible. Aim a project can have reduced growing region activity if it can be demonstrated that the work is immediately transferable to the other regions, a good example of this is the Disease Management project. This project has activity in 3 to 4 growing areas depending on the type of work, and is able to save money and time while still having the results transferable to all growing regions.

If you have any questions regarding why, how or when projects are undertaken please contact Antony Allen on 07 3846 6566.

had them fruiting within 2 and a half years. We are not expecting too many from our first harvest, despite trials over the years, we do expect to get 400kg's off our first planting, despite the trees only being about 2m high at the moment. We can get a reasonable price for the fruit." Mr Nathanael has planted around 1,000 avocado trees within a new orchard development in the Darwin rural area. Source: ABC

Supermarket chain threatens Retail food prices on the rise

It's costing you less to drive to the supermarket, but the outlook isn't so good once you pull out the wallet. The latest inflation figures show that, while the cost of agricultural products and petrol fell sharply at the end of last year, retail food prices were on the up. On the high end of the scale, cheese is costing consumers 11 per cent more than last year, and the price of bread is up 8 per cent. The price for fruit is up almost 4 per cent, while vegetables had the smallest increase, of 0.7 per cent. Source: ABC

Filipino banana ban

Supermarket chain IGA says it's recommending that its 1270 stores across Australia blacklist Filipino bananas. The move comes days after Australia's Director of Animal and Plant Quarantine signed off on a quarantine policy for their importation.

Peter Piccone is the operations manager at Piccone's IGA in Cairns, and also sits on the chain's Queensland state board. He says IGA is backing the local industry. "IGA has decided to take this action because we believe in protecting one of the great industries of Australia in the banana industry," he says. "We would hope that everyone would follow the lead and not sell any Filipino bananas in Australia." Source: ABC

Does our government really understand the importance of a strong export industry?

The Federal Government's intended elimination of financial support for organic and other exporters has drawn a sharp response from the Biological Farmers of Australia (BFA), the nation's premier organic representative body.

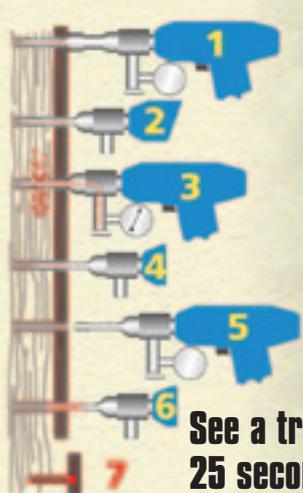
From July 1 the Australian Quarantine and Inspection Service (AQIS) will recover all costs for the management of their activities pertaining to the export of organic products. BFA's view is that without a concurrent overhaul of the Export Orders Act the government's move will double charges and red tape while simultaneously dampening opportunities for export.

The proposed changes will see the AQIS export program for organic products (along with other commodity export programs) being stripped of the 40% government co-contribution. In addition, expected rises in costs for management will be factored

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Industry Matters continued

into the charges, which will result in a rise of more than 50% in program costs, to be charged directly to the commercial exporters.

According to Dr Andrew Monk, BFA Director and Organic Standards Convenor, the only way to offset the negative impact of the proposed changes and to prevent bureaucratic doubling-up is to institute simultaneous changes to the Export Orders Act for organic produce. Dr Monk cites Australian Certified Organic's (ACO's) successful history of achieving direct overseas market access for clients.

"Given AQIS's limited jurisdiction, it has been up to ACO and other certification agencies to manage the integrity of certified organic claims as the consumers' best means of ensuring they get what they pay for," he says. "ACO has led Australia in achieving export accreditation in the US, Japan, and other countries and in cutting through red tape to ensure that there are choices in world marketplaces for small and large operators alike. "With direct accreditation achieved with such countries as Japan and the US, the need for AQIS jurisdiction on export orders to these destinations should be eliminated.

"BFA will be working with AQIS and the Government to achieve a positive outcome for the organic industry. "However, in the absence of an overhaul of the Act and with the elimination of any residual support for export activity, export growth will be

hampered at a critical juncture in our country's economic cycle." Some observers say that a move to full cost recovery could threaten thousands of Australian rural jobs, particularly given this will be applied to all commodity groups.

"It's ironic that that this should happen at a time when many other governments are protecting domestic markets while enhancing and supporting export activities," says Dr Monk. "Not only will new Government regulations load more costs onto exporters, they are also giving a green light to the import of Philippine bananas into Australia in a move that could put the whole industry, organic and conventional, at risk. It seems we are getting the worst of both worlds." Source: BFA

Woolworths eyes Vietnam imports

WOOLWORTHS' plan to directly import Vietnamese canned fruit and vegetables for its own brands is an "ominous sign" for Australian growers, according to Fair Dinkum Food organiser Richard Bovill. A Woolworths house-brand buyer visited Vietnam last month with Vietnamese Commercial Counsellor Nguyen Huu Chi, who is based in Sydney.

Woolworths remained tight-lipped when The Weekly Times asked what produce it would be importing direct from Vietnam. But



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Mr Nguyen said it was likely that canned fruit and vegetables, cashew nuts, frozen seafood, coffee, tea and canned tuna would be imported.

Products with quarantine clearance that can legally be imported from Vietnam include tinned and frozen fruit and vegetables, fresh asparagus, avocado, immature corn, coconut, dried dates, immature and dehydrated garden peas, fresh garlic, eight kinds of fresh mushrooms, fresh onions, fresh snow peas and sugar snap peas, semi-processed pineapples and various tubers.

Mr Bovill said more business would continue to head overseas but blamed government policy rather than supermarkets. "Our trade says free trade, but the only measure is by price," Mr Bovill said. "We don't examine inputs, environmental standards, labour. Did (the overseas supplier) comply with what we demand in Australia?"

"If we don't have a mechanism for (measuring) products that come into Australia, if we don't demand equivalent standards, that business will go overseas." Mr Bovill said the trend of putting home brands out to global tender would continue to grow and could expand into other products supplied by Australian farmers. However, he did not blame the supermarket giant for sourcing canned food from overseas. He said if Coles and Aldi were doing it, then Woolworths was forced to.

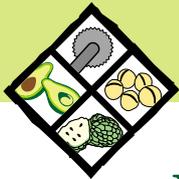
"Everything we do here, that the (Federal) Government deems important for people here (such as decent wages and sustainable practices), ultimately will cost some (Australian) people their jobs," Mr Bovill said. He also lamented the loss of Australia's canning factories, which left Australian-based companies with no local supply. A spokesman for Woolworths said meetings between buyers and suppliers was commercially sensitive information.

"We have some products sourced from Vietnam at the moment including a limited number of lines of fish, some rice and nuts," the spokesman said. Last year, cashew nuts made up more than \$80 million of the \$84 million worth of produce imported from Vietnam. Source: The Weekly Times



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Around Australia

South Queensland Report

By Daryl Boardman Avocados Australia Director for the South Queensland Growing Area



South Queensland avocado growers at this point are looking to be having a lighter crop than last season. If your estimates have changed since you last updated the Infocado forecasting system please fill out the next emailed form and put in your new estimate.

As I am sure you would all agree Infocado is a great tool that we can all use. I am sure we all use it in different ways to extract information that we find relevant to our particular business or circumstance. If we all keep this as accurate as possible the better the information we get out.

Due to the expected large volumes of fruit to come from Central Queensland this year, this should allow growers to potentially hold off picking until a little later when the volumes look as though they will be a bit shorter than normal.

This being the case, it enables those that are able to make the trek up to Cairns in July for the Joint conference of Australian and Kiwi Avocado growers much easier in terms of time anyway.

This conference is held every 4 years but we only get it on our home turf every 8 so a great opportunity to go along and hear some great speakers along with being able to network with all in our industry. I hope to see you all there. Remember early bird rates if you get in now are available so book in early to secure your spot. Visit the website for more details www.anzagc.com.

On another note it was decided by the Avocado Australia Board at the last meeting to have some changes in the electoral boundaries. It has been decided to combine the Mt Tamborine region with North New South Wales as these regions share many of the same challenges so hopefully this will strengthen this region with any issues that may pop up from time to time.

The regional study group meeting will be held sometime in May and notice of the venue will be sent out shortly. This will be the second last meeting and I am sure that the turnout will be as good if not better than all the others that we have had.

By the time you read this Easter will have been and gone so I hope that you all had a safe and enjoyable Easter with your family and friends.

North New South Wales Report

By Tom Silver, Avocados Australia Director for the North New South Wales Growing Area



A relatively dry start to 2009 in northern NSW has given way to a very wet beginning of April, with this farm recording over 300mm in the past five days and the prediction of more to come. Crop reports continue to come in

fairly positive in Northern NSW though not up to those achieved in the 2008 harvest. Hot weather in January seems to have had minimal impact on the crop with only a few complaints of sun burn damage.

In March a handful of growers took part in an Irrigation Management Course through the 'Waterwise on the Farm' initiative at the Tropical Fruit Research Station, Alstonville. Attendees found the course thoroughly interesting and very worthwhile, unfortunately the course was not well patronised and growers who did not attend definitely missed out. With the planned closure of the station and the constant winding down of education and extension services, growers must remember that 'every one you knock back is one you never get'. Thank you very much to Phillip Wilk, Gary Creighton and the NSW DPI, we especially wish Gary all the best in his retirement, future plans and becoming a grandfather.

Finally I wish to welcome growers from the Mt Tamborine district which now falls into the revised North NSW and Mt Tamborine Growing Area, the Growing Area will now be called the Tamborine-Tweed Growing Area. Your past and future attendance at field days is appreciated and we look forward to visiting your district soon. Please contact me on 02 6628 8929 if you wish to discuss anything.

Sunshine Coast Report

By Henry Kwaczynski Avocados Australia Director for the Sunshine Coast Growing Area



I have vowed never to open my Sunshine Coast report with a comment about the weather. But this time around must be an exception! We have faced near major disasters – and several of them. The weather 'events' have been so extreme, that the newcomers (less than 20 years) are amazed and bewildered, thinking that cyclonic conditions would never be seen this far south. First we had Cyclone Hamish on our doorstep, and since then we have had rain, high winds and more rain – heavy drenching rain. And as I write this, more rain is predicted. Add to that, the huge oil spill from the oil tanker battling the cyclone generated high seas, which brought major challenges to clean up our precious coastal environment. If the oil spill had encroached on our river systems, the outcome does not bear thinking about.

So what do all these events mean for Sunshine Coast growers? On a positive side, we have had good soaking rain and good growing conditions. On the negative side, trees in marginal areas will come under severe phytophthora pressure, as well as a potential increased incidence of anthracnose. I suggest that farm management practices need to be right up to scratch, especially in the current conditions – spraying, mulching, and injecting, and the addition of appropriate levels of nutrients.

As the picking season approaches, it's timely to remember the

guidelines determined last year by Avocados Australia, regarding recommended minimum dry matter levels, before fruit is picked and sent to market. Avocados Australia's recommendation was a minimum level of 23%, ensuring quality and good tasting fruit on the market shelves. Do yourselves and your industry a favour – don't pick fruit under this level.

Central New South Wales Report

By Chris Nelson, Avocados Australia Director for the Central New South Wales Growing Area



The 2009 season is upon us. The orchards are mostly in great condition probably as much as a result of carrying lighter crops as the fact we seem to be returning to more conducive rainfall patterns. In fact, as I write, the Mid North Coast of NSW is drowning-hopefully everyone comes through okay. Unfortunately, summer hail storms have left their mark. Its many seasons since we have seen as much summer storm activity, with damage wide spread among many coastal and mountain properties.

Maintaining market values will again be a challenge through winter, but as I write the Shepard crop has met with good demand and so far has been of great quality. I think many of us are a little nervous as to how the economic down turn will ultimately affect the resilience of our consumer trends; however, I believe growers should have confidence in the boost two brand new initiatives can bring to the industry. The first is the Food Service Project and the second is the Export Group. They have been a long time coming but both have the capacity to provide substantial new underpinning for the future viability of our industry.

I wish you all a great season and strongly recommend to you the join the Australian and New Zealand conference in Cairns this July.

Tri State Report

By Colin Fechner Avocados Australia Director for the Tri State Growing Area



The last 3 months confirms to all Australians how diverse the climate is in our country. Floods in the north, huge fires in Victoria and extreme heat in the tri-state region and from the end of January to early February we had a fortnight of very hot dry weather culminating 49C on black Saturday. During that time growers were watering up to 2-3 times a day. One grower I know was watering 15mins on, 1hr off, all through the day and he didn't lose much fruit. Also where growers had green cover crop between the rows they didn't have much damage to trees, but where they had bare/dry ground between rows their trees looked shocking and have lost their entire crop. The trees have put on a lot of growth since and could set a large crop for this coming season.

Simon Newett's study group is being held on Wednesday 17 June 2009 on Nick Hobbs's property. The topic for the day is to

be: "Phenology & physiology especially in respect to flowering, pollination and biennial bearing". A guest speaker has not been finalized as yet. I encourage all growers to come along. During the last 2 study group days there has been good discussion between growers. During the day we will also hold the SAAGA AGM.

North Queensland Report

By Jim Kochi Avocados Australia Director for the North Queensland Growing Area



Think freezing cold westerly winds sneaking under your collar in July and you would be right. If you do stay home in July then you will rightly deserve all the discomfort that a southern winter can bring to you. However, a little forward planning could see you spending a few days in July basking in warm sunshine with a tropical sea breeze in your face and nothing but the rustle of palm fronds to disturb your dreams. All this pleasure just for attending the AVOCADOS FOR LIFE conference in Cairns, July 21 to 24, www.anzagc.org. Just a few days for so much pleasure.

Welcome to Cairns, where the rainforest meets the reef, where in 2 hours in any direction you can experience world heritage Great Barrier Reef, magnificent ancient rainforest, termite mounds and savannahlands, the Atherton Tablelands, lava tubes, extinct volcanoes, crater lakes and avocados grown to meet the tropical conditions.

At night you can rage until the early hours with the worlds best (young backpackers) and some locals, invest at the Casino, or eat dishes from anywhere in the world. Cairns has more restaurants than you can count. Or you can go to bed early and listen to the swish of palm fronds or the screech of fruit bats doing the natural thing.

One thing for sure is that if you miss this event you will kick yourself and if you do come and you do not stay longer then you will kick yourself some more.

Winter in Cairns is a short event. Last year, I think it was on a Wednesday. The temps in Cairns in July are max 25° min 17° but bring a light cardigan for the evening and if you plan to eat outside as a cool breeze can blow down from the mountains. Also the cardigan will come in handy when you visit Atherton which can get very cool since it is at 700 metres elevation and the temps can get down to single figures. It could even frost in the morning then the warm sun makes a brilliant day.

There is more and you can search for yourselves. Try these sites. www.reflections.com.au/Cairns/index.html, www.tablelands.org/climate.html and www.athertontablelands.com.au/pages/geology-of-the-atherton-tablelands/.

The avocado stuff will be on show at the conference if you still have the energy to attend. See you there.

“Avocados for Life” conference

ANZAGCo9

This year in Australia’s far north avocado growing region the 2009 Australian and New Zealand Avocado Growers Conference will be held. Held only every eight years in Australia, it is a great opportunity to see an avocado growing region that is usually hidden away by distance, while learning the latest techniques for growing, finding out all about avocado marketing, handling and consuming.

Avocados Australia and the New Zealand Avocado Growers Association welcomes all avocado growers and members of the supply chain to attend the fourth quadrennial Australian and New Zealand Avocado Growers Conference (ANZAGCo9), to be held 21-24 July at the Cairns Convention Centre, Cairns, Australia.

The theme of the conference is “*Avocados for Life*”. An exciting line up of speakers from the international arena, Australia and New Zealand will present the latest knowledge and understanding of important issues relevant to successful avocado production.

ANZAGCo9 Pre Conference Tour

The pre conference tour will cover the avocado growing regions of the south east corner of Queensland. The avocado production regions west of Brisbane and the Sunshine Coast include two significant production regions; their combined yearly production is in excess of 1.7 million 5.5kg trays. The tour will cover a range of orchards and packing facilities.

ANZAGCo9 Field Day

The ANZAGCo9 field day is an opportunity to see first hand the Atherton Tableland avocado producing region in the far north of Queensland. The day will include a range orchard, industry research site and packing shed visits.

ANZAGCo9 Program

The ANZAGCo9 program has been developed with our full supply chain in mind and covers growing, handling and consuming of avocados. There are over 55 presenters over the two day program followed by a field day on Friday 24 July.

Our keynote address will be given by Celebrity Chef Valli Little, Food Editor, DELICIOUS Magazine. Valli Little, will be bringing her love and

passion for the Australian culinary industry to ANZAGCo9 via a keynote presentation and a cooking demonstration during a lunch break within the exhibition.

As Food Editor of the highly successful ABC DELICIOUS Magazine, Valli is able to indulge her love of recipe and feature writing often producing in excess of sixty recipes each month inspired continually by her travels and love of food.

Other key presenters include:

Dr Tony Whiley, Sunshine Horticultural Services, Tony spent 35 years with the Queensland Department of Primary Industries as a research Horticulturist. In 2002 he founded Sunshine Horticultural Services, a family R&D and Consultancy business providing services to Australian and International horticultural industries and companies.

Darren Weir, Woolworths Supermarkets, Australia, Darren is the Senior Business Manager of Fresh Produce for Woolworths Supermarkets, Australia. Darren has a Post Graduate Diploma in Management, and is currently studying for his Masters. Darren has 15 years retailing experience both as an Independent Fruit retailer and corporate roles within Woolworths for the last 12 years.

Zoe Bingley-Pullin, Nutritionist and chef Founder of Nutritional Edge, Zoe has long been passionate about the food in our lives. A nutritionist (Diploma of Nutrition, Sydney) and internationally trained chef (Le Cordon Bleu School, London), Zoe helps people embrace the benefits of food through education and understanding.

Zoe has a blooming television career having worked on Channel 9’s Fresh Cooking, regular guest spots as an expert on ACA and as a Myzone Sports Water spokesperson on the Fitness First Lifestyle Channel. Proving versatility is Zoe’s strength.

Along with many more including:

Professor Randy Ploetz, University of Florida	Jose Luis Obregon, Managing Director, Hass Avocado Board
Professor Nigel Wolstenholme, South Africa	Dr Henry Drew, Growing Greener Growers
Rob Mason, Bread & Butter	Alan Thorn, NZAGA
Dr John Leonardi, Avocados Aust	Dr Rory Flemmer, Massey University
Dr Peter Hofman, QDPI&F	Dr Andrew Geering, QDPI&F
Alec McCarthy, DAFWA	Dr Jonathan Dixon, NZAGA
Simon Newett, QDPI&F	Joanna Embry, Avocados Australia
Dr Henry Pak, NZAGA	Dr Elizabeth Dann, QDPI&F
Dr Lindy Coates, QDPI&F	Louis Vorster, Westfalia Estates
Dr Danielle de Lagadec, QDPI&F	Joseph Ebbage, Consumer Insights
Dr Ken Pegg, QDPI&F	Luke Smith, QDPI&F
Colin Partridge, Team Horticulture	Dr Dimitrios Zabararas, CSIRO
Greg Fraser, Plant Health Australia	Dr Andre Ernst, Allesbeste Nursery
Dr Steve Culpan	Dr Robyn Gaskin
Fabian Gallo, Hydrotech Monitoring	

A full program brochure, registrations and sponsorship information are available at www.anzagc.org



Hampton Avocado Farm – FOR SALE

- Located in the famed Hampton District on the plateau between Crows Nest and Toowoomba.
- Area 20 acres – 8 ha app
- 800+ Hass trees. 9 to 13 years old
- Water – licensed water bore plus Hampton Irrigators Scheme water allocation. Town water supply to cottage.
- Approx 18,000 gallons rainwater storage
- Plant:- Cherrypicker (Afron 6m) Heavy duty mower (Iseki 4x4) 6’ deck
- Services: Daily mail service, school bus, plus daily public bus to Highfields and Toowoomba
- Automatic watering system to trees
- Shed 18m x 9 m. Bitumen frontage
- Fruit ready to pick soon

\$775,000
Negotiable.

Warren Inch 0419 776 362
Roger Foxtan 0419 778 305





AVOCADOSFORLIFE

4th Australian and New Zealand Avocado Growers Conference

Tuesday 21 – Friday 24 July 2009
Cairns Convention Centre
QLD Australia



The industry event not to be missed!

This conference incorporates the interests of Avocados Australia www.avocado.org.au and New Zealand Avocado Growers Association and Industry Council www.nzavocado.co.nz in the industry event of the year!

It is anticipated that over 400 delegates from both countries will attend and represent the interests of the ever growing \$190M Australian and New Zealand avocado industry.

The conference will be held at the award winning Cairns Convention Centre and will feature the Atherton Tableland avocado growing district in far North Queensland. Along with a well developed academic program, an exciting social calendar has been incorporated to ensure delegates and their partner's experience all that Cairns has to offer!

Topics will include presentations and workshops on:

Avocado Growing: the basic growing cycle, climate change, alternate bearing, canopy management, high density plantings, rootstocks, pollination, irrigation and many more.

Avocado Handling: temperature management, new technologies for disease control and dry matter sorting, packing advances, export requirements and many more.

Avocado Consumers: the Australian and New Zealand promotion programs, retail – what is next, education tools, the latest consumer research, avocados in food service and many more.

Sponsorship and exhibition opportunities now available!

Flexibility is the key and we are happy to discuss with you how best we can tailor a package of benefits to complement your overall marketing objectives and budget. The benefits of your participation are endless making this opportunity one you can not pass up! Please contact the conference managers for more information regarding sponsorship and exhibition opportunities.

AGC09 Managers

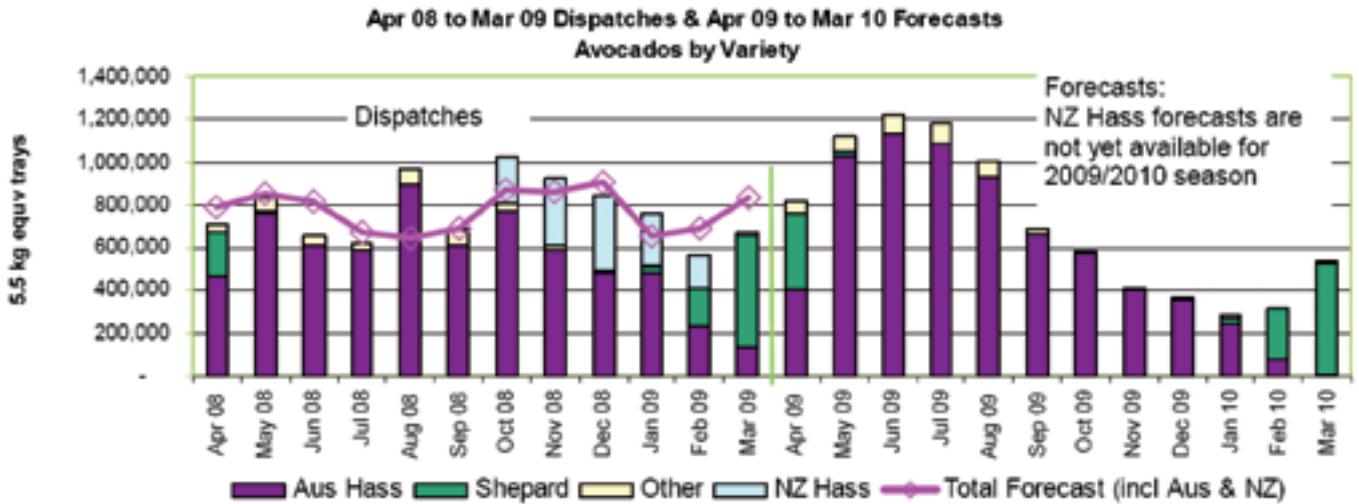
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Infocado Update: April 2009

The forecasts below illustrate the challenge that lies ahead in marketing high volumes of fruit in the months to come. The period between May and July 2009 is going to be particularly challenging with the July forecast being almost double actual production in 2008. Using the information within Infocado will hopefully result in an adjustment to the forecasts, with business changing their volume plans to minimise the peaks in production.

Much more detailed reports are provided to Infocado contributors on a weekly basis. If you are not yet receiving the weekly and quarterly reports please contact Joanna Embry of Avocados Australia on 0448 113 007 or by email at: j.embry@avocado.org.au to ensure you have the most up to date information for the coming season.



Apr 08 to Mar 09 Dispatches & Apr 09 to Mar 10 Australian Avocado Production Estimates 5.5kg eqv trays

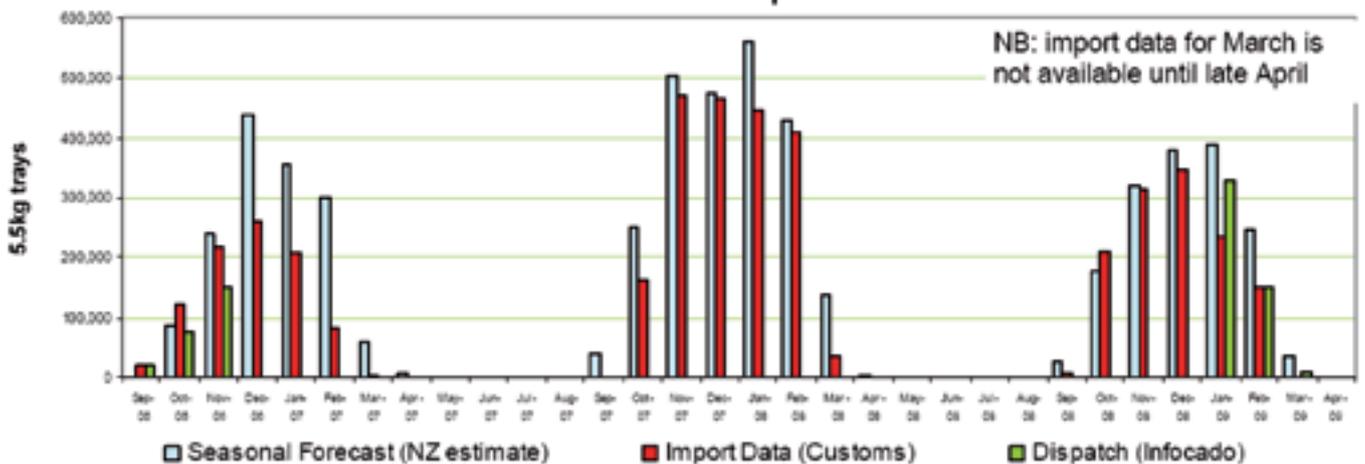
Region	Apr 08 to Mar 09	Apr 09 to Mar 10
North Queensland	1,045,361	1,114,642
Central Queensland	2,530,260	3,733,807
Sunshine Coast	470,739	633,093
Southern Queensland	1,252,988	1,142,094
Northern NSW	454,776	340,085
Central NSW	612,097	668,118
Tri State	129,211	123,588
WA	1,289,334	777,706
Total	7,984,766	8,533,133

As would be expected, most of the increased production will come from the Bundaberg region in Central Queensland.

Imports from New Zealand over the 2008/09 season were approximately 300,000 trays lower than was initially forecast (down from the initial forecast of approximately 1.55 million trays).

The New Zealand Industry has come back on board with Infocado and are entering their Australian dispatch and forecast data into the system on a weekly basis. This is indicated by the green bar below. Please note that the absence of a green bar between December 2006 and March 2007 is due to lack of available data (not the absence of fruit imports from NZ).

New Zealand Avocados - Dispatch and Forecast



Supply Chain Projects – the next steps

Using the quality data and consumer research to determine the actual benefits to retailers in assisting to improve quality.

Avocados Australia has conducted retail avocado quality surveys across four store types in Sydney, Brisbane, Melbourne and Perth since October 2007. Stores surveyed include the 2 major supermarkets, independent supermarkets and independent fruit and vegetable stores. The first 12 months of results from these surveys has provided quality data specific to these store types and individual stores. This data is necessary to determine the exact impact improved quality will have on retailers' bottom line after taking into consideration the current level of quality they supply to consumers and the average price that consumers are being charged for fruit.

The table below provides data regarding the increased levels of purchase which can be achieved by improving overall quality. For example there is the potential to increase purchases by up to 9% in the "A" stores by reducing the average level of damage from 15% to zero. This data is being used in discussions with supply chain partners to illustrate the financial benefits in implementing systems to improve internal quality of fruit.

Predicted Probabilities of Purchase Intent by Store Type

Store Type	Average Damage (%)	Probability of Purchase (%)	Probability of purchase for Perfect fruit (%)	Difference	Average Price (\$)
A	15.1	58.2	67.64	9.44	1.82
B	9.8	47.47	51.44	3.97	2.38
C	12.69	53.2	59.59	6.39	2.09
D	12.16	61.49	69.74	8.25	1.83

New education materials to improve internal quality

Below is a table illustrating in order of significance the main causes of internal avocado damage as per the results of the quality surveys conducted from October 2007 to September 2008. In line with the Avocare work done in the late 1990s, bruising and body rots are still the two biggest issues in both Hass and Shepard avocados.

Types of damage incidences in 'Hass' avocado fruit.

Specific Internal Damage Incidence for Hass avocados

Type of damage	Undamaged	1-10%	11-25%	26-33%	34-50%	50%+
Bruising	58.8	29.0	8.4	1.7	0.7	1.3
Body Rot	76.6	15.8	4.6	1.5	0.4	1.1
Vascular browning	83.4	10.3	3.4	1.2	0.7	0.9
Stem end rot	84.6	12.5	2.2	0.3	0.1	0.4
Diffuse flesh discolouration	89.4	5.6	2.6	0.7	0.5	1.2
Other	97.7	1.9	0.1	0.0	0.0	0.3

Specific Internal Damage Incidence for Shepard avocados

Type of damage	Un-damaged	1-10%	11-25%	26-33%	34-50%	50%+
Bruising	63.3	31.5	4.8	0.3	0.0	0.1
Body Rot	80.1	17.2	2.6	0.1	0.0	0.0
Stem end rot	85.2	14.5	0.3	0.0	0.0	0.0
Vascular browning	94.8	4.0	1.0	0.2	0.0	0.0
Diffuse flesh discolouration	95.4	3.9	0.7	0.0	0.0	0.0
Other	98.4	1.5	0.1	0.0	0.0	0.0

The data did vary slightly across states however was consistent across all store types.

These results have prompted the need to revisit the education materials that are available to members along the supply chain to assist in reducing the incidence of these defects. Given that bruising is still the biggest issue and one that needs to be addressed right along the supply chain the first stage in the development of the materials will focus on handling guides and materials to reduce bruising.

Maturity and Dry Matter Percentages as a measure

The consumer research conducted last year relating to consumers' preference for high versus low maturity fruit has led the industry to revise the industry standard for DM% (as a measure of fruit maturity) at time of harvest from 21% to 23% (see page 24 of the Summer 2008 edition of Talking Avocados).

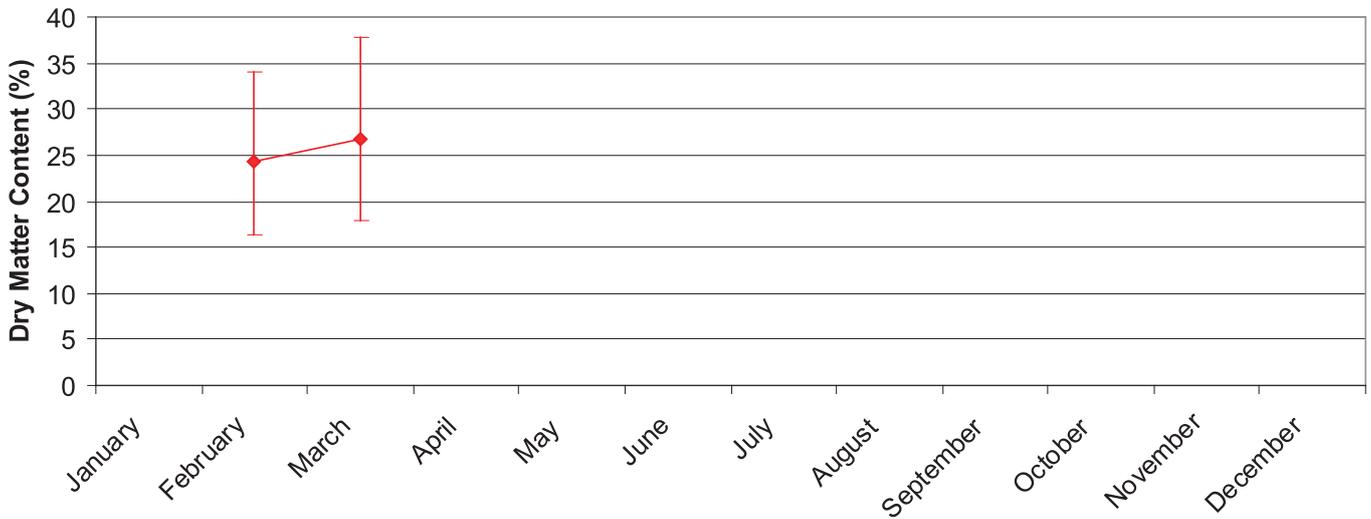
In the results from the maturity testing last year (October 07 to September 08) both the 'Hass' and 'Shepard' cultivars showed clear monthly trends in DM intervals ("low" = below 21%, and "high" = 21% or greater). The 'Hass' avocados had a high percentage of low DM fruit in March 2008, which reduced over the next few months to very low levels. The 'Shepard' fruit showed a similar trend, having the highest incidence of low DM fruit in February 2008, which decreased over the next two months.

Fruit is being collected from the Sydney Wholesale markets again this year to monitor the maturity (as measure by DM %) of fruit being supplied by growers and packhouses. The results of this monitoring to date are illustrated below by growing region. Unlike last year there were no Hass avocados in the market in March.



Supply Chain Projects – the next steps continued

2009 – Average DM content – North Queensland (Shepard)



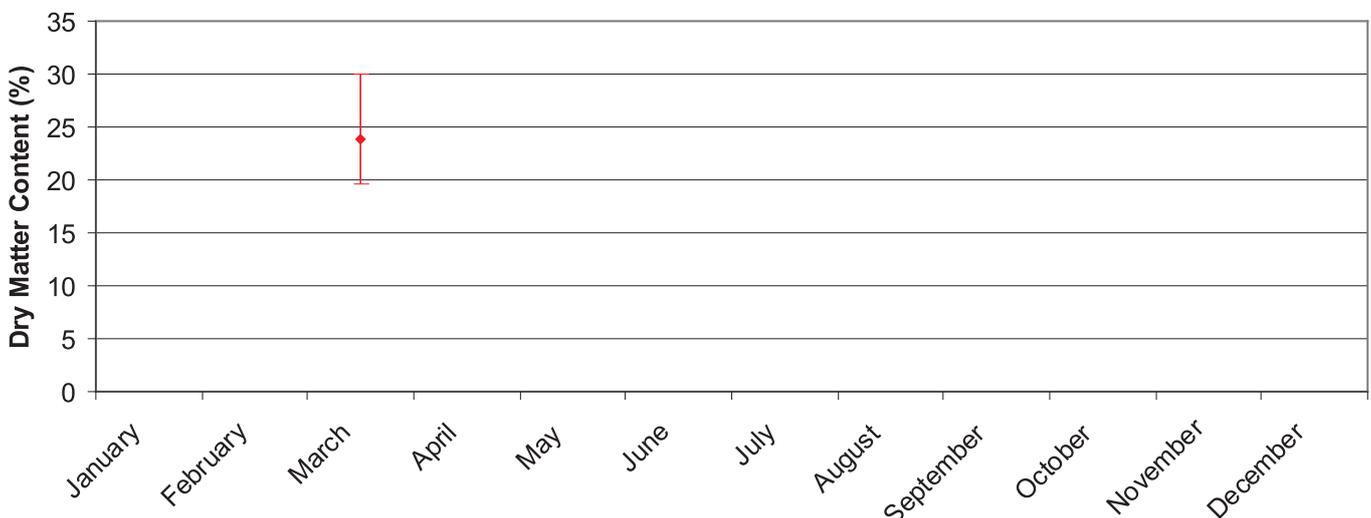
Proportion of NQ Fruit tested that fits into each Dry matter interval – 2009

Dry Matter Intervals	Jan	Feb	Mar	Apr	May	Jun
<=18%		2%	1%			
18.1%-20.9%		14%	4%			
21%-22.9%		31%	9%			
23%-28%		35%	44%			
27.1%-40%		18%	42%			
>40%		0%	0%			

Proportion of CQ Fruit tested that fits into each Dry matter interval – 2009

Dry Matter Intervals	Jan	Feb	Mar	Apr	May	Jun
<=18%			0%			
18.1%-20.9%			10%			
21%-22.9%			25%			
23%-28%			60%			
27.1%-40%			5%			
>40%			0%			

2009 – Average DM content – Central Queensland (Shepard)



“Take home messages”

from the Avocado Study Group Meetings

Peter Rigden and Simon Newett

Primary Industries and Fisheries, Department of Employment, Economic Development and Innovation, Nambour, Queensland

The minutes of recent meetings have featured a list of “take home messages” for the topic addressed at that workshop. These are intended to capture the most critical issues to be aware of on the subject and to act as a quick reference. We hope that these will also act as a handy ‘memory jogger’ when growers review the minutes. We would like to thank Graeme Thomas for this idea.



Close-up shot of a fruit spotting bug that appeared on cue at an IPM themed meeting in Central Queensland

Examples of 3 sets of “take home messages” follow:

Nutrition (Central Queensland meeting)

- First fix Phytophthora root rot
- Monitor leaf and soil nutrient levels – leaf tissue test annually, soil test every 2 years
- Nitrogen, calcium, boron and zinc require careful management
- Manganese toxicity is more common in the Bundy/Childers area than people realise
- Avocados have a weak root system that must be “babied” for effective nutrient and moisture uptake. Soil health is central to effective nutrition
- Nutrition is complex, study it &/or get good advice
- Applying fertiliser little and often has many advantages
- Nutrients need to be in balance – over application of one can upset others
- Bundy/Childers soils are not as good as they may appear – many suffer from erosion of topsoil, acidification, leaching of nutrients and loss of organic matter
- Take steps to improve soil organic matter

- Good water management is essential to good nutrition
- Link the timing of nutrient applications to correct stages in the growth cycle
- “Walk your blocks and use your eyes”



Guest speakers at a West Moreton group meeting on avocado diseases were (from left) Graeme Thomas, Luke Smith, Lindy Coates, Ken Pegg and Liz Dann

Disease control in avocados (West Moreton meeting)

- Phytophthora control should be your No. 1 priority and it requires an integrated approach
- A good summer growth flush promotes good root growth during autumn and this enables the tree to cope better with the demands of Phytophthora, flowering & fruit set in spring
- Rootstock selection is very important, as well as selecting rootstocks for root rot tolerance, avoid incompatible rootstock/scion combinations where known and remove non-performing trees that show this graft union incompatibility
- Injection is still the most reliable & effective way of getting phosphorous acid into trees
- Use sufficient injection sites and spread them evenly around the tree’s circumference, don’t take short cuts by injecting phosphorous acid at concentrations higher than 20%
- “Don’t farm by the seat of your pants, without knowing where you are (by monitoring) you are playing Russian roulette with the health of your trees”
- Measuring phosphonate levels in feeder roots is a valuable monitoring tool
- Observe the phenology of your trees to determine appropriate timing for phos acid
- Be on the look out for new diseases such as Phellinus noxius
- The copper spray program for fruit diseases must be done properly, don’t take short cuts
- If you miss a scheduled copper spray use Amistar® to provide some reach-back control
- Moisture stress often leads to the development of Stem End Rot

“Take home messages” from the Avocado Study Group Meetings continued

- Balanced nutrition (especially nitrogen and calcium) is necessary to achieve good quality fruit
- The appearance of pepper spot is often associated with stressed trees &/or sunburnt fruit
- ‘Red’ copper (copper oxide) has advantages over other copper fungicides including a reduced risk of phytotoxicity if you are using foliar phosphorous acid sprays

Integrated Pest Management

(Central Queensland meeting)

- Learn how to identify avocado insect pests and beneficial insects
- Monitor the orchard weekly – it is better to have a quick look often than to have a thorough look less often
- Take IPM into account when planning the layout of a new orchard block
- Find out the existence and location of alternate fruit spotting bug (FSB) host plants in the proximity of the orchard – take action where possible
- Learn the difference between fruit stings caused by FSB nymphs, FSB adults, Taylorilygus species and mirid bugs
- Identify FSB ‘hotspots’ in the orchard and monitor these areas more intensely
- Ensure 100% kill of FSB when you spray by:
- Getting your sprayer configuration set up professionally & calibrating regularly
- Using the appropriate insecticide rate, spray volume and tractor speed
- FSB behaviour is governed by temperature, at 30°C and above they become very mobile and also start to breed



Chris Searle explaining important aspects about avocado nutrition specific to the Bundaberg/Childers area to the Central Queensland group, samples showing different nutritional problem symptoms were on display

Next meetings

Another 15 meetings will be held between now and when the project finishes at the end of April 2010 and the next round of meetings is detailed below.

Study group	Time of year	Topic to be addressed
Central Queensland 6th meeting	Sept/Oct 2009	Soil and orchard floor management including weed control
West Moreton 5th meeting	early May 2009	Biennial bearing, Workplace Health & Safety, Chile avocado tour report
Northern NSW 3rd meeting (final)	September 2009	Insect Pest Management
Mid N Coast NSW 3rd meeting (final)	13 May 2009	Disease management (including Phytophthora and anthracnose)
Central Coast NSW 3rd meeting (final)	12 May 2009	Soil health
Tristate 3rd meeting (final)	17 June 2009	Avocado phenology and physiology with respect to flowering, pollination and biennial bearing
West Australia - 4th meeting	June 2009	Rootstocks

Meeting minutes now on the Avocados Australia website

You can now check out the minutes of all the Study Group meetings held so far via the Avocados Australia website. Go to www.avocado.org.au and login to the grower section, from there you will be able to access the minutes of all the meetings, not just your group’s. A wide range of subjects has been covered in the 27 meetings held since the project began in May 2007 and other groups may have covered a topic you are interested in that has not been covered by your group.

Acknowledgements

These workshops are a team effort between our hosts, guest speakers, board members, Avocados Australia, growers and organisers. Thanks to everyone for making them successful and to the funding bodies for providing the means - Queensland Primary Industries and Fisheries, Avocados Australia and HAL, plus the support of the Department of Agriculture & Food WA, NSW DPI and EE Muir & Sons.

Summary of Project AVO6010: Export Development for the Australian Avocado Industry

Introduction

Background

The Australian avocado industry is facing increased international competition, increasing supply and is currently heavily focused on the Australian domestic market.

Currently, it is estimated that Australian avocados accounted for 2% of world avocado production and less than 0.2% of world exports. In the 2007/08 season Australia only exported 1205 metric tonnes, mainly by airfreight to South East Asia and the Middle East. This was equivalent to around 2.9% of Australian domestic production.

A buoyant domestic market over the last 20 years has led to an increase in plantings of avocados around the country. In recent years, the rate of planting has increased and as these new plantings come into full production, the volume of Australian avocados entering the market is expected to rise substantially over the next few years.

Australian growers have already started to experience reduced prices at peak supply times due to increased production placed onto the domestic market. In 2007 season production peaked at 40,000 metric tonnes and this resulted in growers experiencing periods of returns below costs of production. Without strategies to address increasing supply, such as export market development, this trend could become more pronounced in coming years.

Forecasts indicate that production of Australian avocados will continually increase by 10 - 20% each year with a doubling of existing production to 90,000 metric tonnes by 2015.

Overseas evidence indicates that numerous other avocado producing countries will also experience substantial production increases. Australia is by far New Zealand's major export market, having marketed between 3,000 and 6,000 tonnes of fruit per year in Australia in recent years. Projections are that the New Zealand crop could rise from current production levels of 23,000 tonnes (2005/06) to more than 40,000 tonnes by 2012.

Mexico, already the world's largest avocado exporter, will also experience substantial increases in production. Other active exporters such as Chile and Peru are also expected to considerably increase output.

Competition for existing export markets is expected to intensify. In particular, it is expected that recent and anticipated changes in market access arrangements in the USA will have spin off effects for the Californian growers, other suppliers to the USA and in other export markets. As a result, there will be increased pressure for exporting countries to find new markets.

The cumulative impacts of that detailed above, are likely to lead to declining terms of trade for Australian avocado growers and reduced industry sustainability in the medium to long term.

Avocados Australia has identified that one of the key strategies to maintain industry sustainability is to grow existing export markets and develop new export markets.

Project Aim

This project aims to provide the Australian avocado industry leadership with the information, tools and strategies to facilitate the growth in exports of Australian avocados. It will investigate and report on current export market dynamics, competitor activity, and potential market opportunities for Australian product, as part of the first step of the market development process.

All of the above elements will build into a 'Road Map' to assist the industry in moving forward and become the basis for an industry reference panel to develop an appropriate Avocado Export Market Development Plan. Avocados Australia will provide leadership to the plan and the industry reference panel.

Industry Implications

This project specifically addresses revenue growth strategies in the Avocado Industry Strategic Plan 2005 -2010, namely strategy R2.1, which requires the development of remunerative niche markets overseas to spread risk and broaden the industry's market base through diversification.

This project will help mitigate the predicted decline in terms of trade in the domestic avocado market, facilitated by anticipated increasing imports, global competition and domestic supply.

Outcomes

The outcome of this project is the empowerment of industry leaders and the industry reference group to make informed decisions about the development of an appropriate Industry Export Market Development Plan for the Australian avocado industry. At a minimum, this plan should seek to:

- maintain the existing domestic market share
- increase total Australian export value by 5%.
- increase the number of export destination by 10% by 2011.

Measurement of these outcomes can be easily tracked through the industry data system, "Infocado" and ABS statistics.

Industry Adoption

The target audience for the project is, in the first instance, industry leaders and the industry reference group. The broader target audience also includes Australian avocado growers and packers, exporters, freight forwarders, consolidators, transporters, government agencies, industry bodies (such as AHEA) and any other stakeholders with the capacity to assist industry in realising the outcomes of the Industry Export Market Development Plan.

Summary of Project AVO6010 continued

Materials and methods

In developing this report the following methodology was adopted:

- *In the first instance an industry reference group was established to provide comment on direction of potential export development activities arising from this project.*
This industry reference group included growers, packers and marketers from different production areas throughout Australia. Representatives from Queensland Department of Primary Industry and Fisheries, Horticulture Australia and other relevant industry bodies also participated and provided input to reference group meetings. These meetings were held in December 2007 and September 2008 in Brisbane.
- *Review the recommendations and data provided in Project AVO1003 and AVO2016 and determine whether there had been any major changes in market dynamics and export opportunities from those identified in these projects.*
- *Undertake desktop research to assess and report on:*
 - the global market for avocados
 - current Australian exports
 - current barriers to trade and strategies to overcome barriers
 - competitor activity and the competitive position (advantages/disadvantages) of Australian avocados in the range of current and potential export markets
 - mechanisms for industry to proactively manage export development, and
 - government grant and assistance programs accessible to avocado growers to assist in their export development.
- *Identification and review of export development strategies and structures used in other industries that might have application to the Australian avocado industry.*
In conducting this research a number of export market development strategies were identified and details are provided in this report. In September 2008, representatives of two groups, namely the United Lychee Marketing Association (which market under the brand Sun Lychee) and Riversun Export Pty Ltd (which exports Australian citrus to the USA) presented to the industry reference group. The intent of these presentations was to provide first hand experience of the challenges, commitment and experiences of these groups in developing export markets.
- *Interviews with stakeholders from across the supply chain and relevant government representatives develop a snapshot of the current and potential Australian avocado export industry.*

Numerous stakeholders were interviewed or consulted in relation to current and potential export activities in the Australian avocado industry. These included growers, packers, wholesalers, central market exporters, marketers,

Commonwealth and State government agencies, freight forwarders, industry associations and bodies, and other relevant service providers.

- *Based on the above review and within a market development framework, define what industry needs to do to develop export markets.*

Taking into account findings from the desktop research and interviews, various requirements and issues that would potentially limit the development of the export sector were identified. Recommendations are made on how industry might address these. Also a series of potential avocado industry operational models were developed for discussion with industry reference group.

A summary version of this information and supporting documentation was presented to the industry reference group in September 2008.

- *Development of a 'Road Map' to assist the industry in moving forward and as the foundation of an Avocado Export Market Development Plan and Export Business Plan.*

The 'Road Map' identifies the key needs of industry in regard to the development of its export sector, and the related strategies that should be adopted to address these needs. It also details the industry development outcomes that should be achieved in the short, medium and long term for the benefit of industry.

- Finally, appropriate material has been provided to Avocados Australia for inclusion on the industry website or in industry publications. This material will provide prospective exporters with access to appropriate information and resources to assist in their business's export development process.

Results

The research undertaken for this project yielded considerable information about the global market, the current Australian export market, competitors and options for potential developing new export markets or and growing existing market for Australian avocados. A summary of these results is detailed in the following sections.

The global market for avocados

Current world production and export volumes

In terms of global fruit and vegetable production, avocados are still considered a niche commodity. Due to their versatility they compete in both the fruit and vegetable market, but only rank 20th and 22nd in these global markets in terms of production volumes (FAO, 2004).

Over the last 30 years worldwide production of avocados has almost trebled from 1.2 million tonnes in 1974 to nearly 3.2 million tonnes in 2004. Year on year growth rates in the sector have been significant and most pronounced during 1999 - 2004 (The World

Export Development for the Australian Avocado Industry

Wide Avocado Market, 2005)

In terms production, Mexico dominates the remainder of the world. In 2006, it produced more than 1 million tonnes of avocados, more than three times that of the next largest producer the USA.

Mexico consumes the majority (approximately 75%) of its crop domestically, but is still the largest global exporter (see table 1). In comparison, Indonesia, although a major producer, is not a major exporter.

The following table provides a ranking of world's top 10 avocado (all types) producing countries between 1996 and 2004.

Countries	1996	1997	1998	1999	2000	2001	2002	2003	2004	Share (%)
	thousand tons									
Mexico	922	839	964	967	998	1,034	991	1,144	1,144	33.15
Indonesia	157	143	144	139	160	156	262	282	244	7.07
USA	190	177	159	183	239	223	199	233	203	5.88
Colombia	89	92	93	95	95	170	191	172	193	5.58
Brazil	125	139	81	174	145	151	159	179	191	5.54
Chile	66	61	109	90	108	121	154	154	176	5.10
Dom. Republic	110	99	94	78	90	122	162	165	154	4.46
Peru	71	80	75	87	93	103	103	110	118	3.41
China	50	53	56	77	77	82	83	89	92	2.68
Ethiopia	0	0	0	0	86	87	88	89	90	2.60
World Total	2,512	2,446	2,552	2,701	2,938	3,103	3,297	3,486	3,452	

Table 1: World's top ten major avocado producers, 1996-2005 ('000 tons) (source: University of Florida)

Further detail on the major avocado exporting countries and Australia are provided in table 2 below. This table shows total crop production of all avocados and specifically Hass avocado. Hass is the major variety exported globally and also by Australia. It has good eating and post harvest qualities that make it more acceptable to the supply chain and consumers.



Table at Right

Table 3: Summary of export volumes from 2003 to 2007 for avocados (HTS product code: 080440: fresh or dried avocado) from the top 11 global exporters and Australia (ranked 16th) (source: ITC calculations based on COMTRADE statistics at www.trademap.org)

Country	Total Crop Production		Total Area Planted	
	Total (t)	Hass (t)	Total (ha)	Hass (ha)
Chile	≈206,000	175,000	28,000	26,500
Israel	90,000	25,000	4,500	≈1,350
Mexico	1,020,000	≈765,000	112,700	90,000+
Peru	76,600	16,600	11,500	3,500
South Africa	115,000	34,550	12,000	≈4,560
USA	281,000	255,000 (California only)	27,500	≈24,000
New Zealand	23,000 (2005/06) 11,000 (2006/07)	≈22,310 (2005/06) ≈10,670 (2006/07)	3,268	≈3,170
Australia	36,150	30,000	5,610	4,750

Key: (≈) – approximately (calculated figure); (t) tonnes; (ha) hectares

Table 2: Crop production for selected countries based on 2006 figures

The table below shows a summary of export volumes between 2003 and 2007 for fresh or dried avocados (Harmonised Tariff System (HTS) product code: 080440) for selected exporting countries including Australia. In terms of volumes exported Australia ranks 16th amongst exporting countries.

It is also important to note that figures recorded for European countries in the data below should be treated with caution. Although production does occur in some southern European countries the volumes reflected in these tables also include re-exported product from other country sources.

Exporters	2003	2004	2005	2006	2007
	Exported quantity tons				
World (A)	0	504079	657976	574115	774762
Mexico	124239	135871	218525	198023	298146
Chile	0	113592	136412	110893	148975
Spain	34285	52384	45559	46434	49031
Israel	0	58293	34276	24540	43988
Netherlands	14061	18961	26904	28923	39013
Peru	10847	14598	18670	31738	37521
South Africa	38994	28585	82979	32290	36962
France	15462	12646	25166	19688	29786
Dominican Republic (B)	16070	13933	16426	13246	17802
Kenya	18163	17163	8150	15408	15702
New Zealand	6429	7217	11422	10370	13806
USA	6709	7454	5123	9418	9567
Australia	442	410	792	930	1073

Key: (A) The world aggregation represents the sum of reporting and non reporting countries; (B) Data based on the partner reported data (mirror data)

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Current value of global exports

The value of global avocado exports continues to increase predominantly based on growth of Mexican exports. Between 2003 and 2007, the value of global avocado exports increased by US\$735 million. This growth in value has predominantly been driven by Mexican exports into the US market, in particular in 2007, as Mexican product gained access to all US States.

In terms of market share by value, Mexico and Chile dominate with 46% and 15% of the global export market respectively. Israel's and Peru have also increased their marketshare significantly over the last five years. Australia records 0.2% of the world export market.

It is again important to note that figures recorded for European countries in the data below should be treated with caution. Although production and export does occur in some southern European countries, the values reflected in these tables also include re-exported product from other country sources.

Exporters	Exported value in 2003 US\$'000	Exported value in 2004 US\$'000	Exported value in 2005 US\$'000	Exported value in 2006 US\$'000	Exported value in 2007 US\$'000
World (A)	561129	622932	853907	827376	1295849
Mexico	195063	211255	366123	329272	601177
Chile	86007	94623	98834	96421	198107
Spain	66977	87777	81591	96489	97342
Netherlands	28378	34603	46272	61572	85611
Israel	34000	43331	58525	41901	60417
France	34259	24254	42149	36913	54276
Peru	15002	18721	23367	38793	46827
New Zealand	15539	19659	28801	26927	35359
South Africa	23552	21237	34816	18737	27847
Dominican Republic (B)	17458	20431	22091	16687	21704
USA	9416	11073	9777	17055	17233
Kenya	10927	9718	10730	9603	13223
Germany	6935	5897	9372	9522	8939
UK	946	3415	3045	4699	4796
Belgium	7894	9078	9471	8135	3514
Australia	985	1074	1763	2272	2730

Key: (A) The world aggregation represents the sum of reporting and non reporting countries; (B) Data based on the partner reported data (mirror data)

Table 4: Export values by country for avocados (HTS product code: 080440: fresh or dried avocado) from 2003 to 2007 (source: ITC calculations based on COMTRADE statistics at www.trademap.org)

Projected world production and export volumes

There is minimal information available on future world trends in avocado supply and demand. One report's results are presented

below in table 5. It must be stressed that the data below has not been validated with other sources.

In the next five years significant increases in avocado production world wide are forecast. In this period an increase of 14.2% production over 2008 figures which equates to additional 584,000 tonnes of avocados. Increased production in Mexico over the next five years is expected to reach 128,000 tonnes, followed by Indonesia with an extra 68,000 tonnes and then Colombia with 62,000 tonnes. Dominican Republic and Brazil will also experience substantial increases in their production.

Market Forecast for 2008 - 2012 World Avocado Production ('000 tonnes)

Countries	2008	2009	2010	2011	2012	Change in volume 08 - 12	% Change 08 - 12	% Market Share 2012
Mexico	1,257	1,289	1,321	1,353	1,385	128	10.2	29.5
Indonesia	323	340	357	374	391	68	21.1	8.3
United States	246	252	257	263	269	23	9.3	5.7
Colombia	256	271	287	302	318	62	24.2	6.8
Brazil	218	227	236	244	253	35	13.8	5.4
Chile	227	241	255	269	283	56	16.1	6.0
Dominican Rep.	193	202	212	221	230	37	16.1	4.9
Peru	140	146	152	158	163	23	19.1	3.5
China	118	123	129	135	140	22	18.6	3.0
Ethiopia	92	93	93	94	95	3	3.3	2.0
World Total	4,113	4,259	4,405	4,551	4,697	584	14.2	100

Table 5: World avocado production forecast 2008 – 2012 for selected countries (source:- marketresearchanalyst.com)

This increased consumption will need to be absorbed through increased domestic consumption in the production countries or increased exports.

It is expected that a number of the countries above will become more active exporters. This is already being demonstrated by Mexico, Peru, Chile and Brazil.

Table 8 below, is a table outlining projected exports from 2008 to 2012. This indicates that global avocado exports are expected to increase by 18.8% or 116,000 tonnes over the next five years. The drivers of this growth will be Chile and Mexico. These countries are already experienced exporters and will need to expand existing export markets and nurture new export markets for fresh avocados.

Chile's fresh fruit export organisation, Chilean Fresh Fruit Association (CFFA), is already increasing its promotional activities in France and intends to promote its products in Eastern European

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markets such as Poland (Fresh Plaza News website 30 May 2008).

Both the Netherlands and France are re-export centres for fresh avocados being distributed to other parts of the European Union.

Current world import volumes

The USA is the single largest country market for imported avocados accounting for 44.8% of world imports. Data below showing import volumes (table 6) show substantial growth in this market. France, the Netherlands and Spain, which are re-exporting countries distributing product through Europe, have also shown growth over the last 5 years. Growth occurred in the UK market between 2003 and 2006, but lower import volumes were shipped in 2007.

Country Seasonality

To understand the competitive advantages of different countries in their respective markets it is also important to understand the seasonality of their crop. The following table shows the peak and light production periods for Hass and greenskin varieties for the major avocado exporting countries and Australia.

Importers	2003	2004	2005	2006	2007
	Imported quantity, Tons				
World	431547	477492	654058	594507	768974
USA	141134	145298	264203	192725	348858
France	89332	102972	102857	95286	111193
Netherlands	16367	23885	39363	38190	50591
UK	26443	30102	57204	60123	44416
Japan	23974	28991	28150	29032	26511
Spain	11993	12064	16659	28275	24609
Canada	15879	19143	18244	21876	23293
Germany	15390	16125	19521	19137	20705
Colombia	11106	16665	16668	17665	11226
El Salvador	11503	12362	9460	11478	10079
Honduras	461	221	673	1110	9335
Denmark	4003	5717	6419	7311	8423
Sweden	4996	7611	8822	6516	8392
Australia	5519	6658	8507	9359	7675

Table 6: World avocado import volumes 2003 – 2008 (HTS product code: 080440: fresh or dried avocado) for top 14 importing countries (2007) (source: ITC calculations based on COMTRADE statistics at www.trademap.org)

Country	Variety	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
		Wk 1-5	Wk 6-9	Wk 10-13	Wk 14-17	Wk 18-22	Wk 23-26	Wk 27-30	Wk 31-35	Wk 36-39	Wk 40-43	Wk 44-48	Wk 49-52
Chile	Hass	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
	Greenskin	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light
Israel	Hass	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
	Greenskin	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light
Mexico	Hass	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
	Greenskin	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light
Peru	Hass	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
	Greenskin	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light
S Africa	Hass	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
	Greenskin	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light
USA	Hass	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
	Greenskin	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light
NZ	Hass	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
Australia	Hass	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
	Shepherd	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light

Key & Notes: Shepherd is the dominant greenskin in the Australian market

Peak production - Hass	Light production - Hass
Peak production – greenskins / others	Light production – other varieties

Figure 1: Avocado production periods for Hass and greenskin varieties by month for various countries

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The Australian market

Australia produces approximately 48,000 tonnes of avocados (2008), which accounts for about 2% of world production. Approximately 80% of total production is of the variety Hass; 16% Shepard and the remaining 4% includes other greenskin varieties such as Sharwil, Reed, Pinkerton, Bacon and Fuerte.

The major production regions shown in figure 2 are:

- Central Queensland (Bundaberg) - 41% of total crop
- North Queensland (Atherton Tableland) - 17% of total crop
- South East Queensland (Sunshine Coast & Southern Queensland) - 19% of total crop
- Northern NSW - 4% of total crop
- Central NSW - 6% of total crop
- Tristate area (Sunraysia (New South Wales / Victoria) and Riverland (South Australia)) - 3% of total crop
- Western Australia - 10% of total crop

Since 2002, there have been more plantings in existing production regions including Bundaberg, North Queensland, South East Queensland; and Northern and Central New South Wales.

These production regions provide a range of harvesting times, to enable the 'Hass' variety harvest time from early April in the Atherton Tablelands to January/February in Western Australia. This creates almost year round production of this variety.

Over the past 20 years, avocado growers have enjoyed a buoyant domestic market that has continued to absorb increasing production whilst maintaining healthy returns to producers. Significant increases in the domestic consumption which have occurred over the last three years, are attributed to a strong domestic promotional campaign undertaken by Avocados Australia. In 2007, annual domestic consumption was 2.53 kg per person, making Australia the highest per capita consumer of avocados outside the Spanish speaking world. Total annual Mexican consumption is around 9 kg per person (USDA Gain Report, Mexico Avocado Annual Report, 2006).

For this reason there have not been strong drivers for the Australian industry to develop export or value-added product markets. As a consequence exports only account for approximately 3% of the Australian crop.

Over the next five years, increased production and imports are anticipated to be partially absorbed by increased domestic consumption, as the Australian population grows and annual consumption increases to around 2.87 kg per person. However there will still be substantial surpluses to be accommodated in other market areas.

Avocados Australia has identified that one of the key strategies to maintain industry sustainability is to develop Australian

exports by maintaining and expanding existing export markets and identifying and developing new export markets. Industry figures indicate that exports will need to increase to 1,900 tonnes per year by 2012 /13 in order to absorb these increases. In the 2007/2008 season total Australian avocado exports totalled 1205 tonnes. To achieve this outcome, there will need to be approximately 10% annual growth in exports through to 2012/2013.

Australian exports

Australia is considered a very small exporter when compared to its global competitors. Total Australian exports have steadily grown from 397 tonnes in 2003/04 to 1205 tonnes in 2007/08 (see table 7 below), which equates to approximately 3% of Australia's production.

Year	Export Value (AUD)	Export Volume (Tonnes)	Export Average Price (AUD/kg)
2003/04	1,372,000	397.37	3.45
2004/05	1,667,000	463.83	3.59
2005/06	2,694,000	892.51	3.02
2006/07	3,076,000	929.50	3.31
2007/08	3,852,000	1205.05	3.20

Table 7: Total Australian avocado exports

(source: World Trade Atlas, www.gtis.com/english/)

Historically avocado export activities have been undertaken by market-based exporters who consolidate mixed or straight loads of product depending on customer requirements. Avocados are often used as a 'filler' line to maximise space utilisation, particularly in air shipments.

Market-based exporters tend to focus on specific markets, developing competitive advantages through the development of strong relationships. For example, A.S. Barr Exports based in Brisbane markets is partly owned by a food distribution business in the Middle East and therefore has strong business networks and access to customers in this region. It is estimated that A.S. Barr exports are responsible for 20-25% of avocado exports into the Middle East. Jet Marketing, also based in Brisbane, has strong connections with the French community and services the Pacific Island markets, including French speaking countries. Other exporters have, over many years, developed niche markets with importers and retailers and work hard to grow business through maintaining good customer relationships and high service levels. Although most market-based exporters typically draw fruit from the trading floor, there is evidence that some exporters shipping larger volumes of avocados are now seeking product directly from grower, so that they can provide more consistent lines of fruit to their customers.

In recent years Sunfresh Marketing Cooperative has started

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directly exporting avocados into the Asian markets including Singapore, Hong Kong, Malaysia and Thailand. This export activity has been supported by: in-market promotion campaigns which have included training of importer staff in handling and uses of avocados; public relations activities; point of sale material; and in-store demonstrations (support by and in conjunction with Avocados Australia and Horticulture Australia). The activities undertaken by Sunfresh are credited with growing market consumption in Malaysia and Thailand.

Similarly Nature's Fruit Company, based on the Sunshine Coast but sourcing product from across Australia, is also realising benefits from exporting into Asia and Middle East markets.

Simpson Farms, packer and co-marketer for Timbercorp's avocado projects, which has over 1000 hectares of avocados in the Bundaberg / Childers region, have established export markets in New Zealand and Hong Kong.

Export Promotional activities

Trade Fairs

Trade fairs are a proven mechanism to find potential customers and develop relationship with international buyers. A number of trade fairs are attended by HAL on behalf of the Australian horticulture industries, including the avocado industry. Avocado exporting businesses also attend some of these trade fairs to develop export business.

Below is a list of trade fairs that are applicable to avocado trade.

The avocado industry funds exhibition stands on: **Fruit Logistica** (www.fruitlogistica.com), **Asia Fruit Logistica** (www.asiafruitlogistica.com), **Food & Hotel Asia** (www.foodnhotelasia.com), **HOFEX 2009** (www.hofex.com), **Gulfood** (www.gulfood.com).

Other trade fairs: **SIAL** (www.sial.fr), **ANUGA** (www.anuga.com) and **PMA Fresh Summit** (www.pma.com)

In-store promotions

In-store promotions with major supermarkets have been shown to be very effective in building export markets. HAL works with horticulture industries to promote product in-store. This involves developing a suitable supply program, providing point of sale material, tastings and product use demonstrations, and advertising in supermarket catalogues. More specifically Sunfresh has undertaken in-store avocado promotions in Malaysia and Thailand, with particularly good results.

Advertising

There is scope for the industry to be more proactive in advertising in the international marketplace.

Appropriate media for advertising include trade magazines such

as Eurofruit and Fruit Asia; or advertising on the web through trade sites such as Freshplaza (www.freshplaza.com) and Freshnet (www.freshnet.com).

Brand Development

The Australian avocado industry does not have a strong international brand, although some individual brands are preferred in specific markets. If the industry is to build an export category then it must have a clear brand strategy coupled with strict quality standards and promotional support.

Support for Australian exporters

Below is a summary of the support programs for Australian business and exporters, which the avocado industry should seek to access to assist with export development.

Australian Government

Austrade

Austrade offers a range of training and support programs, which include:

- New Exporter Development Program (NEDP)
- Export Market Development Grants (EMDG)
- TradeStart program
- Austrade seminars and workshops

Department of Agriculture, Fisheries and Forestry (DAFF)

DAFF are currently offering a range of grants to food businesses, including:

- Regional Food Producers Innovation and Productivity Program (RFPIPP)
- Promoting Australian Produce program
- Promoting Australian Produce (Major Events) program

Details on these programs are available at www.daff.gov.au.

Queensland Government

Trade Queensland

Trade Queensland's is part of the Queensland Government. It offers a range of support and services to Queensland businesses including:

- export advisory services: providing one-on-one support to business
- export training (Getting Export Smart and Export Master Classes)
- export seminars in conjunction with corporate sector export support businesses

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- New Exporter Development Program (in conjunction with Austrade)
- mentoring for exporters
- on-the-ground support services, through international offices, such as:
- introductions to government and private sector contacts
- advice on the suitability of products and services
- identifying potential business partners and customers
- assistance with local business and cultural practices .

Trade Queensland has offices situated in China (Shanghai) (Beijing); Hong Kong and Southern China (Hong Kong) (Guangzhou); Taiwan (Taipei); Japan (Tokyo); Korea (Seoul); Indonesia (Jakarta); India (Bangalore); Europe and Russia (London); the Americas (Los Angeles); United Arab Emirates (Abu Dhabi); and Saudi Arabia (Riyadh).

More information on Trade Queensland can be found at www.export.qld.gov.au.

Queensland Department of Primary Industries & Fisheries (QDPI&F)

QDPI&F offers a range of initiatives and services to promote international trade in the primary industries. These include: Global Markets Initiative (GMI)

- Trade Missions
- More information on QDPI&F service is available at www.dpi.qld.gov.au.

Other export supporting organisations

There are numerous industry and corporate organisations that assistance to exporters. Some of these are listed below:

- **Australian Horticultural Exporters Association (AHEA)** (www.ahea.com.au)
- **Australian Institute of Export (AIEx)** (www.aiex.com.au)
- **Australian Quarantine and Inspection Service (AQIS)** (www.daff.gov.au/aqis)
- **Air Freight Council of Queensland** (www.australianairfreight.com/secondp.htm)
- **Sea Freight Council of Queensland** (<http://www.seafreightcouncils.com.au>)
- **Export Finance and Insurance Corporation (EFIC)**, (<http://www.efic.gov.au>)

Other considerations - requirements to develop Australian export markets

During consultation with key industry stakeholders and through research undertaken, requirements and issues emerged that were relevant to building the Australian avocado industry's export capacity and capability. These requirements and issues and

related comments are listed below.

- in the first instance **establishing the ability and willingness of industry to supply adequate volumes of fruit that meet export specifications** (quality and size profiles) to meet current overseas market requirements.
- **developing an export culture:** This needs to be communicated through an industry communications plan and involves:
 - increasing awareness of export and associated benefits (possibly undertake econometric modelling to determine accurate cost / benefit of exporting given percentages of the Australian crop)
 - understanding the commitment required to support export markets
 - delivering information to growers about how to access export supply chains, market opportunities and exporting requirements
 - delivering export mentoring services to new export chain participants to improve their chance of long term commitment and success
 - developing a commitment to export regardless of domestic prices.

Development of an export culture provides the industry with a strong base for future long term industry export growth. Export training could take a number of forms, including periodic workshops for interested parties on various aspects of export, including product requirements, market development opportunities etc. .

- **developing a centralised focus to drive the industry's export development and an industry export operational model** to develop a coordinated and cooperative approach to export (efficient supply chains) which has the support of key producers. Various concepts for different operational models were develop for review by industry (see Appendix 7)
- streamlining the export supply chain in order to deliver a more price competitive product. This can be achieved by eliminating inefficiencies in the export supply chain (including middlemen that do not add value to the process; improving economies of scale in relation to costs; improving production, logistics and handling practices; and possible vertical integration of the supply chain.
- **improving export related skills** and knowledge base by incorporating training as a component. of supply chain development focusing on grower, pack house, wholesaler, exporter, export logistics operators, importer, overseas wholesaler, retailer, overseas consumer and any other relevant parties. Such training is critical for a product like avocados with high needs to maintain high quality when handled through the supply chain.
- **increasing the number of growers participating in export activities** and the amount of fruit acceptable for export as

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demand grows.

- **understanding what specific export markets require** in terms of product and related services (market and logistic support)
- **accessing good market intelligence** and monitoring/reporting market conditions to improve industry's decision making capacity in regard to export. This includes consideration of world economic outlook; exchange rate effects on market price competitiveness and improving reporting on Australian exports (potentially through Infocado)
- **monitoring key competitor activity** in key markets. There are a number of competitor countries that are experiencing significant increases in avocado production. In some cases demand in their own domestic market will not be sufficient to absorb these increases. As a result these countries are actively seeking new export opportunities. It is recommended that monitoring of all major avocado producing countries and in particular, Mexico, Chile, Peru and South Africa is undertaken regularly order to analyse the impact of their activities on the current and future activities of the Australian avocado industry.
- **establishing and maintain minimum export standards** for export markets. Consistency of product is essential to develop export markets. The industry will need to develop clear specifications for each export market targeted, ensuring these reflect customer requirements. Ideally the industry would develop an export manual that included:
 - product specifications sheets incorporating different export market requirements, specifically in relation to variety; quality requirements (including dry matter / blemish etc); and packaging and branding requirements
 - development and implementation of a system for checking export quality requirements at appropriate points in the supply chain
 - out turn testing of fruit being sent overseas by (approved) exporters
 - isolation of non-conforming product and penalties for non-conformance.

Research is also currently being undertaken by QDPI&F which is looking at the correlation between pre-harvest fruit quality and post harvest fruit robustness. Early results are showing some correlation and this may be a tool that can be incorporated into future product specifications, to ensure that fruit with the longest shelf life is used where transit times are challenging.

- **addressing maximum residue limit (MRL) requirements.** In certain markets distribution of foods, including avocados, which contain agricultural chemicals above the MRL, whether applied as pre harvest or post harvest treatments, is prohibited. In some cases the MRL may be set at zero. Common agronomic practices (spray programs) that occur in Australian avocado production may be contrary to the export market requirements. For example, endosulphan is not permitted in product entering

the EU and Sportak (prochloraz) residues are not permitted in avocados entering the USA.

It is important Australian exporters understand and meet the requirements in each market they supply and also consistently monitor any proposed or actual changes to regulation in this area.

- **undertaking post harvest shelf life and in-transit technology research** to increase market opportunities for Australian product. Maintaining post harvest shelf life of a product such as fresh avocados through the supply chain presents challenges both domestically and overseas. Further research is needed to improve post harvest fruit quality and extend post harvest shelf life of avocados. This will assist in ensuring fruit out-turns in export markets remain high and other export market opportunities become available. At present there a number of research projects looking at aspects of this issue including static container trials, fruit robustness testing etc. Further research is required with respect to in-transit technologies such as advanced CA technologies, SmartFresh and AFAM+ technologies for sea freight.
- **develop a suitable export marketing strategy and action plan** recognising the industry's competitive advantages to drive growth in key existing and emerging overseas markets. This should include:
 - **building strong strategic overseas client and regional relationships:** draw on Australia's past success in various overseas markets and concentrate on forging stronger relationships with overseas clients and associated in country stakeholders.
 - **promotional activities at trade level (importer, wholesale and food service distributor):** This should include participation in relevant Trade Shows, as outlined in Section 3.6.1. The level of commitment to each trade show should be based on the cost / benefit.
 - **promotional activities at customer level (retail and food service establishments):** these should target specific market segments and sub segments, eg: position avocado as a baby food option in the consumer market, based on natural nutritional benefits. These campaigns can draw on the very successful promotional campaigns that Avocados Australia has implemented in the Australian market.
 - **superior customer service:** develop a process and culture that seeks to meet (and exceed) customer requirements. This involves clearly understanding customer needs and continually monitoring market conditions and competitor activity, introducing innovation and delivering consistent product with respect to product, pricing, packaging, promotional support and logistics.
 - **branding requirements:** formulate and implement an overall Australian avocado brand strategy to allow overseas customers

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to recognise Australian product. This can be achieved through such mechanisms as appropriately marked packaging and stickered fruit. HAL's Australiafresh generic promotion program may also be incorporated.

- exploring possible partnerships with other supplying countries. It was suggested numerous times that Australia consider partnering with other avocado producing countries, with complimentary supply windows to increase amount and volume of product able to be exported. This would benefit both partners by extending the supply window to buyers, potentially providing access to additional markets and reducing the cost of market support.
- progress market access negotiations for key potential new markets, including the USA and possibly China and Japan. Pursue changes to import requirements for fruit entering NZ market.
- managing risks: including exchange rate fluctuations, natural disasters, variety improvement and diversification of the country's export market portfolio. To ensure the greatest opportunity for export development a range of strategies must be prepared to minimise risks, including:
 - exchange rate fluctuations: developing strategies to attempt mitigation risks associated with exchange rates and implementing policies that ensure grower profitability and long term financial viability.
 - natural disasters and other unforeseen risks to production: As far as possible, ensure exporters are able to access appropriate product from a range of different sources (growers/ growing regions / other supply countries) to mitigate this risk.
 - varieties: although Hass is the major product exported from Australia there are market opportunities for other varieties such as Shepard. Australia could explore market development options with other varieties.
 - diverse portfolio of export markets: it is critical to develop a number of export markets at various stages of growth and market maturity to reduce the reliance on any one market, and therefore the risk exposure of Australian exporters / producers.

Discussion

The Australian avocado industry is facing increased international competition, increasing supply and is currently heavily focused on the domestic market. To date, the strength of the domestic market, driven by increased consumption, has been a natural deterrent to industry-wide development of export markets. As the dynamics of the Australian avocado market change, focus on other markets in addition to the Australian market is vital to maintain industry profitability.

Although Australia's avocado export volumes continue to grow, albeit from a small base, competition in avocado export markets is

also increasing. Major exporting countries, such as Mexico, Chile, and Peru; and emerging exporting countries, such as Brazil and Argentina; are also increasing production and are similarly seeking alternate markets to place their product and maintain the viability of their industries.

Currently, in terms of global fruit and vegetable production, avocados are a niche commodity. The global demand for avocados continues to increase, demonstrated by increasing volumes of exported product. Given rising affluence in many countries that are not traditional avocado consumers and the growing trend toward convenient, natural, healthy and nutritious foods, the capacity for growth in the global market is significant.

In the export arena, although the Australian industry does possess some advantages, including its close proximity to Asia and a favourable reputation for supplying good quality produce, it also has a number of weaknesses that need to be managed. Australia's cost of production compared to other major exporting countries, long shipping distances and lack of market access all provide challenges for the industry.

Research undertaken by industry in 2002, recommended that the best immediate prospects for the Australian avocado industry were in the European Union. However since that time the European market has become increasingly competitive and the long transit times via sea pose significant limitations and risks for Australian exporters. Although it is known there are potentially windows of opportunity for Australian avocados in Europe it is considered that the best option for Australian exporters would be to partner with countries that hold supply arrangements with major buyers to ensure a sustainable supply position.

The report also acknowledged Hong Kong and New Zealand as potential market prospects albeit they were relatively small markets. Hong Kong has been a growing export market for Australian avocados since 2003/04 and the New Zealand market continues to fluctuate.

Research into the Hong Kong market in 2003, recommended Australian avocado exporters pursue the Hong Kong retail sector due to the expansion of supermarket activities. A promotional program with in-store promotion and demonstrations of the newly developed recipes with supporting recipe cards in Chinese and English was suggested. These recommendations were not pursued by industry, however there is evidence that the development of the supermarket sector by Australian exporters is already occurring.

Australia's current major export markets – Singapore, the Middle East, Thailand and Hong Kong and Malaysia - have shown growth over the last five years. In Singapore, Thailand and Malaysia, Australia is the dominant supplier into the market and needs to take actions to ensure it retains this position.

In some markets, in particular Thailand and Malaysia, although exported volumes of Australian product are increasing, Australia is losing market share to other suppliers. In these markets as well

Export Development for the Australian Avocado Industry

as Singapore, Australia, in order to maintain and grow market share, needs to invest in further market development activities such as supply chain training programs; and in-store promotions in key retail outlets to educate existing and new consumers. It also needs to consider supporting market development in other sectors of the market, such as the food service sector.

In the Middle East, the Australian industry needs to undertake further in-market research to identify other opportunities in the market. This should include the UAE, Saudi Arabia, Kuwait, and Qatar. As a first step, attending Gulfoods 2009 to establishing appropriate contacts (buyers) and research the market would be beneficial. This would assist the industry in developing suitable strategies to expand supply into both the retail and food service markets throughout the region. This might include in-store promotions with retailers; closer relationships with food service wholesalers; and /or targeting US military food service contracts.

In Hong Kong, where the market is dominated by Mexico and South Africa, further in-market research is required to determine if there is any opportunity to build on existing market activity in the retail sector. In particular, if there is any benefit in undertaking promotion of Australian product (e.g. in-store promotion) and/or supply chain training given the competitiveness and volatility of the market. It should be kept in mind that efforts invested in this market, could be transferable, in part, to the Chinese market if Australia was able to formal access to the market.

Although the New Zealand market is small, the window of demand for Australian product in the market correlates with Australia's peak production and is therefore a market worth pursuing. It is important that Australia continues to seek improved market access through acceptance of in-transit cold disinfestation protocols by the NZ Authorities. This will significantly reduce the time from harvest to consumer, increasing quality and acceptability of fruit in the market.

Other existing markets in the Pacific offer very little in terms of absorbing export volumes or potential growth, and are already adequately serviced by Australia central market exporters.

Although it is known there are potentially windows of opportunity for Australian avocados in Europe it was felt that Australian producers would need to partner with countries that hold supply arrangement with major buyers to ensure a sustainable supply position. This is to offset the risks associated with a highly competitive, complex market and lengthy shipping times which require very efficient supply chain management to ensure product quality is adequate. It is considered that UK and European market should be pursued if opportunities arise through commercial relationship or in the medium term, with the support of increased investment in post harvest R&D and transit technologies to ensure product quality.

In terms of other potential markets, further in-market research is required to validate opportunities available for Australian

avocados. In the short term, Vietnam potentially offers some opportunities. Like the Thai market it will require building through promotion and education.

Other markets such as the USA, China and Japan offer significant opportunities for Australian product if the industry had access to the market. Although an application for market access to the US markets has been lodged by the Australian Government this has not yet been actioned. In regard to China and Japan, further in-market research needs to be conducted to ascertain the likelihood of Australia successfully establishing export markets in these countries. If feasible the Australian avocado industry should pursue market access.

Although these market opportunities are available, it is important that the industry sets export targets and recognises that planning, process development and resourcing are essential to ensure the longer term success in export markets. It is also important that industry learns from others and addresses the export development requirements and issues outlined in Section 3.12.

In the first instance, industry needs to determine its capacity to supply adequate volumes of fruit that meet export specifications (quality and size profiles). It also needs to adopt an industry export operational model to that allows a coordinated and cooperative approach to export. Once these elements are established, the industry, through Avocados Australia, can focus on other necessary focus export development processes, including market research; engaging commercial players and other stakeholders, building relationships with key players in export markets; building the export capacity of the Australian avocado industry; developing an Industry Export Market Develop Plan, and managing risk. :

The industry must undertake significant and concurrent research and planning work to meet short, medium and long term goals. It needs to increase its market support activities in existing markets to secure its market position, investigate new country markets and also pursue market access for countries that will potentially yield significant business in the longer term.

Additionally all these activities need to be adequately resourced, either through industry, private sector or government support.

All of these requirements are incorporated in the Road Map, outlined in the next section.

Road map forward

For the industry to achieve success in export markets, it needs to be focused and work together. With increasing supplies of Australian product entering the market, it is increasingly important that the Australian avocado industry continues to grow existing export markets and develop new export markets.

This Road Map identifies the key needs of industry and appropriate strategies and actions to achieve this success. It

Summary of Project AVO6010 continued

also details the industry development outcomes that should be achieved in the short, medium and long term.

In developing the Avocado Export Road Map, consideration was given to the current situation of the Australian avocado

industry in regard to export development, feedback from industry stakeholders and the experiences of the avocado industry participants involved export. Information provided through desktop research was also drawn upon.

Industry Need	Key Strategies / Actions	Industry Development Outcome	Benefit timeframe
Improved industry coordination for export activity	Avocados Australia to provide focal point / support for export development activity Industry to adopt appropriate operational model to develop a coordinated and cooperative approach to export development Use Export Efficiency Powers to licence exporters	Coordinated, integrated and focused export development activity Increased market opportunities through coordination of product	Short term / Long term
Identify specific activities required for export development	Determine the ability (and willingness) of industry to participate in export activities Set export volume (and profit) goals Develop an appropriate Industry Market Development Plan incorporating: <ul style="list-style-type: none"> • Branding strategies • Target markets (retail/ food service) • Supply chains / partners • Specific activities in each market (promotions / sales strategies / training etc) 	Defined and focused export development activities leading to more effective use of resources Identification of Australian product to assist with long term positioning of product	Short term / Long term
Improved market intelligence <ul style="list-style-type: none"> • Market opportunities • Competitor activity • Market threats 	Engage with key support agencies to improve market intelligence (HAL, AHEA, Austrade, QDPI&F, Trade Queensland, Freight Councils etc) On going in-market research / visits On-going participation in AMAPWG Participation in key trade fairs Dissemination of information through industry communication channels	Better informed and improved decision making process in regard to export development leading to improved market position Better informed production sector and supply chain leading to improved market position	Short term / Long term
Market growth in existing markets <ul style="list-style-type: none"> • Singapore • Thailand • Malaysia • Middle East • Pacific/Brunei/Indonesia 	In-market research to identify further growth opportunities (other retail / food service) Develop stronger relationships with key stakeholders (importers, wholesalers, retailers) in the market Develop country –specific marketing strategy including promotion, training and other support. Participate in relevant trade fairs Deliver consistent quality product meeting market specifications at defined value points	Improved market position through increasing export sales Better understanding of export market requirements Increased ability to identify and respond to market opportunities More refined and effective use of market development resources	Short term / Long term

Export Development for the Australian Avocado Industry

Industry Need	Key Strategies / Actions	Industry Development Outcome	Benefit timeframe
Develop new markets <ul style="list-style-type: none"> • Potentially Vietnam • UK & EU 	Further research (including in-market research) of potential new markets including: <ul style="list-style-type: none"> • potential barriers to entry • costs • possible market entry strategies (target markets, supply chains, associated promotional activity) Explore opportunities with other supply countries (particularly for the UK/EU)	Diversification of markets (risk mitigation strategy) Potentially, improved market position through increasing export sales	Medium term / Long term
Market Access	Validate potential for Australian product into Japan and China through further market research and pursue if market potential exists Revalidate potential for Australian product into USA and pursue market access for USA Pursue changes to in-transit cold disinfestation protocol with NZ (note: short – medium term benefit timeframe)	Potential access to more lucrative and higher volume markets Diversification of markets (risk mitigation strategy) Improved market position through improved access protocols	Long term
Acceptable/improved product for export markets	Increase R&D effort in relation to pre and post harvest treatments, in-transit technologies and handling practices Investigation of MRL requirements in potential new markets and identification of limiting pre and post harvest treatments (chemicals) and alternate treatments. Development of an export manual with details re: product specifications, treatments, handling, packing etc.	Improved product out-turns leading to improved market position Increased shelf life of product, resulting in more markets being feasible export destinations, due to sea freight option being viable On-going / increased access to appropriate treatment protocols	Short term / Long term
Develop an export culture and understanding of export market needs within the Australian avocado industry	Communication program in relation to export activities Provide industry with access to training and information on key aspects of export requirements Development of an export manual with details re: product specifications, treatments, handling, packing etc. (as above)	Better informed production sector and supply chain with confidence to participate in export markets Supply base and supply chain more resilient and better able to respond to market needs More growers participating in export activities	Medium term/Long term
Funding support for export	Identify opportunities for industry through HAL and Federal and State government support programs Utilise Austrade's EMDG process where applicable	Improved industry outcomes through better resourcing	Short term/ Long term
On-going evaluation of benefit to industry	Undertake econometric modelling	Effective allocation of industry resources	Medium term/Long term

Summary of Project AVo6010 continued

Acknowledgements

A range of stakeholders / organisations were consulted during this project, including:

Industry

Avocados Australia*,
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Simpson Farms*,
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Fresh Exchange*,
Donovan Avocados*,
Sunnyspot Packhouse*,
Jet Marketing,
AS Barr Exports,
Fresh Produce Group

Associated Stakeholders

Air Freight Council of Queensland,
HAL,
Austrade (Brisbane),
Department of Primary Industry and Fisheries Queensland

(* – denotes businesses which participated in the steering group meetings for the project.

This report acknowledges the contribution from the above organisations and acknowledges their assistance in compiling this report.

This project was funded through the use of Australian avocado grower levies that were matched by the Australian Government through HAL.

A full copy of this report is available through the login section of the Avocados Australia website www.avocado.org.au.



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Avocado PR campaign kickstarted

The industry's goal for its marketing program is to build strong demand for an increasing level of production at profitable prices.

Because avocados can be regarded as an occasional (treat) food and purchases are driven by a specific use or occasion, there is an opportunity to leverage avocados' role in at-home entertaining.

The American avocado industry successfully leveraged the Super Bowl to establish avocados' role in at-home entertaining, and while the promotion started in the 1990s, it is now well and truly established (Super Bowl Sunday is second highest eating occasion for avocados with 10 million kilos consumed and its 'at-home party day' averages 18 guests per party).

The Australian avocado industry has started to build its 'at-home entertaining' positioning through a relationship with the NRL's One Community program. As the name suggests, One Community is the NRL's community relations program and includes its Eat Well/Play Well/Stay Well campaign.

To kickstart the season, a recipe competition is featuring on the One Community website. Consumers are being asked to vote for their favourite avocado recipe and have the chance to win tickets to the NRL Grand Final in October.

The NRL is helping to promote this competition with support from all 16 NRL clubs and their respective health ambassadors (all health ambassadors are current first grade players and include Scott Prince from the Gold Coast Titans, Terry Campese from the Canberra Raiders and Nathan Hindmarsh from the Parramatta Eels). Each health ambassador has been given an existing avocado recipe to champion. Michael Hodgson from the Canterbury Bankstown Bulldogs for example has avocado & basil bruschetta (now known as "Bulldog Bruschetta") and Kurt Gidley from the Newcastle Knights has smoked salmon & avocado salad baguette (now known as the "Novocastrian Sandwich")

Traffic to the recipe competition will come from the NRL's own newsletter which has 150,000 subscribers, NRL club newsletters/websites, media releases distributed to local newspapers and

links from Avocado Australia's website. Nutritionist and avocado spokesperson Zoe Bingley-Pullin and Avocados Australia are also being featured in a new NRL magazine being distributed to more than 70,000 junior rugby league players.

As we continue to look for opportunities to promote avocados via the NRL's One Community program the publicity program will also be rolled out, including:

- Television promotion to highlight avocados and NRL relationship
- Publication of a state vs state story where the State Premiers (and supporters of the NRL's State of Origin) will be asked to create a unique avocado dish in support their team
- Publication of a nutritional story where footy fans will be asked to swap pies for guacamole
- Announcement of the recipe competition results.

As part of this program, the avocado industry now has access to the NRL's One Community spokespeople, Mario Fenech, Gordon Tallis and Jason Stevens, for media interviews and quotes in media releases.



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Avocados on the front foot with climate change

Science predicts that the temperature in Australia will be up to 2°C warmer by 2030 and up to 6°C degrees warmer by 2070, but what does climate change really mean for avocado growers?

“Dealing with climate change is about adaptation,” says Avocados Australia CEO Antony Allen.

“That’s what growers do anyway, they adapt over time to the weather and the market demands.”

“Climate affects the avocado industry in a range of ways through impacts on growth,

disease risk, fruit quality and industry location. While we need to manage our response to climate change, we’re talking about a long lead time and incremental changes, which gives people time to adapt.”

In 2005 Queensland Department of Primary Industries senior principal horticulturist, Peter Deuter, presented a paper to the avocado industry conference on the risks and opportunities posed by climate change to the avocado industry.

Growers heard that in order to successfully adapt to climate change they would need both pre-emptive and reactive adaptive strategies.

“The most easily accessed and managed adaptation strategies are being employed by growers,” Mr Deuter said

“These include the use of a range of cultural practices which enable growers to maintain current production in current locations that is, adapt to the ‘new’ climate in the current location. The best defence against future climate change is to continue to develop the capacity and knowledge to manage our response to climate variability more effectively.”

The avocado industry has two climate change projects during 2009/10.

“One project will analyse the impact of projected change on a

variety of avocado fruit production regions across Australia and the other will estimate the carbon footprint of an avocado farm and the implications of an emissions trading scheme on the avocado industry,” Mr Allen said

While there is a perception that orchardists are at an advantage when it comes to carbon offsets, it’s unfortunate that under the Kyoto protocol existing orchard trees will not be included in an emission trading scheme.

“The carbon footprint of industry is becoming more and more important to consumers. While horticulture is a miniscule emitter of greenhouse gases compared to the whole of agriculture, we urgently need scientifically based information to prove this.”

On 11 March Mr Allen, joined the other members of the HAL Industry Management Committee (IMC)*, at a workshop convened by HAL at the request of the IMC to better understand the broad landscape around climate change and carbon management.

In partnership with horticultural industries, HAL has invested approximately \$18.8 million into research projects focused on helping horticultural growers adapt to climate change – including projects on water use efficiency, surviving the drought, pest management, best management practices and climate variability projects. In 2008/09, there are 10 projects being funded in this area, including studies into quantifying the impacts of climate change on specific commodities and carbon footprinting.

In comparison with the extensive climate change and climate variability R&D conducted in broad-acre agriculture and the grazing industries, this investment by horticulture is smaller and mainly involves more recent investments as a result of the drought. Nevertheless, the Australian horticulture sector has historically continually adapted to the challenges of changes in climate, water availability and weather extremes, and the industry continues to value improvements in production efficiencies and

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best management practices as approaches to managing ongoing variability and change.

Presentations were made by three leaders in climate change research in agriculture, including: Peter Deuter, Climate Change Research Strategy for Primary Industries (CCRSPI) secretariat, Dr Owen Cameron, and manager of the Managing Climate Variability Program, Colin Creighton.

Key messages from the workshop included:

- The horticulture industry needs to invest in managing the risk of climate change – at both the across-industry and at commodity specific levels. The three pillars of investment should be around adaptation, mitigation and communication.
- Horticulture has had a long history of adaptation, with the simplest adaptation strategies currently being employed by growers, such as varieties/cultivar selection, improved irrigation management and integrated pest management, as a means to maintain profitability and access to markets.
- Reducing greenhouse gas emissions (mitigation) will come through maximising the benefit of inputs through best practice growing techniques. The win-win is that best practice can lead to cost efficiencies and even increased productivity - thus ensuring

that water and energy costs will be the currency of climate change.

- The policy and regulatory landscape is continually evolving – horticulture needs to ensure there is a national ‘voice’ communicating the value of industry and its needs in responding to the risk of climate change.

“Everyone has to be aware of how climate change, including Government policy and the marketplace reaction, are going to impact on businesses,” Mr Allen said.

* *The Industry Management Committee (IMC) consists of the CEOs of the eight largest industries and advises HAL on investment in the across industry program.*



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News from Around the World

New MHAIA Board looks to continue growth

Biennial elections for the Mexican Hass Avocado Importers Association's (MHAIA) Board of Directors took place at their bimonthly meeting in Irvine, CA on March 25. Incoming chairman, Mike Browne is joined by fellow officers David Ruiz Vega, vice chairman; Giovanni Cavaletto, secretary; Alfredo Rodriguez, treasurer; and directors J. Jesus Lopez Herrera, Ed Figueroa, Aureliano Pena Esparza and Doug Meyer. Alternate board members include Ross Wileman, Mario Rivas Barragán, Avi Crane, Antonio Villaseñor Zurita, Alejandro Alvarez del Toro, Jimmy Lotufo, Sergio Guerreo Urbina and Phil Henry.

Mike Browne of Camarillo, CA is VP of Fresh Operations for the largest avocado marketer in the U.S. and one of the original MHAIA board members. Mr. Browne is excited about his involvement at this critical time for the industry. "We are on the doorstep of a significant incremental increase in volume for the entire category. The industry's investment in growing demand has managed to stay ahead of supply. MHAIA is a key player and we are seriously committed to executing positive consumer messaging and timely promotions to ensure continued growth."

MHAIA experienced continued growth in membership and market share under the outgoing board, led by Chairman Antonio Villaseñor Zurita. Mexico has supplied over 60% of the total volume of Hass avocados in the U.S. between March 2008 and March 2009 and more than 80% since November 9, 2008*. To support this increased volume, MHAIA has invested heavily in education and promotion, particularly in the eastern U.S. where consumption is lower relative to the high population. Jacqueline Bohmer, in her first year as Marketing Director for MHAIA, is leading a new direction in the advertising campaign, retail promotion support and consumer and trade outreach via public relations that the board oversees. "Our research has revealed that education is needed in our target markets on not only how to select and ripen an avocado, but on the numerous health benefits and ways to include avocados in every day meals," according to Bohmer. "We are investing approximately 10 million dollars this

year to grow the category and reach our target markets," she added. Source: Hass Avocado Board

US avocado businesses will see a lot less green in 2009

If you are in the business of growing avocados, life is just the pits. That's what top producers and distributors say about this year's California crop, the third year in a row that Golden State avocado production has failed to live up to fast-growing demand for guacamole and fast-Mex fare.

Experts like John Krist, head of the Ventura County Farm Bureau, trace this year's lack of fruit to a heat wave last spring that killed off blossoms before they were fertilized to produce fruit. "We have great looking trees. We just don't have a lot of fruit," said Harold Edwards, President and CEO of Santa Paula-based Limoneira Co. He told investors at the company's annual meeting that this year's production will be just 1 million pounds of fruit, down from 18 million at the 2006 peak. Source: Business Times

Peru to increase export-oriented Hass avocado production

Peruvian agro-exporters will increase Hass avocado producing areas with the aim of boosting their exports to the U.S. market, Peru's Exporters' Association (Adex) reported today. Camposol, the leading avocado export company in 2008, will increase the planted hectares from 1,200 ha in December 31, 2008 to 2,100 ha by the end of this year, announced its general manager Juan Jose Gallino. This fruit, exported in a single item "Fresh or dried avocados", reached exports worth 1'311,000 dollars, a number exceeding the 646,000 dollars obtained the same month last year.

According to Adex trade figures, last January avocado exports grew 103 percent compared to the same month in 2008. In January 2009, the Netherlands, which account for 72 percent of total exports, was the main destination market with 940,000 dollars, a



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308 percent increase over the same month last year when exports amounted to 230,000 dollars. Source: Source: livinginperu.com

Beetle threatens S. Florida's \$30 million-a-year avocado crop

A speedy, efficient killer of avocado trees has spread to South Florida's doorstep, and experts say it is virtually certain to reach the backyards of Broward and Palm Beach counties.

Laurel wilt disease, transmitted by a beetle that's smaller than a grain of rice, has spread from southeast Georgia to Okeechobee County, adjacent to Palm Beach County. From there it threatens to reach the commercial groves of southern Miami-Dade County, home to a \$30 million-a-year avocado industry.

The redbay ambrosia beetle, native to Southeast Asia, bores into avocado trees, spreading a fungus that clogs the tree's system for transporting water and nutrients. Scientists don't know how to protect the trees or how to stop the disease from spreading.

There's a "100 percent chance" the disease will infect the residential trees of Broward and Palm Beach counties, said Jonathan Crane, professor of horticulture at the University of Florida. "It's not a question of if -- it's a question of when."

It is the latest in a wave of diseases, including citrus canker and citrus greening, that have traveled from other countries to Florida's ports and airports, a dark side of globalization in which pathogens arrive in a place where they may not have any natural enemies.

"International travel and trade have really increased the incidence of this kind of thing," said Randy Ploetz, professor of plant pathology at the University of Florida's Tropical Research & Education Center in Homestead. "This is going to continue. It's not going to get any better. This laurel wilt is an example of one we never could have predicted."

State scientists are asking homeowners in Broward, Miami-Dade and Palm Beach counties to alert them if their avocado trees show signs of the disease: sudden leaf wilt, quick death and darkened, brownish wood. Although laurel wilt is spreading naturally at the rate of 20 or 30 miles a year, it has jumped longer distances through the transport of firewood harboring the beetles.

"It's only one firewood shipment away," said Bud Mayfield, forest entomologist for the Florida Department of Agriculture. "One beetle is sufficient to infect and kill a native tree."

If the disease continues to march south, it will strike the commercial groves of southern Miami-Dade County, second only to California as a producer of avocados. About 1,000 people work in the groves around Homestead, where children attend Avocado Elementary School and the state's climate most closely resembles that of the fleshy green fruit's Mexican homeland.

Craig Wheeling, president of Brooks Tropicals LLC, the biggest

Grower Member Application Form

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Member Details

Business name and/or trading name: _____

ABN: _____

Key contacts: _____

Preferred address (postal): _____

Address of property (if different): _____

Contact Details

Business phone: _____

Home phone: _____

Fax: _____

Mobile: _____

Email: _____

Corporate Structure

How would you describe the nature of your operations (please circle)?

- Individual Partnership Company Trust
 Lessee Cooperative Other (please specify) _____

Please indicate the area of property that you crop for avocados (please circle)

- 0.5 - 5 ha 6-19 ha 20-49 ha 50-99 ha
 100-149 ha 150-199 ha 200-499 ha 500 ha+

Special Interests

Please tick your main areas of interest from any of the following:

- Consumer information Production management
 Environmental management/ sustainability Quality Assurance
 Organic farming systems Technology/innovations
 Water management Marketing
 Field days Supply chain management
 Pest management Key political issues
 Food safety Other (please specify) _____

Grower Member Application Form continued

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News from Around the World continued

avocado producer in Homestead, is leading a group seeking federal help in researching the disease. He plans to meet soon with officials from the U.S. Department of Agriculture to press the request.

Kent Smith, a USDA plant pathologist, says the agency is working on funding but can't say when the money will come through.

The disease was first detected in 2002 near Savannah, Ga., the location of a major seaport, where scientists think the beetle arrived from Southeast Asia in packing pallets or crates. It devastated redbay trees, which are oak-like trees found throughout Georgia and Florida. In 2007, it appeared in a residential avocado tree in Jacksonville, and last year it spread to Okeechobee County.

In Asia the beetle bores into dead trees, performing the ecologically useful function of breaking down plant matter. In the United States, it teamed up with the laurel wilt fungus to attack living trees. The beetle drills tunnels in the wood, infecting them with the fungus. As the tree starts to die, additional beetles bore into it, laying eggs in the newly created internal chambers, which are now lined with fungus on which the larvae will feed. Source: The St. Augustine

US: The 'most contaminated' fruits and vegetables

Conventionally-grown peaches topped the Environmental Working Group's updated Shopper's Guide to Pesticides, an annual list of the "most contaminated" fruits and vegetables.

Here's what the advocacy group found:

- Peaches had the highest likelihood of multiple pesticides on a single sample-- 87.0 percent had two or more pesticide residues, followed by nectarines (85.3 percent) and apples (82.3 percent).
- Peaches and apples had the most pesticides detected on a single sample (9), followed by strawberries and imported grapes (8).
- Peaches had the most pesticides overall, with some combination of up to 53 pesticides found on the samples tested, followed by apples (50) and strawberries (38.)

Seven of the 12 food with the highest pesticide load were fruits. In addition to peaches, apples, nectarines, strawberries, cherries, imported grapes and pears made the list.

Other highlights from the analysis:

- Fruits with the lowest pesticide residue: Avocados, pineapples, mangoes, kiwi, papayas, watermelon and grapefruit.
- Vegetables with the highest pesticide residue: Sweet bell peppers, celery, kale, lettuce, and carrots. The testers found 64 pesticides on sweet bell peppers.

- Vegetables with the lowest pesticide residue: Onions, sweet corn, asparagus, sweet peas, cabbage, eggplant, broccoli, tomatoes, and sweet potatoes.

Source: Chicago Tribune

APEAM promotes the "black" avocado variety (hass)

The marketing campaign for avocados from Mexico is moving in many directions. The broad participation from growers/exporters at the most important fairs (PMA/Fruit Logistica) confirms this fact. Mr. Alejandro Álvarez del Toro, President of the association of Growers and Exporters of Avocado from Michoacan -

Mexico (APEAM in Spanish) declared as a "real challenge" the participation at the recent German fair, re-introducing the variety hass in the European market.

Mr. Alvarez, highlighted that the promotional activities in these fairs are fundamental to feature the "black" variety of avocados. "Perhaps, we were not so careful with the European market, since we were concentrated in US, but the reception in this fair has been exceptional" declared Mr. Alvarez. The expectations in the short term are very positive: "we received lots of visits in our stand from people interested to know better the hass variety and there is a lot of interest particularly of German customers (...) We will intensify the marketing campaign in Europe, particularly in Germany where the response has been so positive". Source: APEAM



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