TALKING AVOCADOS

Trade Mission to Japan

Mulching - How to grow your own

Growers selling direct to Consumers

SUMMER 2015

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Avocados Australia Limited

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We all make mistakes: If we make a mistake please let us know so a correction may be made in the next issue.

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Chairman's Perspective

It is so tempting to write about good news in this report, especially about the many ways that the avocado industry goes about its business of research and development and marketing to try to achieve the aims set out in our Strategic Plan. However it is extremely difficult to explain in writing the complexity of the work done as many projects in both research and development and marketing follow and build on previous knowledge or may arise from new technologies as they are introduced to us. So, I hope you will bear with me. My best example is the digital media which is a new influence in disseminating information and avocados has invested quite heavily in this media to develop and upgrade our consumer website and develop a social media presence and other digital media channels in order to communicate and engage with our consumers.

My point here is that our industry has taken advice from many experts concerning research and development and marketing and this advice has been considered at Avocados Australia Limited board level and at Avocado Industry Advisory Committee level to develop the projects and plans that we have in place at the moment. It has been the combined experience and accumulated knowledge of past projects of the grower members on these committees and of the experts commissioned to advise that has resulted in the direction we have today. It may not be news to know that most Board members and Industry Advisory Committee members are not daily users of Facebook or Twitter and so do not fully understand the mechanics of it but we do understand the power of it. We have relied heavily on the experts for advice and luckily most were women in our main target market, such as female grocery buyers aged between 25 and 35. They use social media all day every day.

One of the strategies was to monitor crop production (Infocado) and to develop a marketing programme that would manage the forecast production. John Tyas will report in his piece that the "Australian market has experienced record volumes over spring-summer of around 300,000 trays per week". Consumers have been keen to take this volume at high prices (good return to growers) for week on end and it still continues today. How can it get any better than this when a good plan succeeds?

We are now faced with a new challenge to work with Horticulture Innovation Australia Limited (HIA Ltd) to continue with the programmes that have led us to this level of success. It is of concern that HIA Ltd still has no mechanism for the industry to have input on how your levy money will be invested. HIA Ltd has the authority to appoint people to a committee to make those decisions but the avocado industry has no opportunity to comment on these appointments. It is of concern that appointments to these committees will be made to people with possible short term commitment to projects or short term representation on the committees.

I mentioned earlier that the projects in place currently are the result of many, many years of discussions and listening to expert advice and also many years of actually growing and marketing avocados in all the regions. These grower members on these committees also have what no one else has to add to the committee process. They have donated years of time to the AAL Board and committees at cost to their own business. They have their own levy money invested over many years and in a report presented to HAL in 2012 the members of the Board of AAL(and IAC) at that time contributed $2 million or 40% of the total levy pool. These grower members had "skin in the game" and therefore were more likely to spend money like it was their own because in a way it was their own and what was good for the whole industry was also good for them, and vice versa.

The last five years has seen our industry reap the rewards of an updated Strategic Plan and increased funds through the levy programme from the increase in levies in 2006 and the increased production. The focus has been strong on marketing and particularly the science behind marketing so we could develop with confidence. The balance of research and development funds further developed the growing and quality aspects. In reality, very few projects act in isolation and most have a symbiotic relationship to other projects. Lose one project and others will be adversely affected.

Presently, we are faced with a Senate Review of the levy system and the changes that HIA Ltd brings to our involvement in the future of our industry. Both of these are currently causing disruption to the momentum we have generated to bring us success and it is of great concern that we continue with this momentum to plan for the massive increases in volume expected in the next five years as a result of record plantings currently and in the past few years.

One of the criteria that was addressed in the submission for levy increase in 2006 was "Market Failure" and we have been successful in meeting that criteria. However "Market Failure" is still hovering above us, for both winter and summer production, and can very easily occur if we lose the momentum that we have now. Our good news story can easily become a nightmare.

I ask all growers to follow the progress of these changes by talking to me, the Chair of Avocados Australia and regional director for North Queensland (email j.kochi@avocado.org.au), and John Tyas at the Avocados Australia Limited office (email j.tyas@avocado.org.au). It is important that you are aware that Avocados Australia has had limited opportunity to influence how HIA Ltd will operate. In the past, our input would have been actively sought, but currently we are largely being excluded from having any influence. Therefore growers cannot rely on Avocados Australia alone to achieve the outcomes that you want. I would recommend also that you talk to HIA Ltd directors and even your local Federal Member and Senator because these people have the greatest influence on these new procedures. Information about the HIA Ltd Board members appears on the HIA Ltd website located here: http://www.horticulture.com.au/about/. To find out the contact details for your local Member of Parliament or Senator enter this webpage address in your browser: http://www.aph.gov.au/Senators_and_Members/Members then enter the details of your location.

Jim Kochi

Jim Kochi, Chairman, Avocados Australia Limited

CEO's Report

Season update

As expected, last year the Australian market experienced record volumes of supply from October to December with 300,000 or more trays per week dispatched during most weeks in this period. This has been a real test of consumer demand and has clearly demonstrated the strength of the Australian market during this part of the season with good returns holding steady. Supply dropped off during January, but the latest seasonal forecast shows that steady supply will continue through to winter with New Zealand supplying the majority of fruit during February.

Voice of Horticulture

The Voice of Horticulture (VOH) is a new national advocacy organisation that was formed last year to provide a 'single voice' for the horticulture industry in Australia. The horticulture industry in Australia is a very diverse sector comprised of many different commodities. Often the needs of these sectors are very different and are addressed by representative bodies like Avocados Australia Limited. However, there are a number of big issues that are relevant to all industries that require action at a government and political level. These common issues are best addressed collectively, and the VOH will provide a mechanism to progress these issues on behalf of horticulture in a united way.

Twenty-one industry representative bodies are currently members of the VOH, including Avocados Australia Limited. I am one of the founding Directors of the VOH and will work to ensure the needs of the avocado industry are represented through our membership of this organisation.

The VOH is a very lean organisation and therefore will need to focus its efforts on the highest priority issues. The current priorities are:

1. Ensuring Horticulture Innovation Australia Ltd (HIA Ltd) provides better outcomes for growers
2. Trade and market access
3. Employment and conditions and innovation
4. Biosecurity
5. Better regulation of Agvet Chemicals
6. Clarity in food labelling

Levies Update

The levies that avocado growers pay for R&D and Marketing provide the essential resources to address industry priorities set out in the Avocado Industry Strategic Plan. Therefore, how these levies are managed should be of great concern for all growers and the broader industry. It is certainly a very high priority for Avocados Australia Limited at the moment.

The new industry services body, Horticulture Innovation Australia Limited, has been established to manage these levies and Horticulture Australia Limited has since been wound up. However, there is still no mechanism in place for industry input to the organisation in relation to how the levies will be invested. Avocados Australia Limited will continue to seek resolution on this and other issues directly, and via the Voice of Horticulture.

The Senate Inquiry into levies (an inquiry into the industry structures and systems governing the imposition of and disbursement of marketing and research and development (R&D) levies in the agricultural sector) is still underway with a revised reporting timeframe of 30 June 2015. Over 140 submissions have been uploaded on the website (www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Agriculture_levies/Submissions) and public hearings are being planned for February 2015.

Japan market study tour

The Australian Avocado Export Plan identifies Japan as one of the high priority markets for Australian avocados. Recently, avocados have been prioritised as the next horticulture commodity for work on market access to Japan by the Department of Agriculture. In November, I undertook a market study to Japan facilitated by Trade and Investment Queensland. A report on this study is included on page 30. In summary, Japan is a market that is growing rapidly but is dominated by low cost supplies from Mexico. The USA, New Zealand and Chile also supply this market at certain times. Opportunities exist for Australian avocados, but this will most likely be around higher value niche markets. As is the case for Thailand and China (two other priority markets) access to this market will depend on acceptance of a viable protocol to manage fruit fly quarantine concerns. Avocados Australia Limited is working with the Department of Agriculture to progress a market access submission to Japan this year.

Export Committee

The Avocados Australia Limited Board has established an Export Sub-Committee that will oversee the implementation of the Avocado Export Plan 2014-19. The Committee includes representatives from the main organisations involved in avocado exports including The Avocado Export Company, Sunfresh and The Avolution.

Qualicado update

The first round of on-farm Qualicado workshops were very well attended. The eight regional workshops and five market-based metropolitan workshops delivered across the country attracted 732 attendees and feedback from those who attended the events was very positive. The second round of Qualicado workshops commenced in North Queensland in December. We again had a strong rollup with around 90 attendees. We will be visiting all regions again during 2015 and look forward to catching up with as many of you as possible and delivering information that will help you improve fruit quality and orchard productivity. See page 11 for a calendar of the events.

Around Australia

Central Queensland Report

By Lachlan Donovan and John Walsh, Avocados Australia Directors for the Central Queensland Growing Area

Overall the season is looking promising and generally fruit size is also looking good. Coming out of the summer the market is in just as strong a position as it was in the start of 2014. Combining this with coordinated and strategic marketing growers should be able to achieve similar returns to 2014 even though the crop volume in our region is up on last year.

Rainfall for December and January has been timely and should help with tree growth and fruit sizing. It is good to have a normal summer.

Redshouldered leaf beetle (Monolepta Australia) appeared after the rain so good orchard management practice has required dedicating the necessary time to monitoring and spraying.

Speaking as a levy payer the whole process surrounding the conversion of Horticulture Australia Limited to Horticulture Innovation Australia Limited has been a complete shambles. It very much seems that a decision was made to make a change without a view as to how the mechanism of information flow was going to take place from levy payers to the decision makers, important information such as how the levy is to be spent. At this time there is no mechanism in place to determine how your levy money is going to be spent. We do not know the structure nor the people who are involved in the decision making. This is through no lack of effort on Avocados Australia's part. Avocados Australia has been trying to get some answers from Horticulture Innovation Australia Limited. All that we know is that it is the same people running Horticulture Innovation Australia Limited but now your industry body is not being involved and those in government do not want to listen to industry. Perhaps they should look at the results of the Queensland election and learn their lesson.

No system is 100% perfect but in the past at least there was a mechanism to get information from levy paying avocado growers into the decision making process and there was a flow of information back out available to growers whether they read it or not. What we have now is nothing and we are not being given any idea on what is going to happen with the exception of some generic statements made which really mean nothing. You just have to look at how the industry has been going from consumption, returns and production. If the industry had not been managed right then why are avocados still being planted in most of the growing regions? Results speak for themselves.

Tri State Report

By Barry Avery, Avocados Australia Director for the Tri State Growing Area

Those growers in our region with orchards that have not been affected by frost have sensational looking crops. Climatically, last season seemed the worst weather we had ever experienced with severe winds and severe frost. In 2015 conditions seem to be much better there are no bouts of extreme heat and we

Around Australia continued

have received good rain with temperatures hovering around 30 degrees Celsius. Humidity has held at around 30%.

The greatest challenge growers are experiencing in the region at the moment is in sourcing plant material. Orchard management plans are being impacted and new plantings delayed because of the difficulty in sourcing planting material. Many growers are being told that plant material stock will not become available until 2017.

North Queensland Report

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

The North Queensland region is now showing in all its glory the crop that was set over a very long cool spring period. I am overstating the glory bit because the Shepard crop around Dimbulah- Mutchilba which are on the western side of the Great Dividing Range have experienced colder conditions and therefore the set is very patchy. The area Paddys Green – Tolga are more eastern and seem to have the best conditions for setting both Shepard and Hass. At slightly higher elevation and more southerly, Atherton may have been cooler still and the set there is poor to patchy. We can study the weather but to what end! We can't change the weather or do anything to manage it but at least if we understand what effect it has on the flowering we have the opportunity to blame the weather instead of beating ourselves up thinking we have caused it. This column may not be of much help agronomically but it may be therapeutic for some growers.

The Shepard crop this year appears to be a few weeks later than usual and average in volume. The Hass crop appears to be below average volume. Quality should be good for both varieties due to the extremely dry spring prevailing.

As I write this two lows are embedded in the Coral Sea and we wait for the cyclone advice that is to come. Oh the joys of farming.

A special thanks to the Ravanello family for hosting the North Queensland Qualicado field day in December and a warm welcome to the new growers who attended.

South Queensland Report

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

The season has been good and we have received good amounts of rain since Christmas. Regrowth has been excellent.

Severe storms were experienced in Ravensbourne on the 19 November bringing damaging hail to some orchards. In those areas some growers either lost their entire crop or a substantial part of their orchards. Growers from other regions of South Queensland were not affected by this storm. We are continuing to see storm activity so we are not out of the woods as yet.

There was some loss of fruit during periods of hot weather prior to Christmas and there are reports of large fruit drop at the moment. The trees are looking good due to the rain and heat

we have been getting which has also been ideal for weeds and grasses which have thrived.

From an industry point of view, I remain disillusioned with the current situation with Horticulture Innovation Australia Limited in how very little information has been forth coming to industry. I believe that if this situation continues it will negatively impact on the industry therefore I encourage growers to direct their questions directly to Horticulture Innovation Australia Ltd or talk with myself or John Tyas and we can try and answer any questions you may have.

In terms of the market, I believe that it is looking very good and strong. Overall it is looking like a promising year with similar returns as last season. In saying that I don't have a crystal ball but from all of the information that we have at our disposal re predicted volumes and current consumption I feel this should be achieved.

I hope you have all had a pleasant break over Christmas and the New Year and are ready to take on 2015.

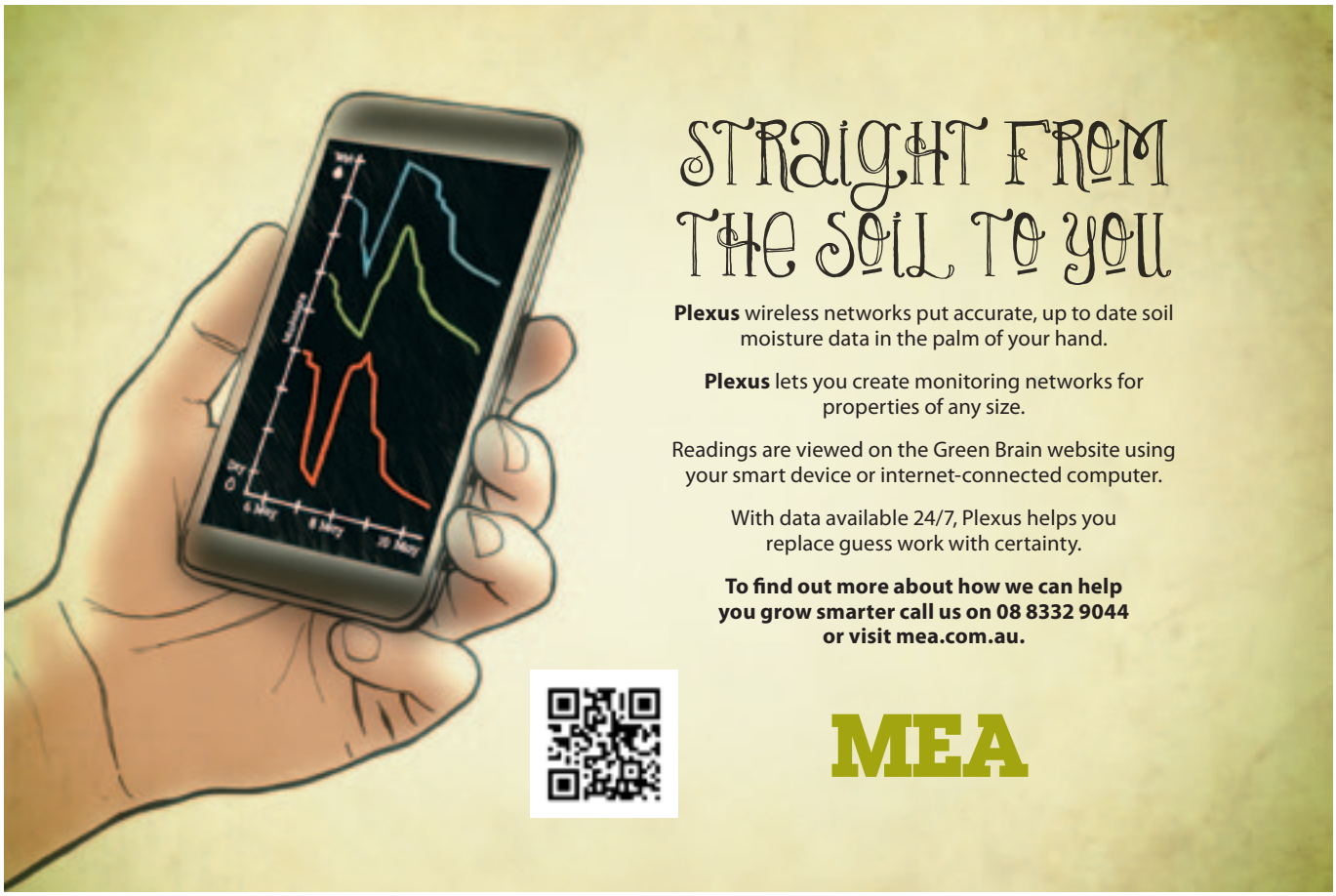
Sunshine Coast Report

By Robert Price, Avocados Australia Director for the Sunshine Coast Growing Area

In our region the amount of rainfall received so far has not been sufficient to adequately fill dams. As this is the case at this stage many growers do not have enough water to carry them into the season. Pest pressure for the moment has fortunately been low. The size of fruit is down and I believe that at the current time it is looking like the quantity of fruit produced this season is going to be similar to that of last year.

It was concerning to hear that Horticulture Innovation Australia Limited, the new industry services body, recently announced in a media release its intention to "establish a robust grower register" in order to communicate "to its growers and other key stakeholders nationwide, to maintain the high standard of research and development and marketing programs etcetera. This is fundamentally what Horticulture Australia Limited (HAL) was set up to do and, from a levy payer's perspective, the structure of HAL was suited for the task. The problem arose from the lack of performance by the government in achieving the critical goals for the levy payer.

Horticulture Innovation Australia Limited (HIA Ltd) was established following the acceptance of the recommendations of an independent review of HAL in 2014 to transition to a grower-owned entity. Simply creating another QANGO (especially with the changes proposed) will seriously weaken growers' strength and direction over their own industry. Do not forget that you as a grower voted to pay a levy to promote R&D and marketing. From my discussions with ground root members in our area



Around Australia continued

these objectives haven't changed.

When I read the promotional document put out by HIA Ltd the most worrying paragraph is "Membership is open to active business entities participating in horticulture industries including those in growing and harvesting, processing, packing, transporting, marketing, wholesaling, retailing and exporting." While on the face of it this may seem like an achievable ideal it is not a direction we should be driven in.

This proposal as I see it is the thin edge of the wedge. We will in the future see plausible reasons why NON-levy payers should have more say in our proprietorship of the funds and direction we choose to take, as a grower and levy-payer, I can confidently say that I do not want that to happen.

Central New South Wales Report

By Ian Tolson, Avocados Australia Director for the Central New South Wales Growing Area

The New Year began with very hot and with humid conditions. Storms finally bringing some much welcome rain, even if it was in torrential downpours. One downpour was accompanied by a scattering of hail. Thankfully no-one has reported any significant damage or losses.

Crop numbers across our growing areas are reportedly far better than last year. Comboyne and Coffs growers will not have to suffer through harvesting hail damaged fruit this season which is a blessing for them. Other growers who have been struggling to convert flowering into fruit set are pleased their diligence and perseverance in maintaining their orchards will reap some rewards this year. As always no matter what your crop is, aim to present the best possible product to the consumer.

The increased volumes of fruit moved through the system without causing too much damage to grower returns, is indicative that our industry is doing something right. However, as far as we've come we still have a long way to go. The area of retailer and consumer education is particularly important and needs to be ongoing.

Tamborine and Northern Rivers Report

By Tom Silver, Avocados Australia Director for the Tamborine and Northern Rivers Growing Area

It appears that most orchards in our growing area are expecting good to excellent crops for the 2015 season. Fruit size is good and insect pressure at this stage appears low. The Alstonville plateau was hit by a large hail storm on the final day of January with stones ranging up to 40mm in diameter. Fruit and leaf loss at this stage are not too bad however it can be expected that there will be a down grade of pock marked fruit.

Rainfall through November to mid-December was less than ideal, however it seems now to have turned around, and most orchards are receiving regular falls, with some storms delivering over 50mm.

The Australian avocado market over spring and into summer has been astonishing! Record volumes eclipsing anything that has flowed through in the past has occurred without the market collapsing. Instead growers have still received very good to excellent returns, full credit to the growers, marketers, handlers and retailers for this excellent outcome.

One of the 'strings in the summer supply's bow' is that despite the large volumes of fruit that is supplied, there are relatively fewer packhouses/ marketers in the mix compared to the eastern supply season. This allows for a better, more strategic supply, ensuring the market doesn't fill up, stagnate and collapse.

I personally believe that the days of simply sending off your entire crop to one or two wholesales is a thing of the past. Just

because you've always done it that way, or because the agent tells you that you've got the "best looking fruit in the market at the moment" (yes, we've all heard that one!) is no reason to not consider the alternative of a marketer/consolidator. As growers we have never been more spoilt for choice when it comes to consolidators. Growers can choose from grower cooperatives or privately owned, local or nationally based and packhouse/marketer or just a marketer service. I believe they all do a good job and marketing fees due to the competition are excellent, however the real value is that they can ensure different size or grade of fruit is supplied to the market that can offer the best return, as well as ensuring that supply is strategic and accompanied with the appropriate advertising or retail support. I encourage all growers to give it a go if they're not doing this already.

The Avocados Australia Qualicado extension events are re-commencing in 2015. The Mt Tamborine/Northern Rivers Qualicado Workshop will be held on Thursday 26 March. Keep this date free in your diaries and look out for the Growers Update email and event flyer in the mail to see the full program. I will look forward to seeing you all there.

Western Australia Report

By David Duncan and Neil Shenton, Avocados Australia Directors for the Western Australia Growing Area

Growers in our region had a very benign spring and there is good flower and fruit set. There is some fruit drop with some days reaching up to 40 degrees Celsius. However there is still plenty of fruit on trees.

The long term weather forecast is for warmer than usual weather into Autumn, so management of water storage could become an issue, especially if the rains are late.

Avocados Australia will be re-commencing their Qualicado extension events this year and Western Australia's Qualicado Workshop will be scheduled to take place in August. Another significant event on the Western Australia calendar for 2015 is the WA Avocado Festival. The inaugural festival that was held last year in the Perth Hills received a positive response from the public. The Festival will be held on 28-29 November this year.

Industry Matters

Avocados Australia's Qualicado Workshops continue

Avocados Australia's Qualicado Program re-commences in 2015 continuing its second series of extension events targeting Australian avocado growers and packers. The second series of Qualicado Workshops kicked off in North Queensland in December last year. The North Queensland Qualicado Workshop took place at Gunnado Farm in Mareeba and attracted around 90 people over the course of the day. The presentations highlighted ways that growers can further address fruit quality and productivity.

Nathan Symonds, Avocados Australia's supply chain program manager, provided an overview of the latest content uploaded to the online Best Practice Resource (BPR).

At the end of the day John Tyas, CEO of Avocados Australia, presented Giovanni Ravanello of Gunnado Farm with a gift to thank him for hosting the North Queensland Qualicado Workshop.

Giovanni Ravanello of Gunnado Farm, host of the NQ Qualicado Workshop.

All growers and packers in the area were invited to attend this free and informative event to hear the latest information on how to manage pre and post-harvest nutrition, find out ways to improve the handling and temperature control of avocados, as well as receive supportive information on methods for managing/preventing Phytophthora root rot. Importantly the day also provided North Queensland growers with the means to conduct self-assessments to track their practices against industry best practice.

An orchard walk followed the presentations whereby Nathan Symonds and Simon Newett joined the growers on a tour of the Gunnado Farm avocado orchard. Gunnado Farm comprises 78 acres half of this land area is dedicated to avocado production. Shepard is the main avocado variety that is grown.

Giovanni Ravanello (centre) provides an overview about their orchard. Photo by Simon Newett.

Avocados Australia also had the opportunity to conduct a member visit to another orchard while in North Queensland. John Tyas met with Eric Battistin of Battistin Orchards Pty Ltd at their orchards located near Mareeba, 67km outside of Cairns. Besides being an Avocados Australia member, Battistin Orchards Pty Ltd is also an Infocado contributor. On the day of the visit Battistin Orchards Pty Ltd also participated in a pack house assessment and the results of this provide Eric Battistin with the means to enhance their pack house methods when handling avocado.

Avocados Australia's member visit to Battistin Orchards Pty Ltd in Mareeba, on the right, Eric Battistin.

Qualicado Event Calendar for 2015

Those interested in attending any of the Qualicado Workshops can refer to the following calendar and all enquiries can be emailed to *supplychain@avocado.org.au* or call toll free 1300 303 971. Check your email updates for the details closer to each event. To add your contact details to Avocados Australia's contacts list email them to *co@avocado.org.au*.

Regional Workshops: (Suitable for avocado growers, packers and other orchard staff.)		**Metropolitan Workshops:** (Suitable for avocado wholesalers, ripeners and transporters.)	
Sunshine Coast, Qld:	13 Feb	Brisbane:	26 February
Mt Tamborine/Northern Rivers NSW:	26 March	Sydney:	12 March
South Queensland:	May	Melbourne:	July
Tristate (VIC, SA, NSW):	May	Adelaide:	July
Central NSW:	June	Perth:	August
Western Australia:	August		
Central Qld:	October		

Avocados Australia's event information can also be viewed online visit our website at ***industry.avocado.org.au***. Once there move your cursor over the maroon menu bar to "Events" then scroll down the list and click on "What's On".

View Avocados Australia's event information online.

Qualicado Presentations

Did you miss the last Qualicado Workshop that was held in your region? Not to worry, all of the presentations delivered at each of the Qualicado Workshops held in 2013-2014 can be easily accessed from the Best Practice Resource (BPR). Just login to the BPR then move your cursor to the menu bar to "Growing" and then select "Qualicado". On that page select your region and then click on a presentation from the list.

Industry Matters continued

Infocado

Over the past 6 months the Australian avocado industry has seen record dispatches with up to a 75% increase compared with the previous 6 months (see Figure 1). The weekly forecast estimates have been quite well aligned to actual dispatches throughout this period (see Figure 2). The large dispatch volume arrived as predicted in accordance to seasonal forecasts.

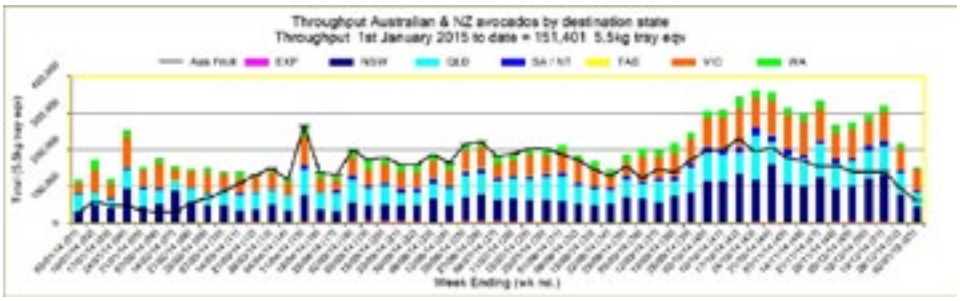


Figure 1: 12 Month Throughput by Destination State Graph.

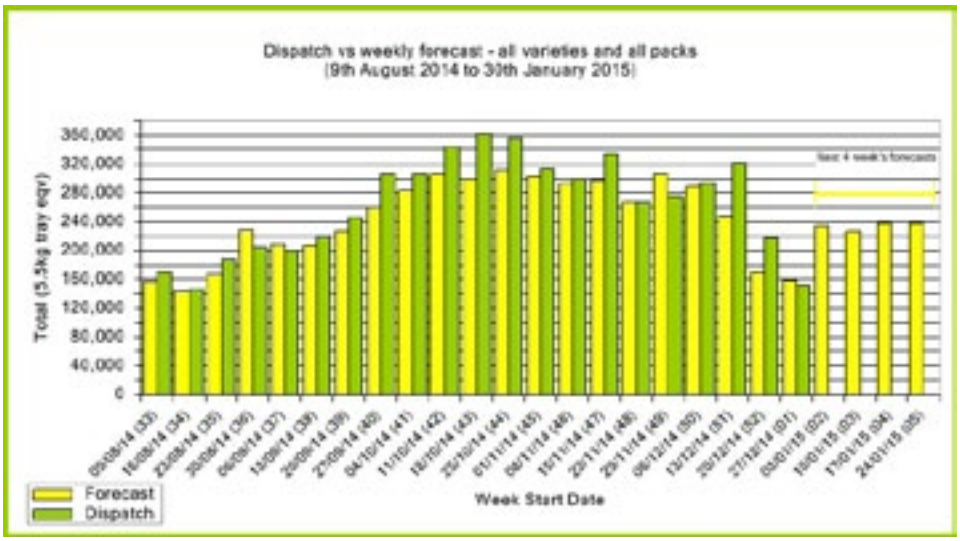


Figure 2: Six Month Dispatch & Forecast Comparative Graph.

Figure 1 indicates Australian volume by the black line in the bar graph. Overall the industry has worked well together to move record volumes of fruit and everyone involved needs to be commended. The fair returns that were received during this period highlights the strength of the Australian avocado market.

Figure 2 clearly shows the dispatch influx that occurred between late September 2014 and January 2015. The major portion of the increased volume that was recorded in the last 6 months was moved through Brisbane, Sydney & Melbourne (refer Figure 1).

An Infocado improvement survey was conducted recently seeking feedback from contributors and non-contributors about the current system. Thank you to those of you who took the time to respond. We appreciate the time you gave in sharing your views and will be using this feedback to make further improvements to the reporting system.

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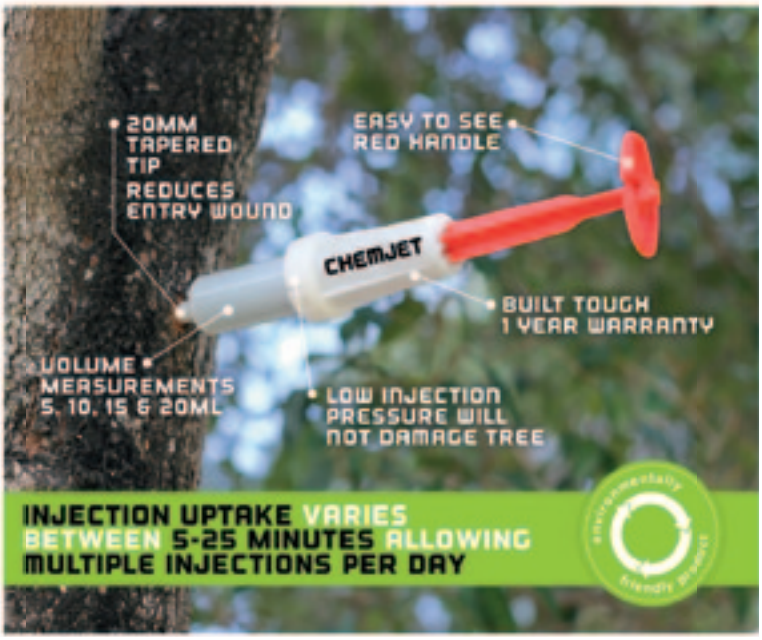

Interest in contributing to Infocado has increased. Any packhouses and wholesalers wanting to start contributing to the Infocado system can contact the Avocados Australia office directly by calling toll free 1300 303 971.

Infocado contributors who take the time to upload data to the Infocado system are rewarded by way of receiving Infocado weekly and quarterly reports directly by email as soon as they are completed.

Non-contributors can access past Infocado reports by visiting the Avocados Australia website at *http://industry.avocado.org.au/Growers/Infocado.aspx* . The reports located on the public Infocado webpage include six week delayed weekly and six month delayed quarterly reports.

Retail Prices

Given the massively increased dispatch volume that occurred over the last few months it was interesting to see how consumers were impacted by retail prices.

The retail price graphs for Brisbane, Sydney, Melbourne and Perth showed a steady average retail price being charged to consumers between September 2014 and January 2015 (see Figures 1 to 4).

As the retail price held steady throughout September 2014 to January 2015 it suggests that the larger dispatch volume during this period was able to be sold without widespread retail discounting (see Figures 1 to 4).

The highest price seen across all major cities except Brisbane was $6.00 per Hass avocado. Brisbane's highest retail price recorded was $5.00 per Hass avocado.

Figure 1: 12 Month Brisbane Retail Prices (Hass)

Figure 2: 12 Month Sydney Retail Prices (Hass)

Figure 3: 12 Month Melbourne Retail Prices (Hass)

Figure 4: 12 Month Perth Retail Prices (Hass)

The lowest price recorded across all locations (except for Brisbane) was $1.00 per Hass avocado. Lower prices were recorded in the Perth market that lasted one week only. Brisbane's low retail prices fluctuated between $0.50 and $1.00 during 2014.

The fact that retail prices remained steady during the recent spring period could be interpreted as an indicator of the strong consumer demand and consumers' willingness to increase domestic avocado consumption. This result also reassures industry stakeholders of the solid position that the avocado industry currently holds within the produce sector.

Dry Matters

Dry Matter levels continue to be monitored on a monthly basis to highlight the maturity levels being dispatched from the different regions.

All Hass dry matter regional graphs for fruit collected up to 15 December 2014 indicate that at the beginning of all harvest periods immature fruit has been dispatched (see Figure 1 to 8).

As the harvest season continues the dry matter levels steadily increase as one would expect. However immature fruit continues to be harvested, as indicated by the vertical range bars that illustrate the range of dry matter % monitored for that period (that shows the lowest and highest dry matter reading taken at the time of sampling).

The occurrence of lower readings through the harvest season could be attributed to strip harvesting when growers, nearing the finish of their harvest, take everything from the tree even if it has not reached the desired level of maturity.

The NQ Shepard dry matter regional graph displays a similar trend though obviously the sampling period of Shepard is restricted due to the shorter harvest period across Australian regions (see Figure 9). The Shepard dry matter graph also indicates the continued harvesting of slightly immature fruit over the season period though this appears to be less variable than the Hass variety.

Overall, based on the indications from the dry matter monitoring program, AAL would like to remind all growers to be vigilant when harvesting and by completing dry matter tests prior

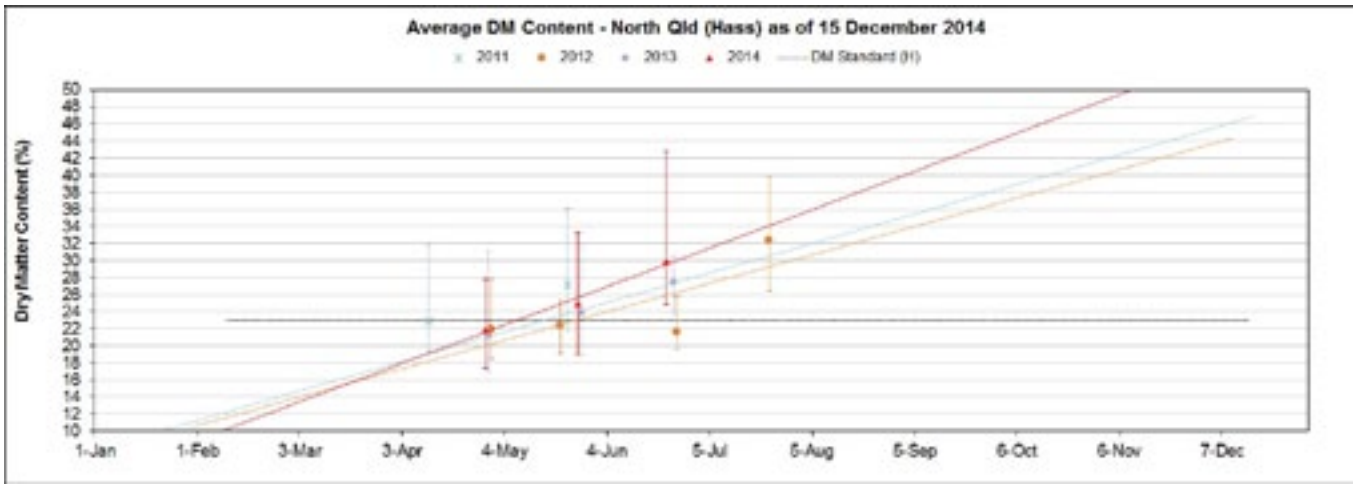

Figure 1: NQ average Hass Dry Matters 2011 – 2014 graph

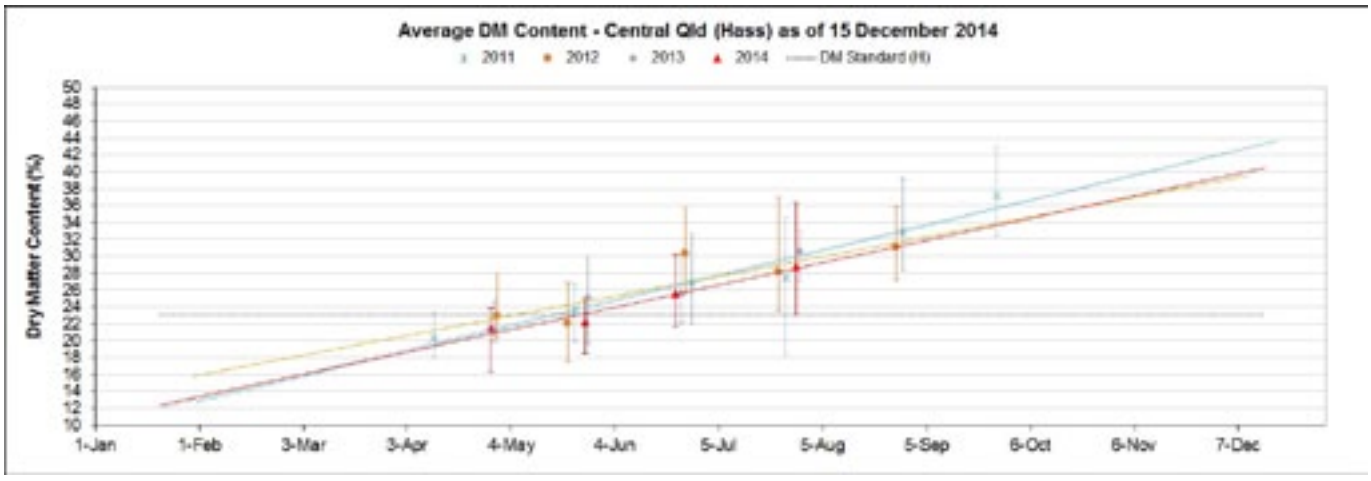

Figure 2: CQ average Hass Dry Matters 2011 – 2014 graph

to harvest and with the first pick of fruit. Consumer sensory research clearly shows that consumer satisfaction rapidly declines with fruit below the industry maturity standards.

Dry matter testing instructions are available from the AAL website go to *http://industry.avocado.org.au/MaturityMonitoring.aspx*, then scroll down the screen.

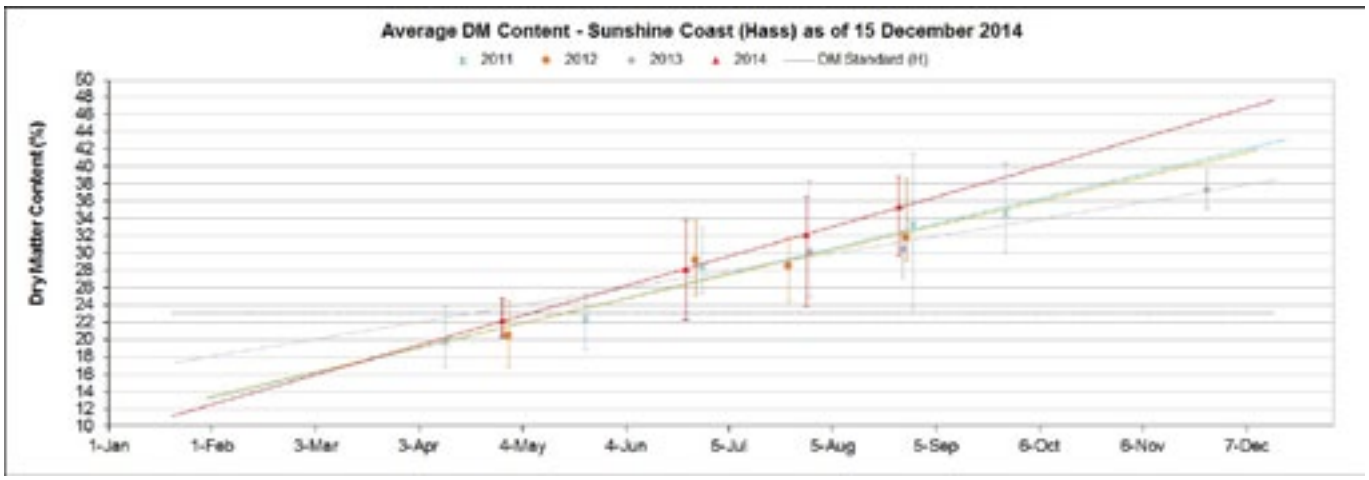

Figure 3: SC average Hass Dry Matters 2011 – 2014 graph

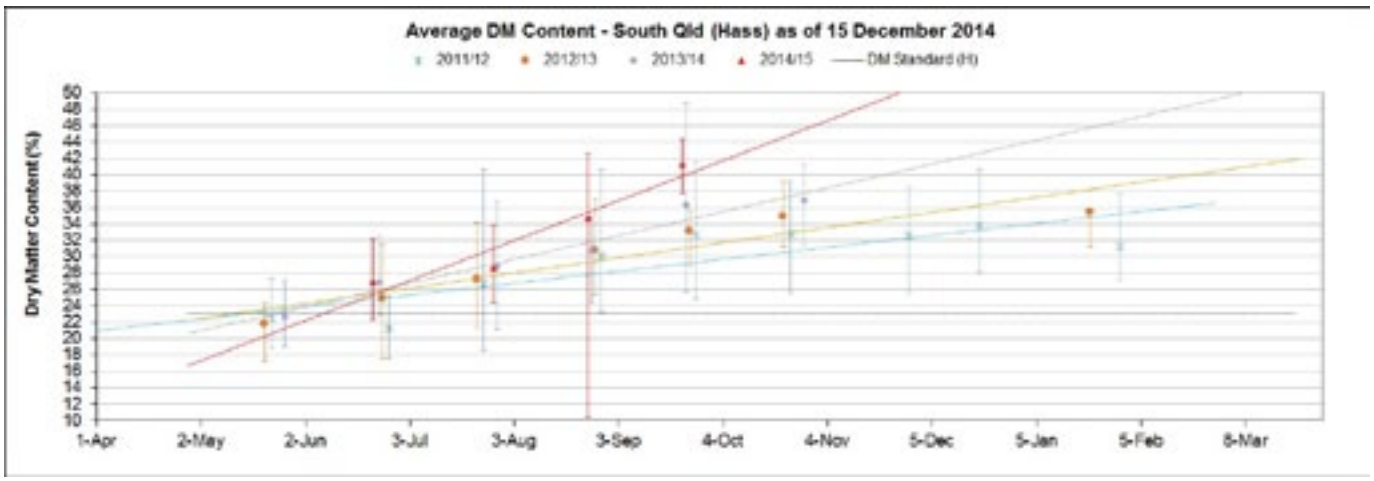

Figure 4: SQ average Hass Dry Matters 2011/12 – 2014/15 graph

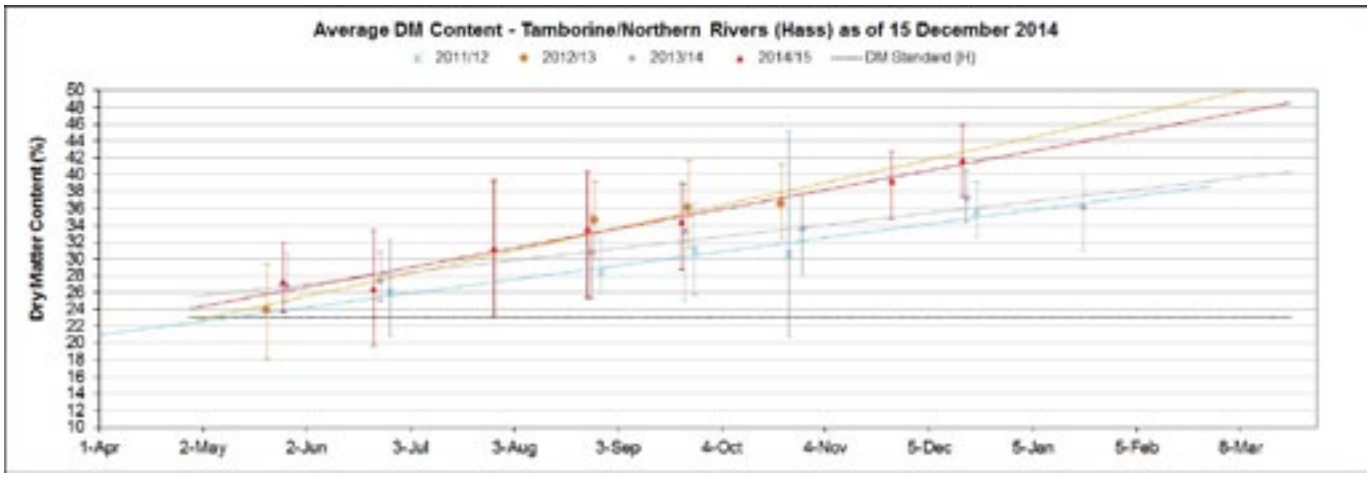

Figure 5: TNR average Hass Dry Matters 2011/12 – 2014/15 graph

Industry Matters continued

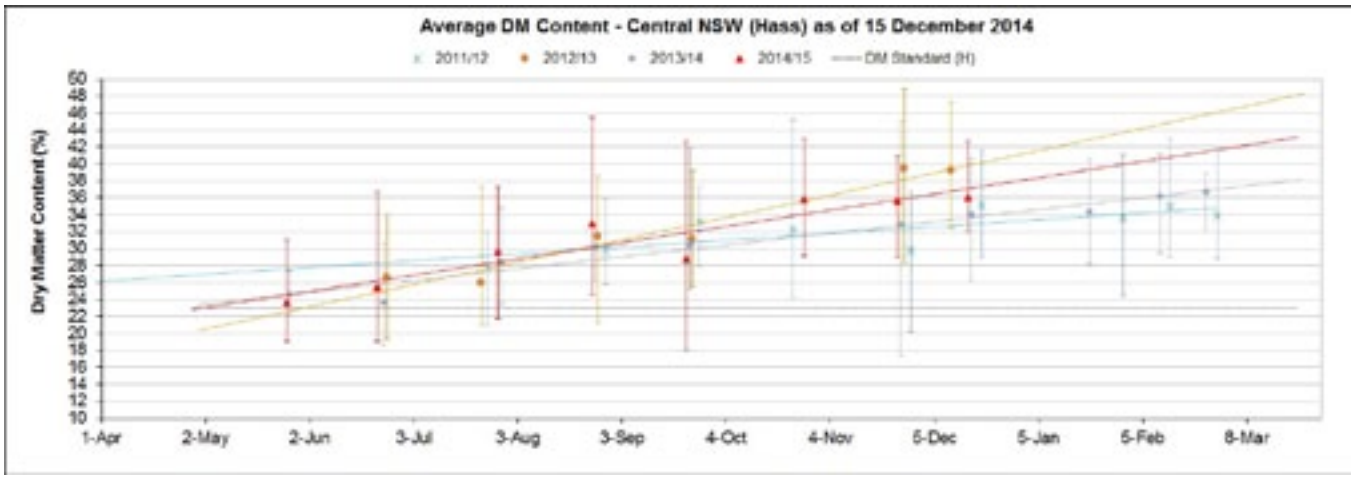

Figure 6: CNSW average Hass Dry Matters 2011/12 – 2014/15 graph

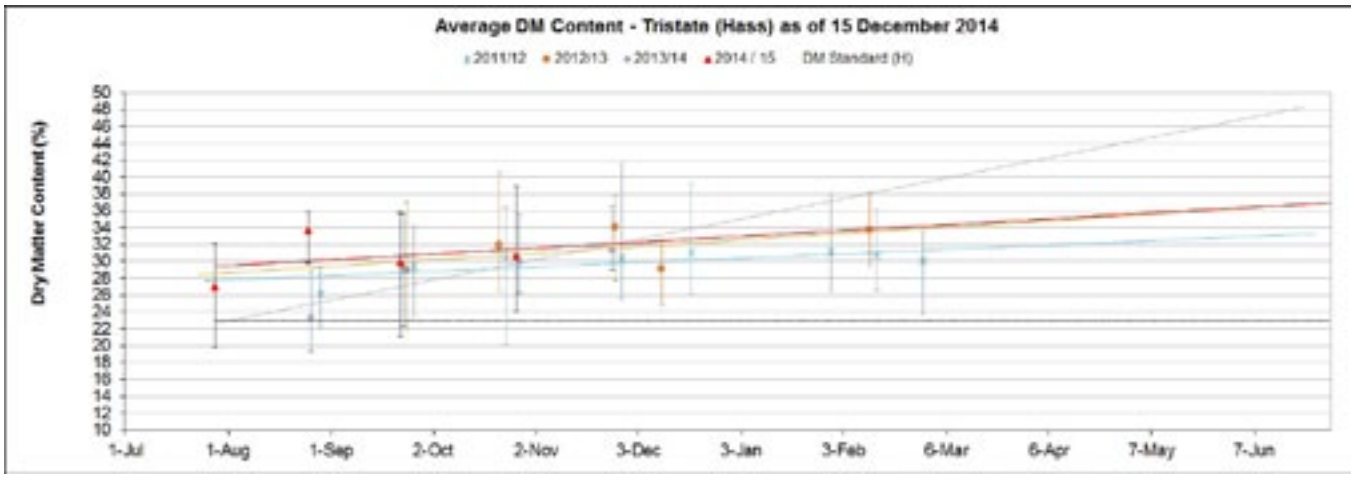

Figure 7: TRI average Hass Dry Matters 2011/12 – 2014/15 graph

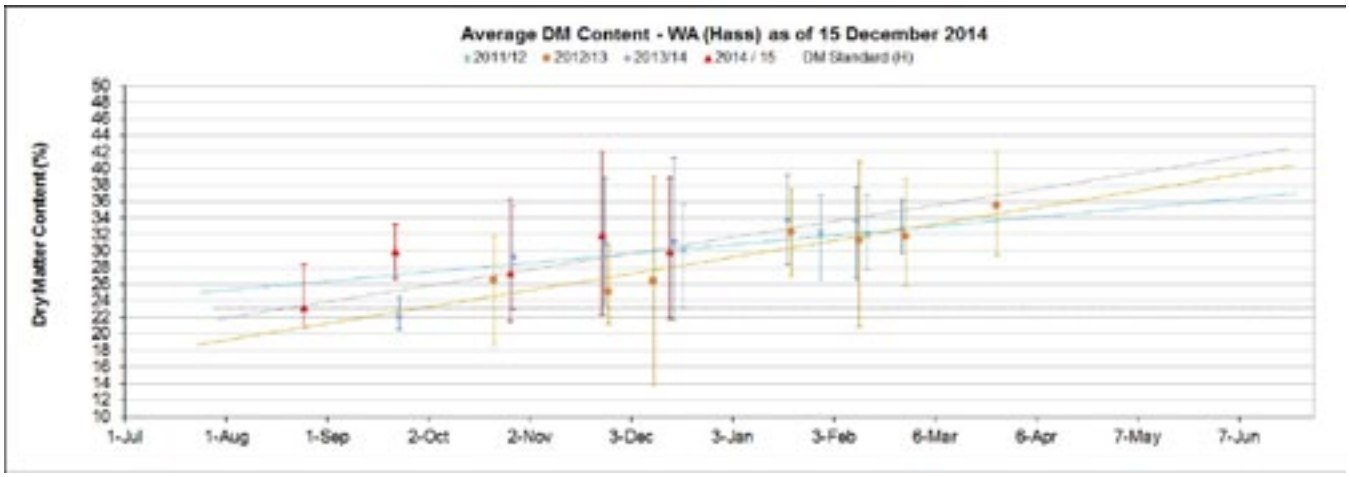

Figure 8: WA average Hass Dry Matters 2011/12 – 2014/15 graph

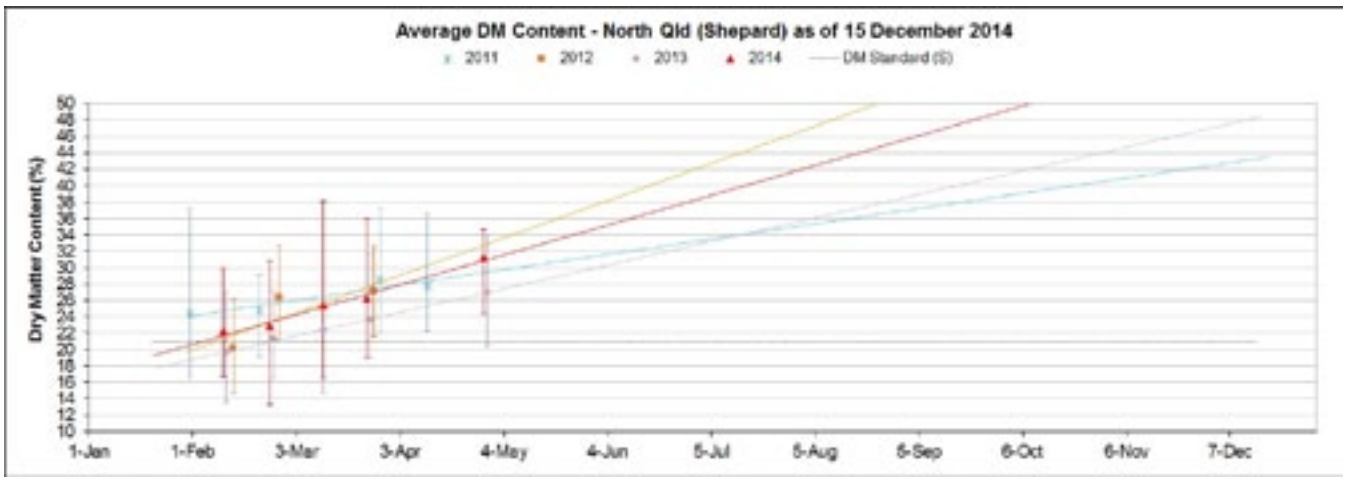

Figure 9: NQ average Shepard Dry Matters 2011/12 – 2014/15 graph

OrchardInfo

OrchardInfo is a program that collects and reports avocado planting data (tree numbers and area by variety) as well as data on industry marketable yields.

The data collection for OrchardInfo is currently being prepared to collect 2013 data. Sincere apologies for the delay though the timing could not be avoided due to system upgrades and alterations to the data collection process.

Data collection for the 2013 season will be conducted over February 2015 whilst data collection for the 2014 season is scheduled to be conducted in April to May 2015. OrchardInfo is an important program for Avocados Australia as it provides data that is vital for long term industry planning. Increased participation is required to improve the value of this data. All data that is reported upon has been aggregated to protect the privacy of individuals and individual data will be treated as strictly confidential.

As with the last round of data collection, prize incentives will be offered for OrchardInfo contributors so Avocados Australia encourages all growers to provide their orchard data.

Strong participation in the program ensures quality accurate reporting for all.

Best Practice Resource - Alternate Bearing and Irregular Bearing

Did you know that the Best Practice Resource contains information about alternate bearing and irregular bearing?

Avocado trees are exhibiting alternate bearing when they have consistent "on"/ "off" yields from one year to the next. Once this cropping cycle is triggered it becomes entrenched through internal tree factors (dictated by a see-sawing of carbohydrate levels and plant growth hormones between years) and is difficult to break out of.

There is no predictable pattern to irregular bearing, it is sporadic in nature and usually driven by climatic or management events that impact negatively on fruit-set/crop load regardless of flowering intensity. If poor crops are caused by weather events then it is likely that all the farms in the district will be affected whereas if caused by a management error then only that farm will be affected.

To access the above content on the BPR move your cursor to the "Growing" menu item and then select "Irregular & alternate bearing".

A levy-funded extension project to address Irregular Bearing has recently commenced and plans have been developed to commission targeted research through HIA Ltd. The findings of this work will be published in future issues of Talking Avocados magazine.

How to gain access to the BPR:

If you are an Australian grower/packer/wholesaler/ripener/ transporter/exporter/retailer and you have not applied to access the Best Practice Resource apply for access now by emailing *co@avocado.org.au* or calling toll free (within Australia) on 1300 303 971.

Avocado Industry hosted New Commissioner to China

In early November last year members of the Avocado Industry hosted Mr Adam Balcerak, a representative of the Department of Agriculture and the new trade commissioner to China. The new commissioner took part in a three-day meet and greet in Central Queensland that commenced with a full day discussing the avocado industry. Meetings were held with representatives

Industry Matters continued

of the Avocado Export Company, Sunfresh, The Avolution and Avocados Australia with visits to packhouses, processors and orchards. The intention of the first day of the three day tour was to showcase Australian avocados and to show the commissioner that the industry is committed to developing export markets.

The industry is eager to gain access to the Chinese market and this was a significant part of the conversations that were held between the Commissioner and the key exporters and growers he met with. The new commissioner's visit occurred prior to his posting to China once there he will commence a four year term of service.

"*It was a great opportunity to educate the commissioner about our industry before he takes up this position. The avocado export plan identifies China as a priority market for the future and we need to secure government support to help us achieve a viable market access protocol,*" said Avocados Australia's CEO John Tyas.

The 'Voice of Horticulture' officially launched

The Voice of Horticulture (VOH), a member-based organisation that was formed to represent horticultural growers and businesses across fruit, nuts, turf, nursery plants and cut flowers, was launched late last year. Avocados Australia Ltd is a member and – overall – growers across 21 horticultural industries have united under the 'Voice of Horticulture' to represent and build support and understanding of Australia's $50 billion horticulture industry.

The formation of VOH comes at a time when the horticulture funding levy system is undergoing a period of fundamental change, change that has the potential to impact across a range of horticulture industries including the avocado industry.

As the Voice of Horticulture's first media release states, "*one of the driving forces to establish Voice of Horticulture was the formation of the new research and development corporation for horticulture – Horticulture Innovation Australia Limited (HIA Ltd).*"

Tania Chapman is the Chair of the Voice of Horticulture, and the Directors are John Dollisson (Chief Executive Officer, Apple and Pear Australia Ltd), Doug Phillips (Chairman, Australian Banana Growers Council), Patrick McNamara (Walnut, grape and wheat farmer), John Tyas (Chief Executive Officer, Avocados Australia Ltd), and Alex Livingstone (Chief Executive Officer, Growcom).

To read the Voice of Horticulture's media release in full, along with their policy platform and other information visit the Voice of Horticulture's website at *http://voiceofhorticulture.org.au/*.

WA's Avocado Festival returns in 2015

Western Australia's first Avocado Festival was held in the Perth hills in October last year and the reaction from the public was overwhelmingly positive. Thousands of people attended the "West Australian Avocado Festival" and the food demonstrations and orchard walks were very popular with locals.

The 2014 WA Avocado Festival took place as part of the Karragullen Expo, however plans are underway to hold the Avocado Festival as an independently run event in 2015. The organisers are planning a bigger and better festival offering this year with the WA Avocado Festival scheduled for 28-29 November.

Highlights of last year's avocado festival included cooking demonstrations with celebrity chef Vince Garreffa, avocado stalls showcasing avocado products, gardening education sessions, avocado orchard visits, experts on hand to provide advice and information about nutrition, horticulture and growing avocados, as well as activities for kids, free giveaways, entertainment and wine tastings.

The following photographs capture some of the activities and fare available at the 2014 WA Avocado festival.

The West Australian Avocado Festival was organised by Roma Spiccia, an avocado grower based in the Perth Hills at Pickering Brook. Roma was very pleased with the festival's success and believes that it can only have a very positive effect on the avocado industry.

Melissa Spiccia offers samples of avocado during the cooking demonstrations.

Above: Festival organiser Roma Spiccia (far right) and her daughters (from left) Sarina Restifo and Melissa Spiccia (Photo by John Linton).

From left, celebrity chef Vince Garreffa, with festival sponsor Sam Saffioti from Roleystone Real Estate and Ann Garreffa (Vince's wife).

Vince Garreffa joined by WA avocado grower Tony Fontanini.

Avocado smoothies were available on the day.

"The festival's success showed me that there are many people who love avocados and are enthusiastic to know how to select, ripen and prepare avocado," said Roma Spiccia.

"Perhaps growers from other growing regions may be equally inspired to run similar events."

Avocados were available for sale on the day.

Industry Matters continued

AAL calls for caution on levy system changes

Avocados Australia recently sent out a media release to provide a snapshot about the current market situation with respect to fresh Australian avocados and to make our views known about the inadequate consultation taking place between Avocados Australia and the newly formed Horticulture Innovation Australia Limited (HIA Ltd) in regard the changes taking place with the levy system.

The media release included direct quotes from a number of growers operating around the country who provided their views about Avocados Australia and how the levy system change process has been conducted so far.

The media release also included direct messages from Jim Kochi, Chair of Avocados Australia and John Tyas, Avocados Australia Limited's Chief Executive Officer: "*Avocados Australia serves Australian avocado growers and is the representative body of Australian avocado growers. Ten Australian avocado growers across the country serve as directors on the Board so Avocados Australia is led by growers for growers. Why are organisations like ourselves not being properly consulted through this change when we are grower-led, grower-directed and grower owned? If growers lose confidence in the system that is managing their hard earned levies then they will begin to question their support.*"

The media release was sent to national, metropolitan and regional newspapers, as well as television, radio and online media outlets. It was also emailed out to all current Avocados Australia members, and a copy was placed online on the Avocados Australia industry website on the "News" webpage (the direct webpage address being: *http://industry.avocado.org.au/NewsItem.aspx?NewsId=160*).

Avocados Australia is keen to engage with the HIA Ltd Board and will keep members up-to-date on this issue as new developments and news arises.

Energy Saving Information

Apple and Pear Australia Ltd (APAL) has shared their "Watts in your Business" program information with other horticulture industries. Apparently many of the main energy sinks in the deciduous orchards / packing sheds will be the same as those found in other crops. They include irrigation, refrigeration, lighting, packing lines and renegotiating tariffs is a great way to start reducing your energy costs. To access the information sheets go to the 'Watts In Your Business' website located here: http://apal.org.au/watts-in-your-business/.

'Watts in Your Business' is managed by APAL, undertaken with Summerfruit Australia Limited and Cherry Growers Australia Inc., and funded under the Australian Government's Energy Efficiency Information Grants program.

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Coles: Admission of unconscionable conduct leads to buyer training

Australian supermarket giant Coles has said it will immediately introduce an independently-run six-monthly training program for all its buyers on best practice commercial dealings.

The announcement came after Coles admitted it had engaged in unconscionable conduct when dealing with certain suppliers in 2011. Australian Food News reported on Monday that Coles and the Australian Competition and Consumer Commission (ACCC) had made joint submissions to the Federal Court of Australia seeking orders from the Court, after agreeing to resolve the two separate proceedings instituted by the ACCC alleging unconscionable conduct by Coles.

On 5 May 2014 and 16 October 2014 the ACCC instituted proceedings against Coles alleging that on a number of occasions in 2011, Coles contravened the Australian Consumer Law.

After being presented with the ACCC's claims, Coles said it had "extensively reviewed" the materials made available by both the ACCC and its own internal investigations.

"*Coles unconditionally apologises and accepts full responsibility for its actions in these supplier dealings,*" said John Durkan, Coles Managing Director. "*I believe that in these dealings with suppliers, Coles crossed the line and regrettably treated these suppliers in a manner inconsistent with acceptable business practice,*" he said.

ACCC Chairman, Rod Sims, said at the time of launching this action "*the alleged conduct was contrary to the prevailing business and social values which underpin business standards that apply to dealings with suppliers',*" Mr Durkan said. "*In the dealings we have identified, I believe that statement is appropriate,*" he said.

The first ACCC action related to allegations in respect of a supply chain program in 2011 titled Active Retail Collaboration (ARC) in relation to Coles' smaller suppliers. As part of ARC, suppliers were asked to pay an ongoing rebate, in return for collaborative planning and greater data sharing, through access to the Coles Supplier Portal and changes to ordering quantities to ensure they were economically efficient.

Coles said it recognised the importance of best practice business conduct to its suppliers. However, at times during the business negotiations in respect of the ARC program, Coles acknowledged that it fell "considerably short" of these standards and the reasonable expectations of suppliers.

Coles has identified with the ACCC, dealings with a number of suppliers where its conduct was unacceptable and has made a number of admissions. In these particular dealings, Coles said it was "*not respectful of supplier needs for full and timely transparency, and of the responsibility attached to Coles' bargaining power*". Coles now awaits the Judge's decision on these matters.

Coles has proposed an Undertaking to the ACCC to establish a formal process that will allow any Tier 3 supplier in ARC to seek recourse should they believe they have not received benefits from the program commensurate with the costs incurred. This process will be led by an Independent Arbiter and be conducted confidentially, with suppliers assisted by an independent auditing firm.

The costs of this process will be borne by Coles and Coles will be bound by the decisions of the Arbiter. Mr Jeff Kennett AC,

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Industry Matters continued

who performs the role of Independent Arbiter under the Coles Supplier Charter, has agreed to undertake this role.

The second ACCC action related to allegations in respect of communications and negotiations in late 2010 and 2011 with a number of suppliers about the failure to deliver products, as well as claims for waste and damage to products and profitability of products.

With regard to these proceedings, Coles said it had identified dealings in relation to a number of suppliers in 2011, where its conduct "fell short" of accepted business standards.

Coles has made admissions of unconscionable conduct in relation to each of these dealings and will await the Judge's decision.

"*These suppliers were not treated with the transparency and respect that they should be able to expect,"* Mr Durkan said. *"Coles unconditionally apologises and accepts full responsibility for its actions in relation to these five suppliers,*" Mr Durkan said.

Mr Durkan said "*since these incidents occurred in 2011, Coles has taken many steps to both improve its relationships with suppliers and help its suppliers grow*".

Mr Durkan said Coles had implemented a best practice compliance framework to ensure that it treats suppliers in an open and fair manner. He said Coles had also been a "*leading voice*" since 2013 in the industry-led drafting of the Food and Grocery Code of Conduct, which is currently with the Federal Government.

Australian Food News reported in August 2014 that Coles had established a Supplier Charter with the aim of strengthening relationships with suppliers. The Charter is a formal commitment to deal in good faith with our suppliers and provides suppliers to Coles with a strong, independent and confidential dispute resolution process.

Coles said it has also begun moving, where possible, to long-term contracts such as the 10-year milk deal it recently announced with Murray Goulburn.

Mr Durkan said "*Coles sincerely regrets and apologises for its conduct in these dealings*".

"*Coles is absolutely committed to upholding the highest business standards and fostering a culture of fairness and decency with respect to all of its dealings including in relation to its suppliers,*" Mr Durkan said.

Source: ausfoodnews.com.au

Woolworths faced recent supplier anger, ACCC to examine complaints

The ACCC announces last year that they will examine complaints about supermarket giant Woolworths, amid accusations it's billing suppliers for accounting mistakes more than five years old.

Suppliers are reportedly receiving bills claiming they have charged the supermarket the wrong amount or supplied an incorrect quantity of a product, in a bid by Woolworths to recoup tens of millions of dollars from them by the month's end. Woolworths, Australia's largest supermarket chain, says it is normal practice to audit invoices.

The complaints come after Woolworths' rival Coles was on Monday ordered to pay $11.25 million in fines and costs for unconscionable treatment of grocery suppliers. They also come days after Woolworths was accused of bullying suppliers into paying millions of dollars to fund a discount war.

Woolworths says it is usual practice to audit its invoices, just like most companies, and it has done so for some time.

"*Where we find an error, in our favour or the supplier's favour, we take steps to recover or return the money owed,*" a company spokesman said.

Coles is facing a payout after the Federal Court found the nation's second largest supermarket chain deliberately and illegally misused its market power to squeeze small suppliers for money.

The court verdict was welcomed by the Australian Food and Grocery Council, which has also warned its members about Woolworths seeking to recoup money for "profit gaps", although it is not facing any charges.

Source: theaustralian.com.au

Debate about GST on fresh food ignites

Recent suggestions from the Australian Federal Government that the Goods and Services Tax (GST) be applied to the sale of fresh food has sparked concern from both farmers' groups and the Federal Opposition.

Liberal backbencher, Dan Tehan, has suggested minimal exemptions for the GST, arguing that broadening the tax would mean up to $21.6 billion in extra revenue each year. Fresh food and health and education services are currently exempt from the GST.

Acting Federal Opposition leader Tony Burke has criticised the suggestion that the GST be broadened to include fresh food, saying that such changes would mean the GST would be applied to the "*fundamentals and essentials of life*".

The National Farmers' Federation (NFF) has also raised serious concern over the suggestions to apply the Goods and Services Tax to the sale of fresh food.

NFF CEO Simon Talbot said he believed the GST exemption for fresh foods should be retained, saying the move would have a negative impact on the welfare of Australian farmers and Australian families.

"*No-one understands better than farmers the importance of fresh food," Mr Talbot said. "The NFF understands budget pressure. But we also understand the reality of family budgets,*" he said.

Mr Talbot said increasing the cost of fresh food "*could mean consumers demand less fresh fruit, vegetables and protein, leading to a decrease in overall sales and poorer health*

outcomes".

"*The reality is that the retailers aren't going to forego profit,*" Mr Talbot said. "*This means that farmers are likely to be forced to absorb the increase in costs. They are not able to pass on their costs,*" he said.

Mr Talbot said that unhealthy eating was "*the greatest factor affecting the burden of disease in Australia*" and that it made "*no sense to increase the cost of fresh food*".

"*After all, Australians need greater incentives to eat healthily, not disincentives,*" Mr Talbot said.

Source: ausfoodnews.com.au

Aldi sales growth triple that of rivals

Discount retailer Aldi Australia has vowed to maintain pricing pressure on rivals in the $85 billion grocery market, after increasing sales by 13 per cent in 2014, outpacing food and liquor sales growth at Coles and Woolworths almost threefold.

Aldi Australia's sales reached $6 billion in the 12 months ending December 2014, compared with $5.3 billion in 2013. The growth was underpinned by strong same-store sales growth and 25 new stores.

In comparison, Woolworths' Australian food and liquor sales grew 4.7pc to $41.7 billion in fiscal 2014 and Coles' food and liquor sales rose 4.6pc to $29.2 billion.

"*We're very pleased with the progress. We had a successful 2014,*" Aldi group managing director Tom Daunt said on Tuesday.

New stores took store numbers to 366, lifting Aldi's market share in eastern states to 11pc.

UBS expects Aldi's sales to reach $9.3 billion in five years and says revenue could hit $13 billion, challenging Coles' and Woolworths' stranglehold over the grocery sector, if it fixes issues such as checkout queues.

Mr Daunt agreed that UBS's $9.3 billion forecast was "perfectly possible" and said Aldi's national market share could approach 15pc over time as it opened up to 120 stores in Western Australia and South Australia and added 20 stores a year in the east.

"*We have about 11 per cent share on the eastern seaboard (and) I'd expect we'd obtain that sort of success in the new markets of Western Australia and South Australia. There's probably a little bit more market share that we could obtain out of existing markets on the eastern seaboard,*" he said.

Source: Queensland Country Life

Industry Matters continued

Frank Costa flags possible overseas sale for Costa Group

Frank Costa says his Costa Group could be the latest agricultural company to be sold to overseas interests, after Australia's largest grower and distributor of fruit and vegetables confirmed it is up for sale.

Costa Group will pursue an initial public offering in the first half of the year that could result in an enterprise value of $800 million to $1 billion.

Mr Costa told Fairfax Media that the group, which is half owned by US private equity firm Paine & Partners, is also considering a trade sale.

"*My preference is for a trade sale but we are also looking at a stockmarket float, which would obviously keep it here in Australia*," the BRW Rich Lister said. "*But if it was a sale, yes, I would think that the buy would most probably come from overseas, given the size of the company.*"

Street Talk revealed Costa Group has appointed Goldman Sachs and UBS as joint lead managers on the deal. The IPO plan would seek to raise between $300 million and $600 million for an enterprise value of between $800 million and $1 billion.

The final size, valuation and capital structure depends on the holding retained by current shareholders, which is still under consideration, sources said.

Several Australian agricultural companies have been sold to overseas investors in recent years, including the takeover of Warrnambool Cheese and Butter by Canadian firm Saputo last year and earlier deals for the likes of Manassen Foods and CSR's Sugar business.

Mr Costa said the pending deal was planned after the sale of half the business to Paine & Partners in 2011. "*We had a plan then for a sale within five years and that time is coming up. Myself and my brothers are in our 70s, save for the youngest one who is in his 60s. And we haven't seen one individual really emerge from the rest of the family to take control of the business, which is why we sold half to Paine & Partners four years ago and then went with a corporate management structure.*"

Costa is the biggest supplier of fresh food to Coles and Woolworths, with about 20 per cent of product shipped overseas. Mr Costa said exports have increased in recent years with the establishment of farms in Morocco several years ago and China last year.

"*We've certainly been looking at growing more overseas, and taking our nous and people over there to do so,*" he said. "*There is a lot more demand coming from Asia for good clean green food and not just from a growing population point of view but also their growing economic power as well.*"

Mr Costa, a former president of AFL club Geelong, and his family were valued at $295 million on last year's BRW Rich List. His great-uncle established the Geelong Covent Garden in 1888 — a produce grocery which he ran until the 1920s, at which time he turned it over to Costa's father.

"*We've been in it a long time and I've enjoyed every moment of it,*" Mr Costa said. "*It is a very challenging industry both from a demand and supply structure, where you have to be careful not to grow too much and oversupply the market, and in terms of supply to the big retailers. It certainly keeps you on your toes.*"

Source: The Sydney Morning Herald

India-Australia FTA bodes well for exporters

A free trade agreement (FTA) between Australia and India is looking increasingly likely by the end of 2015, following a visit to India by the Minister for Trade, Andrew Robb, and the

conclusion of 'Australia Business Week in India' on January 15. "Prime Minister Tony Abbott and Indian Prime Minister Narendra Modi have made it clear that a comprehensive bilateral trade and investment agreement between our two countries, is a key priority for both leaders," said Minister Robb in a statement.

"*There's still a long way to go, but I will be working closely with my Indian counterpart, as we aim to conclude a deal by the end of the year.*"

As well as being able to export more fruits and vegetables, the main hope is to export research techniques, new technology and processes to help Indian growers yield better crops. "*As India undergoes rapid economic and social change, Australia is well placed to not only provide more traditional exports such as food and energy, but also service-based exports, which will help India unlock its vast potential in the decades ahead,*" says Minister Robb. The Minister's office also confirmed that the mission was about getting Australian expertise into India to help them develop better practices. That includes building relationships and identifying areas of mutual interest.

In Australia horticultural exports reached a record high value of $1.5bn during 2013-14, and that record could be broken following trade agreements with China, Japan and Korea. A Free Trade Agreement (FTA) with India would provide a further boost, as the real value of agrifood demand there is set to rise by 136% in coming years. That demand will originate from a rapidly growing, young middle class sector, and a population set to outgrow China's by 2030. "*India is akin to China when it comes to middle class wealth. Increasing income levels in India have led to a diversification of diets, with rising per person consumption of dairy products, fruit and vegetables,*" says Australian Horticultural Exporter's Association (AHEA) Executive Director, Michelle Christoe. "*As in China where citrus has gone from very small to large export quantities, we see India as having potential for that sort of growth.*"

Source: www.freshplaza.com

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Industry Matters continued

An industry tribute to Ken Pegg

Talking Avocados magazine likes to pay special tribute to the high achievers who have played a significant role in advancing the Australian avocado industry. On this occasion we are paying tribute to a person that, to this day, continues to advance the industry in so many important ways even after his retirement. This person is Dr Ken Pegg.

Ken is a plant pathologist who is well regarded not only by his research colleagues, but also by many members of the Australian avocado industry. Ken Pegg's many achievements have been recognised both nationally and internationally. He has been the recipient of so many awards. So far Ken has been presented with Awards of Honour for outstanding service by the Australian avocado industry on two occasions (in 1988 and then again in 2001). Ken's work is focussed on ensuring that the Australian industry has the ability to deliver higher quality avocados to Australian and international consumers through disease management and rootstock improvement. He also contributes so much to increasing understanding about the avocado tree internationally. It is therefore not surprising that in 2008 he received much deserved recognition by being appointed as a Member of the Order of Australia. In that same year Ken's contributions to the discipline of plant pathology were also recognised by way of an honorary doctorate degree (*Doctor Scientiae Honoris Causa*) awarded by the University of Pretoria in South Africa.

Ken has researched and contributed to management of Phytophthora diseases not only in avocado but also in pineapple, chickpea, soybean, passionfruit, tropical rainforest species and mangroves. He was heavily involved in the banana industry in the 1990s, where a major focus was on identification, management and breeding for resistance to Fusarium wilt disease. He travelled to many parts of the world and became highly respected internationally for his outstanding banana research. He has also conducted research on fungal and bacterial diseases of green bean, ginger, tomato, and probably many other horticultural crops. Ken has been providing broad-ranging pathology advice and support to the avocado industry for over forty years.

On speaking with a number of growers within the industry it is clear that Ken's knowledge and approach is highly valued particularly by those growers who have had the good fortune to work with Ken directly. As well as this, Ken's enthusiasm inspires both his research colleagues as well as the PhD students he mentors.

Both long-established growers as well as new growers joining the industry are the beneficiaries of Ken's work into Phytophthora management. You only need to look at the recent "Manage Phytophthora Root Rot" poster (distributed to all avocado growers late last year) to see the "The Pegg Wheel" featured prominently (a diagram Ken developed as part of his research that depicts an integrated Phytophthora root rot management program using a combination of cultural and chemical controls).

"*I would like to sincerely thank Ken Pegg for the contribution that he has made to the Australian avocado industry to date, and in mentoring PhD students he is also contributing to a new generation of researchers that may serve the industry well into the future.*" - **John Tyas, CEO of Avocados Australia**

Words of Appreciation

Talking Avocados invited some of Ken's clients, colleagues and friends to provide us with some words of appreciation. What we didn't expect was the scale of overwhelming gratitude. Ken Pegg's work has benefited and inspired so many people involved in the industry here are just a few words of appreciation (we were inundated so please forgive us for editing down some of the comments):

"Ken's contribution to the Australian avocado industry has been monumental. His research with Tony Whiley and others in the late 1970s and early 1980s on the integrated management of Phytophthora root rot, particularly treatments with the new phosphonate chemicals, probably saved the industry from complete decimation. He was instrumental in establishing the

ANVAS scheme in 1978 for provision of disease-free nursery stock to growers. He also worked with the Fruit Pathology team to discover that nutrition and rootstock selection had a significant effect on fruit anthracnose. Ken has always maintained an emphasis on rigorous scientific research methodology and high-quality publications in reputable journals. His research has always had industry relevance, and he has extended his findings through countless articles in Industry magazines, like Talking Avocados, presentations at grower conferences and field days. Ken has positively influenced the careers of many students and young researchers, through his dedication to sound scientific principles, endless enthusiasm and encouragement. He has helped many students to complete their degrees. Even 13 years after his official retirement, Ken is still actively involved in our Horticultural Pathology group, where his support for all members of the team is greatly appreciated. He is humble and modest in his approach and certainly lives by his edict 'You never stop learning!' "
Elizabeth Dann, Plant Pathologist, Queensland Alliance for Agriculture & Food Innovation **and Lindy Coates,** Team Leader, Horticultural Pathology, Queensland Department of Agriculture, Fisheries and Forestry.

"Ken has assisted in the mentoring and training of young scientists, both before official retirement and subsequently. He is unpretentious, quietly spoken, and does not seek the limelight. I also salute a superb plant pathologist who worked (and continues to work) on horticultural crops. The cross-pollination between these two applied agricultural sciences has immeasurably benefited both. Ken Pegg is a source of inspiration to us all."
Nigel Wolstenholme, Emeritus Professor at the University of Kwazulu-Natal, South Africa

Field work - July 1988

"As a colleague who has worked with Ken for the past forty-six years I can honestly say that no one is more deserving of the recognition that has been bestowed on him for his contributions to the science of Plant Pathology. Not only has he excelled in the field of subtropical and tropical plant pathology but Ken has imparted guidance, knowledge and enthusiasm to the young scientists following in his footsteps. Many of us are not good at successional planning but in this area Ken has excelled, bringing forward the scientists of the future."
Tony Whiley, friend and research colleague.

"Ken Pegg is one of the smartest scientists you will ever meet and his interest and passion for plant pathology continues undiminished long after many others would have retired and moved on to other things. However he is also much more than this. Ken is approachable, down to earth and is able to communicate effectively to any level of scientist or grower. Ken is able to come up with logical solutions to problems and explain them so well that it leaves you wondering why you didn't think of them yourself. Ken is also probably one of the best mentors and trainers that DAFF Queensland has ever had, he has influenced countless plant pathologists over the many years of his long career. We all owe Ken a huge debt of gratitude for what he has contributed to not only the avocado industry but to many other horticultural industries too. He will be sorely missed when he finally decides to fully retire."
Simon Newett, Principal Extension Horticulturalist, Queensland Department of Agriculture, Fisheries and Forestry

"Ken Pegg's contribution to Australian horticultural industries is evidenced by the list of awards and acknowledgements he has received over the years. Ken's research over the years on Phytophthora has formed the basis of current management options available to Australian avocado growers. He is able to effectively engage growers and researchers alike, has mentored and assisted many early career pathologists and students over the years and is one of the true gentlemen of horticulture."
Ben Callaghan, Portfolio Manager - Plant Health, Horticulture Innovation Australia Limited

"Ken has infectious enthusiasm for his job and does a great job in mentoring, motivating and seeding ideas in the minds of younger scientists. He has the rare ability to understand and integrate

Industry Matters continued

research from the macro to micro scale, orchard to DNA molecule. I think he has been the most influential plant pathologist in Queensland for the last 40 years. Can we clone him?"
Andrew Geering, Queensland Department of Agriculture, Fisheries and Forestry

"Dr Ken Pegg mentored me during my Honours year and PhD studies. His passion for problem solving and his knowledge in plant pathology helped to inspire my own keen interest in this field. Ken's contributions to science have earned him prestigious awards during his career. Ken's down-to-earth approach and the keen satisfaction he finds in his work have inspired me to seek the skills, knowledge and drive to pursue my own doctoral research."
Louisamarie Parkinson, PhD Candidate, University of Qld, Qld Alliance for Agriculture & Food Innovation

"Ken's passion and enthusiasm for plant pathology are truly admirable. These traits are particularly evident in the field, where Ken is in his element. Ken's wealth of experience has resulted in an encyclopaedic knowledge of the physiology and disease symptoms of avocado and other crops. As a young scientist, it is a privilege to work with and learn from someone of Ken's calibre."
Merran Neilsen, PhD Candidate

"With meticulous care and attention to detail, Ken, the consummate scientist, has crafted a wheel of productivity for the avocado industry, both here and internationally. Every grower in the country owes a debt of gratitude to Ken and his co-workers for ensuring there is productive orchard life after Phythopthora appears and we should be effusively thankful."
Alan Hartley, grower, Crescent Plateau Holdings, Tabulam NSW

"Ken Pegg is a passionate scientist. He is also one of the most friendly and helpful people I know. Ken has also worked tirelessly to develop and maintain a pathology team at the service of the avocado industry. Ken should have retired to go fishing or travelling ages ago. Instead he has kept his expertise available to anyone who asked and maintains astonishing levels of enthusiasm for avocado research. It has been an honour to have worked with Ken in avocado research and I hope he is still fighting for avocado R & D for many years yet."
Alan Blight, grower, Avowest, WA

"Ken Pegg is one of the great contributors to our industry."
David Duncan, grower and Avocados Australia's Regional director for WA.

"It was always a pleasure to catch up with Ken over the years at conferences and grower presentations and despite the time and multitude of people in his life, he would remember you. This was highlighted when I caught up with Ken at the World Avocado conference in Cairns and having moved to Tasmania to establish an Avocado orchard (you don't get many Avocado researchers visiting Tassie), Ken was his affable self , showing interest in our venture. Last year I sought some fungal advise from Dr Elizabeth Dann and was pleased to hear Ken still keenly interested in all things avocado."
Paul Bidwell, grower, Avoland, Tasmania

"Dr Ken Pegg has made a sustained contribution to the avocado industry as an eminent plant pathologist, and more generally to agriculture and the overall scientific body of knowledge. Notably, his accessibility to growers in far flung and remote locations has been a remarkable feature of his scientific contribution. We relied heavily on the advice of Norm Aldridge, a local small grower outside Port Macquarie. He had a close association with Ken Pegg, and we were amazed at the generosity of Ken to respond to our questions and provide constant advice and encouragement to growers in our region."
Gordon Burch, grower, GJ & MM Burch, Comboyne NSW

"Ken Pegg. The Gentleman of the avocado industry. It is without a doubt that Ken has contributed more to the avocado world, and especially Australia, in his chosen field, than other distinguished researchers. There is not a research centre or major avocado enterprise in the world that is not using his proven methods. Those who have the honour of meeting with him express his expertise and ability combined with the dedication and humility of a true genius."
Graham Anderson AM, friend and colleague

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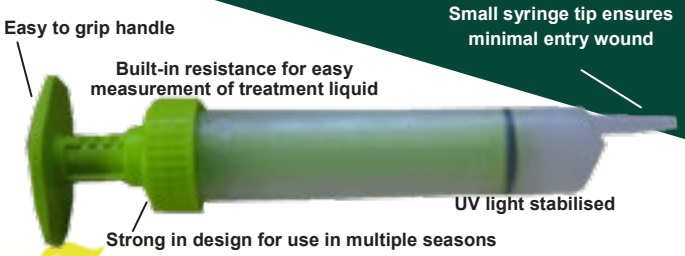

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Japan Trade Mission

In November last year John Tyas Chief Executive Officer at Avocados Australia conducted an avocado market study in Tokyo, Japan. The study took place over three days and its purpose was to gain an understanding of the Japanese market and supply chain for avocados and to assess the specific opportunities and challenges for Australian avocados in this market.

Avocados have recently been nominated by the Office of Horticulture Market Access (OHMA) as the priority product for Australian horticulture product market access negotiations with Japan. So this visit was both timely and very relevant for the Avocado Export Plan.

Visits and meetings were facilitated by Trade and Investment Queensland, with direct assistance from Mr Daiji Takashima and Ms Iori Forsyth. Below is a summary of the key points discussed at each of the meetings.

Day 1

Day 1 of the study tour included visits to a number of importers, a retailer and also a tour of the Ota Wholesale Fruit and Vegetables Market.

Smile Corp (Importer)

There are 3 main avocado importers in Japan – Smile, Union and Royal. Smile was previously part of a larger company that supplied Walmart. Seiyu bought Walmart Japan and Smile now imports for Seiyu-Walmart along with others.

Smile only imports avocados for about ten weeks from September to November but they have been handling avocados for about 10 years. They don't have any ripening rooms and rely on other facilities.

Walmart only ranges product from Mexico and Chile and soon to access Peru product. They believe that Shepard has good potential as it doesn't brown and is good eating. They see an opportunity for the lunch box market, potential for food service, but not retail.

Australian Embassy Tokyo (Department of Foreign Affairs and Trade and Austrade)

From Left: Ms Tomoko Nakamura (Senior Research Officer – Agriculture, DFAT), Mr Paul Ross (Minister-Counsellor – Agriculture, DFAT), Ms Kiyoko Ozawa (Senior Business Development Manager, Austrade), and Ms Mariko Senoo (Research Officer – Agriculture, DFAT)

John Tyas visited the Australian Embassy Tokyo and met with a number of representatives from the Department of Foreign Affairs and Trade. He met with Paul Ross, the Minister-Counsellor (Agriculture), who is working on furthering the agricultural relationship with Japan and to maintain and improve market access for Australia's agriculture, fisheries and forestry exports. Discussion took place around strategies for ways to help establish the market and approaches to take once access is achieved.

The beef industry is bringing Japanese buyers to the Good Food and Wine Show to showcase Australian produce and position Australian beef as a higher quality product. Avocados need to look at how to differentiate. For example, table grapes focussed on short transit times and improved sweetness. Avocados could differentiate through packaging with strong Australian branding given the inherent value in the Australian brand.

Tokyo Seika Boeki Co. Ltd. (Importer) and a tour of Ota Wholesale Fruit & Vegetables Market

The Ota Wholesale Fruit & Vegetable Markets are 26 years old. They are the largest markets in Japan and operate six days per week. The markets operate as an open space, that is, they are used for different products at different times of the year. They run an auction each day from 6.50am-7.20am. Imported fruit is not usually part of the auction.

Avocados arrive in a hard condition. Some are ripened with ethylene, but some are not.

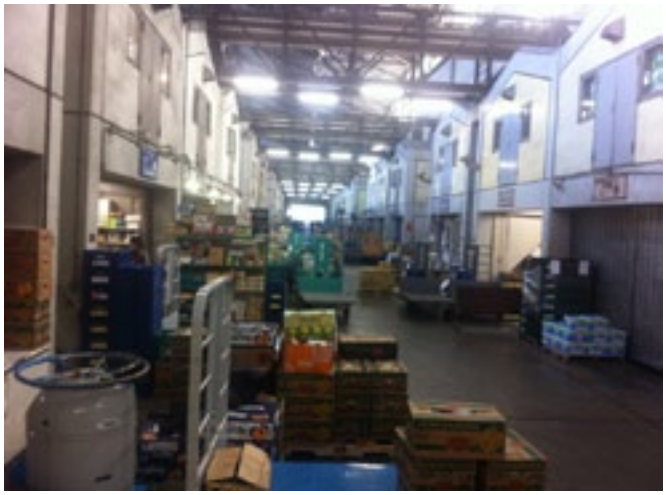
There is no treatment for avocados from Mexico, as the Mexican fruit fly is not considered a pest of quarantine concern.

Tokyo Seika imports about 3,000 5.5kg trays/week, count 24-30s. They don't import New Zealand or Chile fruit directly, but some importers in the markets do. They consider there could be an opportunity for Australia with nil residue, clean fruit.

New Zealand supplies for three months. Avocado consumption

Above, Mr Mamoru Kato, Manager Business (Unit 2) at Tokyo Seika Trading Co Ltd

has increased in the last few years. Food service has helped to increase usage which has increased consumer exposure to the fruit. They use a smaller size fruit so that the unit price can be lower.



Market stands and cold storage facilities.

An avocado Prepack – retailing for $1.98 yen.

The fruit is prepacked in Tokyo.

Some avocados are grown in Japan, very small amounts, on a trial basis and sold via the internet. July/August is the highest supply period for Mexican avocados.

Three different suppliers of Mexican avocados on the market floor. Numerous others were seen.

Union (Importer) and AEON (Retailer)

John Tyas met with Mr Taniguchi, General Manager – Tropical Fruits section at Union Tokyo, to discuss the current market for avocados. Mexico is the main supplier but USA, NZ and Chile also supply the market and South Africa and Peru are also seeking access. Approximate shipping times are: Peru - > 1month, Chile - > 1 month, Mexico – 2 weeks, and Australia – 9-11 days.

Mr Taniguchi believes that South Africa will have difficulty achieving market access due to fruit fly.

Applications are in the system for Peru, Columbia and South Africa. There may be an opportunity to consider with Australia together.

New Zealand supplies during August-October. Mexican fruit at this time is considered poor quality which provides an opportunity for New Zealand. Mexico has had access for over 20 years and currently supply 80% of the market.

Food service is driving demand and consumers now know how to eat avocados. However, retailer knowledge of the product is poor, with consumer knowledge often better.

Union has 30% of avocado market share in Japan. All avocados are received as hard green. The shorter supply time might be an advantage for Australia.

The Mexican price is about US$12-13 CIF per 5.5kg carton, Chile about US$13, New Zealand about US$15 and United States of America (USA) fruit up to US$22-23. Japan is impacted by market dynamics in the USA. The USA takes USA fruit first so if there is a shortage in the USA, there will be less fruit sent to Japan and the price for Japan will increase. Price is generally stable from September to January, but price tends to increase after January, particularly as a result of Super bowl in the USA. USA is not considered a reliable supplier due to their need to meet domestic supply as first priority.

Mexico is very reliable but has issues with chemical residues. Australia may have a competitive advantage with less residues. The point was made that Australia needs to realise that different markets need to be treated differently and priced differently. Zespri was cited as a good example – they don't expect one market to pay the same as another.

Australia may consider size as a potential point of difference for a premium product. Count 20-24 is suggested, but count 30 is considered too small as Mexico can provide an abundant supply of this. New Zealand is sending count 24s.

There may also be some potential for varietal differentiation.

There are some small plantings of avocado in southern Japan (Kyushu Island) but these involve very small trial blocks.

There are issues with price generally with all fruits in Japan. Suppliers generally want more than the market can pay but consumers are not buying at the prices being asked.

The price varies across the year with November at the bottom of the market. Price tends to increase from April to August.

Global Frut are the main suppliers from Mexico.

Union are very keen to keep in contact with the Australian avocado industry.

Japan Trade Mission continued

Day 2

A meeting with the Japan Fresh Produce Import and Safety Association took place on Day 2 followed by a visit to retailer, AEON.

Japan Fresh Produce Import and Safety Association (PISA)

The Japan Fresh Produce Import and Safety Association (PISA) are involved in investigating lifting of import bans and looking into safety issues (chemicals/quarantine pests). John Tyas met with Mr Alex Y. Ota (Senior Managing Director & Secretary General, PISA), Mr Hideaki Ogino (Director, Chairman for Plant Protection Committee, PISA), and Mr Hitoshi Nakanishi (Department Manager, PISA).

It was found that avocados make up about 4% of all fruit imports which is a similar level to kiwi fruit. Avocado imports are increasing due to greater awareness, and understanding of the versatility and health benefits as well as use in the food service sector. Bananas are the main imported fruit at 61% followed by pineapples at 11%.

Fresh fruit consumption is declining in Japan both imported and domestic. This is partly due to an ageing and declining population. The main fruits produced in Japan are mandarins, apples and pears. A good retail price point to drive avocado sales is around 100 yen (Aus$1.00).

The imported fruits that are increasing are pineapple, avocado, grapes and kiwi fruit.

Peru is almost through the approval process and is expected to have access around May 2015. There are a number of countries that have applied for access (Peru, South Africa, Israel, Columbia, and the Philippines). The Philippines have Oriental fruit fly. It will be interesting to see if Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) will accept that avocado is a conditional non-host of Oriental fruit fly as this could set a precedent for Queensland fruit fly. MAFF have accepted that Hass are a conditional non-host of Mediterranean fruit fly.

There is a 5 step application process and pumpkin from Australia is at stage two. Other Australian products for which applications have been submitted (i.e.: at stage one) include strawberries, kiwi fruit, tomato, blueberry, mandarin, melon and lychee.

The Peru protocol should be available for public comment soon. The conditions for Peru in the draft protocol specify that it is for

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Hass which must be in a hard, green condition. The next stage for Peru is for the work plan to be developed.

Mexico does not have any protocol for Hass. They do have Mexican fruit fly, but it's not considered a pest of quarantine concern. Mexico is not listed in the MAFF records as a country which has Mediterranean fruit fly.

Australia is listed in the MAFF records as only having two flies of quarantine concern – Mediterranean fruit fly and Queensland fruit fly. So if the research that has been completed to demonstrate conditional non-host of Queensland fruit fly will satisfy MAFF, then the application process will be much faster as in the case of Peru, which has progressed directly from step one to step four.

Maximum Residue Limit's (MRL's) are very important. PISA confirmed that there have been ongoing problems with Mexico breaching the MRLs. PISA expressed concern about the reference in the Avocados Australia Packer Guide relating to post-harvest fungicide use as there are major concerns with post-harvest chemicals on fruit. Apparently the chemicals that have been causing MRL breaches with Mexican fruit are acephate and methamidaphos.

Apparently June/July is the lowest period of Mexican supply.

AEON (Retailer)

AEON Retail Co Ltd owns and operates general merchandise stores and supermarkets in Japan. It is the second largest Japanese retailer by sales, behind Seven & I Holdings (Seven-Eleven). John Tyas met with Mr Taihei Funabashi (Buyer, Agricultural Products Procurement Department, AEON) and Mr Toshihiro Amiya (Department of Tropical Fruits Assistant Manager, UNION).

AEON Retail Co Ltd are working to educate Japanese consumers on how to use avocados.

Oil content/eating quality is considered a potential point of difference for Australian fruit.

Chile is supplying at the moment (November 2014) but there have been some quality issues with rain affected fruit. AEON isn't handling any New Zealand fruit because it is considered too expensive. Retail price is driven by the currency exchange and competition within the USA. So as USA demand is increasing, Mexican fruit is being diverted to the USA leading to shortfalls in Japan. Mexico's supply dominates the price in Japan. The main fruit size is a count 30 for 100 yen. What they are finding is that to keep the same price point they are selling smaller sizes, e.g.: 35s. They have been selling larger fruit as a differentiated product (count 18's at 300 yen each) but this only makes up about 18% of sales.

AEON find that they sell a lot of avocados in the lead up to Christmas. They have the ability to vary the size offer by store. GNS is a very large store format, and they can sell the larger sizes. As for the gift market, AEON do not see much opportunity for this category for avocados. AEON and Union work together on some promotions. They don't get any financial support from the Mexican exporters. They believe that Peru may get access by May next year.

Mexico tends to focus on supplying the USA, and Chile tends to focus on supplying Europe. Sea freight times for Chile is about six weeks, and for Peru about six to seven weeks. They find that the quality of Chilean fruit is more consistent than Mexican due to the larger farms.

AEON do not supply any processed Avocado products, and don't see a lot of opportunity at this point. The Japanese tend to use avocado a lot as a sliced product, like sashimi, with wasabi and soy. They do see some potential for large sizes at a higher price point and perhaps an opportunity for premium high oil content fruit. As USA demand is increasing, price is increasing, which influences the Mexican wholesale price.

Japan Trade Mission continued

Day 3

The last day of the tour included a number of visits to retailers, and an importer, 'Royal'. The day also provided an opportunity to communicate the benefits of Australian Avocados by way of an interview with 'The Japan Agricultural News'. The Japan Agricultural News is the largest daily agricultural newspaper in Japan and has a circulation of 400,000 providing comprehensive coverage of news on food and agriculture to interested stakeholders.

Royal (Importer)

Mr Kobayashi from Royal met with John Tyas. Royal sources their avocado mainly from Mexico, with some from Chile. They don't handle any New Zealand fruit. Demand is expected to increase during the lead up to Christmas.

Ports of entry are Tokyo and Yokohama in the Kanto region and Kyoto and Orsak in the Kansai region.

The price of Mexican fruit tends to fluctuate and their forecasts are unreliable. During April to June, the Mexican fruit trends to be too mature with shorter shelf life. Chile can supply better quality at this time.

Fresh Systems and Dole are currently handling most of the New Zealand product.

Mexican fruit is generally well received by retailers as the quality is acceptable and the price is low.

APEAM does some of their promotion (in-store demos, Point-Of-Sale material, recipes, website).

90% of the retail supply from Royal is sold to the retailer Ito Yokado. In the last few years Ito Yokado has been improving its management of avocados. Royal supplies about 50% of AEON's avocados.

Royal manages the ripening for the retailers.

The retail price for avocados has increased over the past few years through better awareness and demand for the product.

Some retailers may be interested in a premium product. Some retailers are able to achieve twice the price of others for their premium avocados, although it is expected that these are with larger sizes.

Seijo Ishii is the largest supermarket chain that offers a premium product. Premium lines are handled through the wholesale markets and smaller distributors.

Retailer Store Visits

Visits were made to a number of retail stores in Tokyo to see what type of avocado products were being made available. This included both supermarkets and independents and included: AEON (the largest), Ito Yokado (owned by I Holdings who also own Seven 11), Seiyu (now own Walmart Japan) and Seijo Ishii (owned by Lawson, the second largest convenience store after

Retail outlet AEON sells Avocado soup mix.

Avocado salad mix available from AEON stores.

AEON fresh avocados on display.

Fresh avocados on display at Ito Yokado.

Fresh avocados on display at Ito Yokado.

Fresh avocados on display at various independent retail outlets:

Conclusions

The study found that Japan is a fairly mature market for avocados, compared with most other Asian Markets with over 20 years of supply. Currently, the market is dominated by Mexico (85%), with the USA, New Zealand and Chile providing fruit to achieve year round supply at relatively low prices. Consumption is about 500grams per capita (compared with Australia at 3kg per capita) and made up exclusively of the Hass variety. Usage is in both retail and food service with a broad range of uses. Packaging is minimal with most fruit sold loose. The price of avocados is driven by Mexican supply. Supply of USA fruit is very dependent on demand in the USA. Because the USA market is seen as the priority market supply will be diverted to the USA in response to changes in that market.

It was found that some avocados are grown in Japan, but this is very minimal and only really on a trial basis at this point in time.

The opportunity for Australian avocados will be in our ability to supply a premium niche product. A number of contacts reported significant concerns with Mexican fruit frequently breaching MRLs for some chemicals. Therefore, Australia's reputation for safe food may be a significant advantage. Interest was expressed in avocados of a higher dry matter as a premium product. Australian consumer research has shown a consumer preference for Hass with a dry matter of 30-40% and this could be used as a point of difference in this market if an assured program could be implemented.

Another potential point of difference is fruit size. Some retailers have started to sell larger sizes (16 & 18) at a premium price point. Although fruit consumption is in decline due to the aging and declining population, the market for avocado is expected to continue to expand. However, price pressures are expected to continue with the domination of Mexico in the market. More detailed analysis of the market is required to identify timing windows and specific niche opportunities for Australian suppliers.

Growers supplying avocados direct to Consumers

By Anna Petrou,
Communications Manager, Avocados Australia Limited

The way some consumers source fresh food is changing. According to Nielsen Company, retail convergence, the influence of digital and social media, shifting consumer demographics and ethnicities and media fragmentation are major trends that will work to create a vastly different "Australian retail landscape" in 2017 compared with the current environment.[1] Consumers are also becoming more concerned with the origins of their food, and with fresh food now becoming available for purchase online consumer purchasing habits are evolving. According to Neilsen as many as six in ten Australians use a combination of both online and traditional retail stores to fulfil their grocery needs, and more than nine in ten Australians want to support Australian farmers. [1] In view of this it is not surprising that more and more growers are choosing to also make their fresh produce available for sale online and delivering their produce direct to consumers.

The movement of growers wanting to supply to consumers directly is also coming at a time when the major supermarket chains are themselves looking to increase online sales. As online grocery shopping becomes increasingly popular, Woolworths is looking at opening dedicated online stores also known as dark stores or "shadow warehouses" – in each of its major markets. In fact in August last year they announced the opening of their first dedicated online store at Mascot in New South Wales. [2]

Other retailers such as Tesco, Asda, Sainsbury and Waitrose all now run dark stores as dedicated online fulfilment stores. Much of the appeal being that these stores can be almost three times more efficient than traditional supermarkets. [2]

According to a paper published in the International Journal of Electronic Commerce[2] the line between online and physical channels is becoming blurred, and *"a new approach to channel integration is emerging – the omnichannel".* Omnichannel retailing aims to deliver a seamless customer experience regardless of the channel whereby omnichannel customers move freely between online (PC), mobile devices, and physical store, all within a single transaction process. With the omnichannel the customer's journey should be smooth, seamless and make for a unified customer experience. The view is that because the channels are managed together, the perceived interaction is not with the channel, but with the brand.

One leading brand that supplies fresh produce directly from growers to consumers is Aussie Farmers Direct. Aussie Farmers Direct (*www.aussiefarmers.com.au*) was founded by William Scott and Jordan Muir. Aussie Farmers Direct began their first deliveries in 2005 and now deliver 1.3 million food and grocery products direct to 130,000 consumers each week. To assist with their expansion the business offered franchises for the delivery of groceries under the Aussie Farmers Direct brand. They now have 226 franchises across six states. While the franchises provide the delivery mechanism the central office takes care of sourcing product, processing customer orders and payments. Aussie Farmers Direct is now regarded as an industry leader in online food shopping. The business is focussed on offering convenience to consumers and fostering "sustainable relationships with farmers".

According to Keith Louie, Aussie Farmers Direct's Chief Executive Officer, they anticipate *"continued double-digit growth in online fresh food retail through to 2017, and Aussie Farmers Direct will remain at the forefront of this growth".*

"At Aussie Farmers Direct we have a unique value proposition that other retailers cannot match, we stock only Australian grown and made products, we deliver premium quality fresh food direct from local Aussie farms to customers' doorsteps (not via supermarket storerooms or shelves) and we have a regular weekly order model meaning customers do not need to keep placing orders."

"That's real convenience for busy families and real support for Australian growers."

Aussie Farmers Direct management agree that the Australian retail landscape has changed profoundly over the last ten years, and believe that it will continue to change rapidly.

"*The impact of digital and social media on retailing will continue to be significant, particularly through personal handheld devices*" said Keith Louie, CEO at Aussie Farmers Direct.

"*The rise of smartphones has been a cultural revolution not just a technological one in the developed world, and their impact on retailing and retailers is hard to overstate.*"

"*Here is a personal device willingly - often obsessively - embraced by Australians allowing immediate product and price comparison anywhere, instant commentary across consumers' social networks, and the potential of direct and personal connections between retailers and consumers.*"

"*The opportunities and threats to retailers are profound.*"

So why are a growing number of consumers wanting to source their fresh produce directly from Australian growers?

"*Consumers are increasingly seeking quality, freshness and clarity of provenance when they buy their fresh food,*" says Aussie Farmers Direct's Keith Louie.

"*They want to buy Australian, support their local communities,*

and support Australian growers with fair farm-gate prices."

"Hundreds of thousands of customers enjoy the quality, service and convenience AFD offers, and our customers don't just care about themselves."

"Our customers know the small change of switching their fresh steady-consumption groceries like milk, bread, dairy and produce to Aussie Farmers Direct makes a really big difference to local Aussie farmers and growers, and they really value this."

A number of avocado growers are independently using e-commerce to sell produce directly to consumers. Incorporating an online sales channel into their business strategies can complement their wholesale activities or work well in conjunction with a presence at farmers markets. Tim and Katrina Myers who own and operate Barham Avocados based in New South Wales are one example.

Barham Avocados supplies fresh avocados via wholesale, as well as directly to a number of restaurants/cafes, at farmers markets, and also online direct to consumers. Barham Avocados launched their website at the end of 2011 and added an online store in readiness for the 2012 season. They now receive 98% of their online business via their own website (*http://barhamavocados.com.au/*) the remainder is generated via their Australia Post-supported website at farmhousedirect.com.au. They sell their produce online from August/September to February/March each year, depending on seasonal conditions.

At the moment 5% of Barham Avocados sales can be attributed to online sales. So what prompted Barham Avocados to open a supply channel directly to consumers?

"When we first moved back to the farm we were looking at ways we could do things differently and sell direct rather than always being a price taker," says Katrina Myers from Barham Avocados.

"I looked to what they were doing in America and found that a lot of fruit and veg are sold on line and I thought we could do that too."

"With the increase in clothing sales online I felt it was only a matter of time before food went that way too."

"To be honest at this stage it's probably not really worthwhile financially, but we plan to give it five years to see how it develops."

"It's difficult to see the benefit in the current climate with the

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Growers supplying avocados direct to Consumers continued

price of avocados so strong in the wholesale market, but we hope that by building up our brand we have loyal customers who will be prepared to pay a premium for our avocados no matter what the wholesale market is doing."

With the assistance of their web designer, familiar with the required ecommerce platforms, Barham Avocados set up their online shop.

To what degree did Barham Avocados need to modify or alter their other operations, facilities or processes in order to sell directly to consumers?

"*We don't alter too much as we send to the wholesale market at the same time, we take some of the first grade fruit for online and then it is taken off to the side and packed into Australia Post boxes while the rest is packed in trays for wholesale."*

Barham Avocados do it this way as they can't send all the fruit out by post at this stage.

"*In order to send out all our fruit by post and sell everything on line we would need a whole restructure, but that probably won't happen in the near future."*

The Barham Avocados online shop sells fresh avocados by 10kg bulk box, as gift boxes, a 6 pack, and 12 pack. They offer a subscription service so that customers sign up to have avocados delivered for 6 months of the year, when they are in season. They also produce their own avocado oil and sell this via their online store. They post avocados to only Victoria, New South Wales, the Australian Capital Territory and Queensland. They post their avocado oil and other products nationally.

Barham Avocados deliver their consumer orders direct by express post whereby 70-80% of their online customers are repeat customers. They grow mainly Hass and Reed avocado varieties and some Bacon and Fuerte - the Reed variety being their favourite.

So how well do fresh avocados travel by mail?

"*Avocados travel really well by mail because they can be posted out when they are hard green, within 24 hours of picking so they don't bruise on the way and then customers can ripen them themselves,"* said Katrina Myers.

"*We also have to make sure it's sent on the Monday or Tuesday of each week so it arrives before the weekend and isn't sitting at an Australia Post depot for a long time."*

Tim and Katrina Myers believe that there are a number of benefits to selling online.

"*Building a direct relationship with the customer and being able to receive direct feedback has been great,"* said Katrina Myers.

"*This is a two way benefit as the customer is able to learn more about us and how we grow the avocados and we are able to learn from the customer, what they want."*

"*It's so rewarding when people tell us how much they love our avocados and feel part of our farming family and our journey."*

According to the Myers the main challenges in setting up an online store is factoring the freight costs to orders, the work involved in packaging orders, the admin and management of online sales and developing a website and ecommerce platform. Maintaining an online presence and using social media (Barham Avocados uses Facebook, Instagram and Twitter) also requires the time needed to engage directly with consumers, responding to feedback and being mindful of customer satisfaction.

"*There has been a lot to learn in terms of developing our website and the online shop."*

"*A subscription service is not easy in terms of the back end of the website so it has taken a lot of time to get it right on a tight budget, it also took a lot to work out the best way to package them and because we are in a fairly remote area we only have one option of transporting the avocados which is via Australia Post."*

For those growers interested in exploring the avenue of supplying consumers with fresh produce directly using e-commerce, it is important to do your research first.

Would setting up an online store present a barrier for some growers?

"*Possibly because it's expensive to set up a website, it takes a lot of time and it is an add on to your core business which a lot of farmers would not have time to do,"* says Katrina Myers.

"*It's worked well for us as I have looked after this side of the business while Tim focuses on production and wholesale.*"

If you want to avoid the technical issues of setting up your own online presence with e-commerce facilities there are alternative avenues for using other providers' online solutions, one example is Farmhouse Direct (farmhousedirect.com.au). Growers who do not want to manage their own website would find Farmhouse Direct an attractive option as it provides lots of support and feedback. Farmhouse Direct, a joint initiative of Australia Post and the Victorian Farmers Market Association, provides the online interface based on a fee per month plan and the grower retains control over managing their own products, pricing, and the fulfilment of their customer orders. Farmhouse Direct takes a 7% commission.

Growers using Farmhouse Direct receive preferential postage rates. Producers set up their online shop at farmhousedirect.com.au and can then upload content about their own story and brand, outline their products, insert their logo and have a dedicated website address. A grower can run their own promotions, reward repeat customers and build awareness of their business. There is no need to apply for merchant bank accounts as the money goes straight to the grower. When using farmhousedirect.com.au Australia Post manage the marketing and e-commerce aspects of selling online. For more information visit their website at *http://www.farmhousedirect.com.au/*.

According to Aussie Farmers Direct the future will only see growth in the market for supplying fresh produce directly to consumers. From the experience Barham Avocados has gained so far, and given the nature of their online sales recorded to date, they are confident also.

"*I am confident that this is a growing market and that it is only a matter of time before food becomes like clothing and we see a huge increase in the amount of food bought online.*"

"*We hope to be in there and doing it and ahead of the game when this happens - fingers crossed,*" says Katrina Myers of Barham Avocados.

[1] "Online grocery retailing: Trend predictions for 2017", 13 September 2014. Link: *http://www.nielsen.com/au/en/insights/news/2014/online-grocery-retailing-trend-predictions-for-2017.html*

[2] "Woolworths opens first online-only 'dark' store," 11 August 2014. Sue Mitchell, Sydney Morning Herald. Link: *http://www.smh.com.au/business/retail/woolworths-opens-first-onlineonly-dark-store-20140811-102lh0.html*

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Low temperature management can reduce bruise expression in avocado cv. 'Hass' fruit flesh

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Background

Fresh produce holding temperatures play an important role in postharvest quality management (Hofman et al., 2010). Temperature mediates physiological and biochemical activities in fruit tissues. For example, respiration rates and ripening enzyme activities decrease at lower holding temperatures (Eaks, 1978). As a consequence, the shelf life of produce is typically lengthened (Lee and Young, 1984). Conversely, at relatively high holding temperatures, fruit physiological activities are higher and shelf life is usually shorter.

Avocado farming and marketing is a major fresh produce industry in Australia. Importantly, the industry is growing progressively over time through increases in both production and consumption. Nonetheless, negative consumer feedback on the quality of avocado fruit from retail displays of supermarkets and independent green grocers has continued over the years (Dermody, 1990; Embry, 2009). As high as 80% of the fruit on retail display is reported to have internal fruit quality issues, mainly in the forms of flesh bruising and body rots (Hofman, 2011).

The primary reasons for flesh bruising are impact and compression pressures on the fruit. Applied force can immediately damage cell walls. Attendant polyphenol oxidase (PPO) enzyme activity can bring about browning of the flesh at and around injury sites (Linden and Baerdemaeker, 2005). Browning enzyme activity is associated with fruit holding temperature. For example, in apple (Toivonen et al., 2007) and peach (Ahmadi et al., 2010), increasing fruit holding temperature led to increased bruise expression in terms of both bruise severity and intensity. Marques et al. (2009) reported that low temperature storage at 5°C significantly improved avocado fruit quality by reducing the incidence of body rots. However, to date no study has reported the relationship between flesh bruising and holding temperature for avocado cv. 'Hass' fruit. Flesh bruising in avocado cv. 'Hass' fruit typically increases with decreasing fruit firmness at the time of impact or compression (Arpaia et al., 1987). However, the interaction effect with bruise expression of fruit firmness and post-impact fruit holding duration is not yet reported.

Avocado fruit quality and disease susceptibility can be influenced by the growing location (Thorp et al., 1997). Pre-harvest orchard management practices and tree factors, like yield and mineral concentration, are known to affect the postharvest quality of fruit (Hofman et al., 2002). Gamble et al. (2010) recognised the role of growing region in determining postharvest quality of avocado fruit. They argued a case for independent study to compare and contrast quality of avocado fruit harvested from different growing regions. However, despite high levels of consumer concern over flesh bruising in avocado fruit, bruise expression in response to mechanical stress of avocado cv. 'Hass' fruit sourced from different origins is not yet characterised.

Experiments were conducted to determine the effects of pre- and post-impact temperature management on bruise severity in firm ripe avocado cv. 'Hass' fruit. Also evaluated

Figure 1

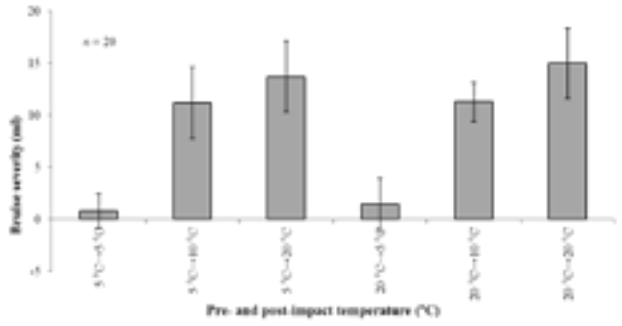

Fig. 1. Effect of pre- and post-impact fruit holding temperatures on flesh bruising in avocado cv. 'Hass' fruit (n = 20). Destructive bruising assessment was conducted after the fruit were held at treatment specific post-impact temperatures for 48 hours. Vertical lines represent the SD (standard deviation) of the means.

Figure 2

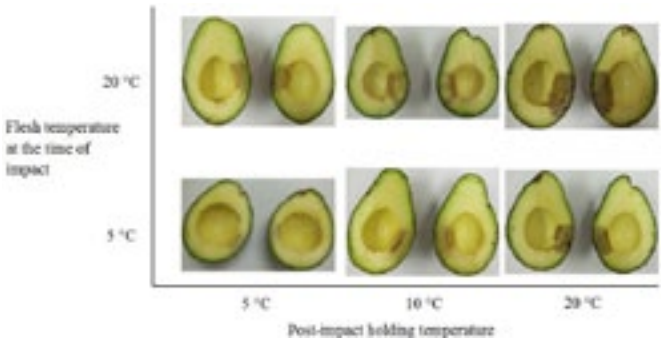

Fig. 2. Visual bruising expression in avocado cv. 'Hass' fruit impacted at flesh temperatures of 5 °C and 20 °C and held post-impact at 5 °C, 10 °C, and 20 °C for 48 hours before destructive bruising assessment.

was whether avocado fruit at softening versus firm ripe stages responded differently to impact bruising when the fruit were held at various different temperatures post-impact. Additionally assessed was the influence of fruit origin on bruise severity.

Influences of pre- and post-impact fruit holding temperatures on bruise severity

Hard green mature avocado cv. 'Hass' fruit were sourced from a commercial orchard near Cairns. They were transported to a commercial ripener at the Brisbane Markets in Rocklea. The fruit were collected from there and transported to a postharvest laboratory at the University of Queensland Gatton (UQG) Campus. They were ripened by a dip treatment in ethephon (1000 µL.L-1) followed by holding at 20°C. When they reached the firm ripe hand firmness stage (White et al., 2009), they were divided in two lots. The flesh temperature of one lot was maintained at 5°C. That of the other lot was maintained at 20°C. Fruit (n = 20) were impacted against a hard metal surface using a mechanical swing-arm device. Each fruit was secured into a holder at the end of the swing-arm. They were allowed to free fall from 50 cm drop height such that the average energy absorbed was ~ 0.8 J. The point of impact on individual fruit was marked. Each of the two initial lots of fruit was then further divided into three sub-lots for different post-impact fruit holding temperature regimes. All sub-lots were then placed post-impact into specific temperatures for 48 h before their destructive bruising assessment was conducted. The treatments (T) were: T1 = pre-impact 5°C and post-impact 5°C, T2 = pre-impact 5°C and post-impact 10°C, T3 = pre-impact 5°C and post-impact 20°C, T4 = pre-impact 20°C and post-impact 5°C, T5 = pre-impact 20°C and post-impact 10°C, and, T6 = pre-impact 20°C and post-impact 20°C.

For destructive assessment of flesh bruising, fruit were cut into two pieces with a sharp smooth-bladed knife along their longitudinal axis and through the impact site. The flesh was visually inspected for bruising observed as browned flesh. Where present, the volume of affected flesh was measured by a volume displacement method (Rashidi et al., 2007). Briefly, affected flesh was removed from the surrounding sound flesh and placed into water in a measuring cylinder in order to record the volume change. When present, impact-induced cracks were filled with water from a calibrated syringe. The crack volume was added to the displacement bruise volume to record the total bruise volume. Data for this and the following experiments were subjected to analysis of variance (ANOVA) with Minitab® 16. Images of bruised fruit were taken with a Nikon Coolpix digital camera.

Fruit impacted with flesh temperatures of 5°C and 20°C and held post-impact at 5°C developed significantly less bruising at the impact site as compared with those held post-impact at either 10°C or 20°C. Flesh bruising in fruit impacted at 5°C and held at 5°C was 0.8 ± 1.7 ml (~2% flesh affected), in fruit impacted at 5°C and held at 10°C was 11.2 ± 3.4 ml (~15% flesh affected), and, in fruit impacted at 5°C and held at 20°C was 13.7 ± 3.4 ml (~20% flesh affected). Sequentially, flesh bruising in fruit impacted at 20°C and held at 5°C was 1.5 ± 2.5 ml (~5% flesh affected), in fruit impacted at 20°C and held at 10°C was 11.3 ± 1.8 ml (~15% flesh affected), and in fruit impacted at 20°C and held at 20°C was 15.0 ± 3.4 ml (~25% flesh affected) (Fig. 1). Qualitative assessments of visible bruise expression confirmed the quantitative measures. Bruise expression was minor and light brown in colour for fruit impacted and held at 5°C. In contrast, bruises were distinct and dark brown in fruit impacted and held at 20°C. Bruise expression in all intermediate treatments ranged across the two colour extremes of light to dark brown flesh at the impact point (Fig. 2).

Figure 3

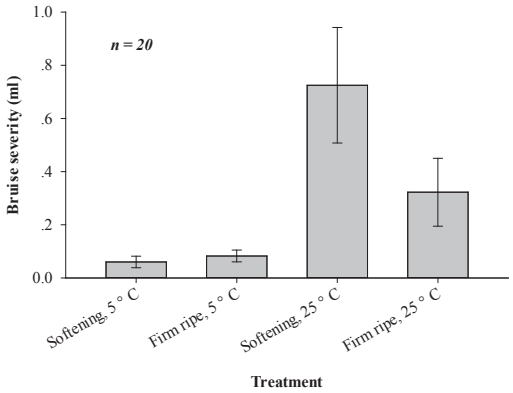

Fig. 3. Effect of fruit firmness and post-impact fruit holding temperature on bruise severity in avocado cv. 'Hass' fruit (n = 20). Vertical lines represent the SD of the means.

Figure 4

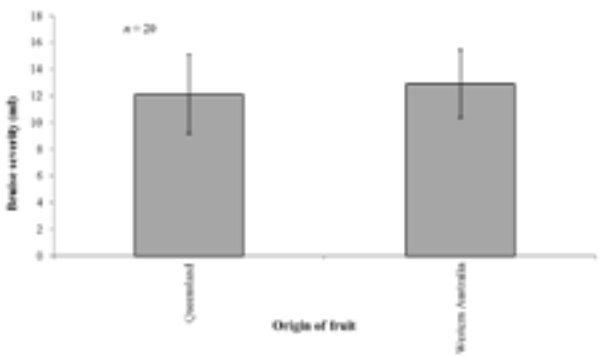

Fig. 4. Effect of fruit origin on bruise severity in avocado cv. 'Hass' fruit (n = 20). Vertical lines represent the SD of the means.

Low temperature management can reduce bruise expression - continued

Influence of fruit firmness on bruise severity

Avocado cv. 'Hass' fruit at the hard green mature stage were harvested near Cairns and transported to the Brisbane markets at Rocklea. They were collected from the markets and transported to the lab at UQG. The fruit were ripened by dipping in ethephon solution (1000 µL.L-1) and holding at 20°C until they reached the softening or the firm ripe stages of hand firmness. Fruit (n = 20) at these stages of firmness were impacted with the mechanical swing arm device from 25 cm drop height for an average energy absorbed of ~ 0.38 J. They were then held at post-impact fruit holding temperatures of 5°C and 20°C for 48 h. These fruit were subjected to destructive bruise assessment.

Flesh bruising in avocado cv. 'Hass' fruit held post-impact at 5°C was 0.1 ± 0.1 ml (~1% flesh affected) in softening fruit and 0.1 ± 0.1 ml (~1% flesh affected) in firm ripe fruit. That in fruit held post-impact at 25°C was 0.7 ± 0.9 ml (~2% flesh affected) in softening fruit and 0.3 ± 0.6 ml (~2% flesh affected) in firm ripe fruit (Fig. 3). Thus, whether the fruit are softening or firm ripe did not affect bruise severity at either 5°C or 20°C.

Influence of fruit origin on bruise severity

Avocado cv. 'Hass' fruit harvested at horticultural maturity from a commercial orchard near Toowoomba in Queensland and from another orchard near Busselton in Western Australia were collected from two different ripeners at the Brisbane Markets in Rocklea. These fruit were transported to the laboratory at UQG and given a ripening initiation treatment of dipping into 1000 µL.L-1 ethephon solution. They were ripened to the firm ripe stage in a shelf life room set at 20°C. The fruit (n = 20) were then impacted from 50 cm drop height with the mechanical swing arm device. The average energy absorbed was ~ 0.8 J. The fruit were then held at 20°C for 48 h for bruising to express. Destructive bruising assessment was conducted as described above.

Average bruising severity in avocado cv. 'Hass' fruit harvested in Queensland, impacted from 50 cm drop height at the firm ripe stage, and held at 20°C post-impact holding temperature was 12.1 ± 2.7 ml (~15% flesh affected) as compared with 12.9 ± 2.5 ml (~15% flesh affected) average bruising severity in fruit harvested in Western Australia (Fig. 4). The regionally diverse origin of the avocado fruits, thus, did not influence bruising severity. It is possible that fruit from any origin might be equally susceptible to flesh bruising if the impact energy and the fruit holding temperature regime were in common. However, the present experiment was limited to only two different sources. Therefore, further research is likely warranted into possible pre-harvest influences on bruise susceptibility.

Conclusion

Pre-impact fruit temperatures of 5°C and 20°C and post-impact fruit holding temperature of 5°C significantly reduced bruise expression as compared with that in fruit held at higher post-impact fruit holding temperatures of 10°C and 20°C. Accordingly, where technically possible, managing fruit temperature at 5°C through the supply chain should reduce bruise expression in mechanically impacted or compressed fruit. On the other hand, fruit at different stages of firmness held post-impact at different temperatures and fruit sourced from different origins held at different post-impact fruit holding temperatures were not differentially affected in terms of bruise expression.

Acknowledgements

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- Food service and direct supply
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Member Profile

Gunnado Farm, Mareeba, Queensland

Above left, Giovanni Ravanello from Gunnado Farm, and John Tyas from Avocados Australia.

In December last year Talking Avocados had the chance to visit Gunnado Farm located 63 kilometres in land from Cairns in North Queensland. Gunnado Farm played host to the Qualicado Workshop and the visit provided the perfect opportunity to speak with Giovanni Ravanello, the owner and manager of Gunnado Farm. Gunnado Farm has been a long-term member of Avocados Australia and joined when they first started planting in 1987. Avocados Australia's John Tyas had a chance to see their orchard, talk about the industry and hear how Gunnado Farms was tackling their current dry spell. Talking Avocados took this chance to also ask Giovanni Ravanello about what Avocados Australia membership means to him and to share his perspective on avocado production.

Gunnado Farm became a member of Avocados Australia.

What value to do you gain in being a member of Avocados Australia?

We stay informed about the activity happening in the industry, and feel a part of the industry.

Would you encourage other avocado growers to join Avocados Australia?

Yes. If you are an avocado grower and you want to be kept up-to-date about the factors affecting the industry, membership does that and more.

What attracted you to the idea of becoming an avocado grower?

Our family originally grew tobacco, mangoes and small crops. As we were looking to move away from tobacco my experience in working with avocados elsewhere proved useful. It was another tree crop that was a good alternative and its harvest time did not clash with our other existing crops.

How long have you been an avocado grower?

Our family have been avocado growers for nearly thirty years.

What avocado varieties do you grow and why?

We grow mainly Shepard.

How much of your land is dedicated to avocado farming?

We have 78 acres half of this is dedicated to avocados.

What is the most valuable lesson you have learnt about growing avocados?

Avocado trees do not last forever. Be vigilant and always work to manage Phytophthora.

What approach do you take in deciding time of harvest?

We do dry matter testing and our harvest usually begins in February.

What in your opinion is the main challenge that needs to be overcome in successfully running an avocado farm in your region?

Normally in North Queensland it is dry six months of the year and the few storms that hit during November and December would bring around 300mm of rain. With no rain it then becomes important to manage the trees in hot and dry conditions. On-going management of Phytophthora is important throughout the year as well. Coordinating harvesting around the wet season is also a challenge. Marketing is also important. We fit in between two major Hass growing areas and grow green skin avocado varieties.

What are the soil types like in your growing region?

We have shallow sandy soils and a few clay soil areas.

What do you do to assess fruit maturity and dry matter levels prior to harvest?

We select fruit from trees in a block that are most advanced and then the Department of Agriculture, Fisheries and Forestry office based in Mareeba conducts our dry matter tests for us.

How do you obtain pickers to assist you at harvest time?

We have regular workers that come back each year and also use backpackers that come through.

How long does it take to harvest your fruit and when do you do it?

Harvest time usually takes 10-12 weeks.

Which pests are of most concern to you in your orchard at the moment?

Fruitspotting bug and leaf roller.

What do you think are the biggest opportunities for the avocado industry in Australia?

That we grow such a versatile fruit, and have a well managed industry.

What advice would you give to farmers looking to move to avocado farming?

Avocado is not an easy crop to grow. It is important to look after the trees all year round.

Do you enjoy eating avocados yourself? If so, how do you enjoy eating them best?

My family eats them. My father peels them and eats them like a banana. They are great for breakfast spread on toast with some salt and pepper.

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Mulching – Why do it and how to grow your own

The benefits of Mulching

Avocados have evolved in subtropical rainforests where their feeder roots proliferate in decomposing litter. It is because of this that the trees have a relatively shallow root system adapted to feeding from the surface layer of soil and mulch. About 80% of the white feeder root system is found in the top 30cm of soil and mulch. Roots also have few or no root hairs, an important feature in water uptake, consequently, trees are highly susceptible to moisture stress. Mulch insulates the soil from the sun and wind, reducing evaporation and moderating temperatures in the root zone. Water and heat stress are therefore reduced.

Mulch improves the physical characteristics of the soil—its structure, porosity and aeration. It builds up the organic matter level in the soil, producing a more open soil structure, which enhances water penetration and soil water storage. By enhancing water penetration, water runoff and soil erosion are reduced. Improved soil structure reduces the potential for soil compaction and provides a better physical environment for root growth.

Mulch improves the chemical characteristics of the soil. The higher organic matter level produced enhances the capacity of the soil to store and release nutrients (its cation exchange capacity - the total capacity of a soil to hold exchangeable ions that are positively charged). It also allows the roots to 'bypass' complex soil chemistry that may tie up elements such as zinc and phosphorus, and instead recover these from the mulch and humus. As mulch usually supplies small amounts of nitrogen and other nutrients, artificial fertiliser use can be reduced, saving money and reducing the potential of 'free' nitrates to pollute the groundwater.

Mulch improves the biological characteristics of the soil by providing food substrate for beneficial soil organisms as well as a better physical environment for their development. As a result, the soil microflora becomes more diverse and more abundant. This helps suppress harmful disease organisms such as the Phytophthora root rot fungus, as well as significantly improving nutrient recycling and root health.

By suppressing or preventing weed growth, mulch also reduces competition from weeds for nutrients and water, and reduces the cost of herbicide spraying and the chances of affecting the avocado trees with weedicide.

It is important not to overwater mulched trees as this destroys much of the beneficial effects that the mulch provides, however when the mulch is dry it will take additional irrigation to penetrate the mulch to reach the soil.

Ideal Mulch properties suitable for Avocados

Not every type of mulch is suitable for avocados. The two most important properties are coarseness and the carbon:nitrogen (C:N) ratio.

Coarseness: Materials should be coarse enough to break down slowly and allow free drainage of water through them. These properties are generally found in materials that are fibrous, stalky, straw-like or chunky.

Materials that are too fine, such as sawdust, bagasse and lawn clippings, tend to form a barrier that initially prevents water penetration but once they are wet, they become soggy, dry

slowly and keep the underlying soil excessively wet. The wetter the environment the coarser the material should be as these take longer to break down. Also note that fresh hardwood chips are toxic to avocados because of their resin content.

Carbon:nitrogen (C:N) ratio: Ideally for avocados, the C:N ratio should range between about 100:1 and 20:1. Materials with a C:N ratio significantly lower than the recommended range (for example lucerne hay), tend to decompose too rapidly (actually composting) which can produce high temperatures harming the tree trunk (correctly applied mulch is kept away from the base of the trunk to avoid this) and raising nitrogen levels too high. Materials with a C:N ratio that is too high (e.g. eucalyptus bark and cardboard) can cause a nitrogen draw-down effect unless extra nitrogen fertiliser is applied (the material takes nitrogen from the soil to decompose, thus starving the tree). A combination of different materials can often be used to achieve the desired C:N ratio and coarseness.

Figure 1: The following table highlights in green shade the materials that are more suited for avocados:

Material	Carbon:nitrogen (C:N) ratio
Pinus radiata sawdust	550
Cardboard	500
Pinus radiata bark	500
Eucalyptus sawdust	500
Eucalyptus bark	250
Bagasse	120
Woody prunings	100
Composted Pinus radiata bark	100
Wheat or oat straw	100
Sugar cane tops	80 - 100
Mature leaves	60
Composted pine bark	30 - 40
Corn stalks	33
Mill mud (filter press)*	23
Grasses	22
Mixed weeds	19
Cow manure	15
Lucerne hay	13
Peanut shells	12
Poultry litter	10 - 11
Poultry droppings	7
Pig manure	5

* This figure is for mill mud only. Some sugar mills blend fly ash with mill mud and this mixture would have a different C:N ratio.

Source: Carbon:nitrogen (C:N) ratios in a range of dried materials (after Handreck, K.A. & Black, N.D. (1994), Growing media for ornamental plants and turf (revised edition), University of New South Wales Press.

Using mulches

If materials with a high C:N ratio are used (for example 100:1 and higher), either compost the material before application or apply extra nitrogen to the trees to offset the draw-down effect. Chipped avocado prunings, a natural choice for some growers, fall into this category.

If the material is very coarse - for example, loose branches - then this is not critical because the rate of breakdown is very slow. The practice of placing whole pruned avocado logs under the tree without chipping falls into this category. These logs will eventually rot down but in the meantime can be a hazard for pickers at harvest time.

Locally available mulching materials should always be investigated. Sugar cane tops are popular, but they have a reputation for lowering soil pH more than other materials. This is not a problem as long as pH is monitored and lime or dolomite is applied as required. Mill mud (filter press) sourced from sugar mills is a popular mulch where it is available and studies have shown excellent results in terms of yield and fruit size improvement. This is thought to be due to a combination of its nutritional properties, water-holding capacity and ability to suppress root rot. Studies have shown that mill mud releases its nitrogen slowly (about one-third in the first year, and a third in each of the next two years). Used too thickly, however, its fineness may cause a problem in wetter environments. Avocados Australia's online Best Practice Resource elaborates on the properties of mill mud.

Growing your own mulch

Growers are often deterred from using mulch because of the cost of material, lack of local availability (and therefore high transport costs) and the cost of labour to spread it.

Growing your own mulch can offer a solution to these problems. Mulch can be grown in the inter-row space within the orchard while trees are small and/or in adjacent areas. A crop of forage sorghum grown between the tree rows before or during planting can supply enough mulch for at least the first year of the orchard. To reduce the cost of spreading, many growers have modified slashers to direct slashings from the inter-row areas in under the trees. This way, the mulch is topped up at no extra cost every time the orchard is slashed.

Don't underestimate the amount of mulch that can be grown in the inter-row area and deposited under the trees by this method during the first few years of the orchard.

Mulching – Why do it and how to grow your own continued

Above: a 'bale buster' machine which is driven between the tree rows and throws mulching material under the trees from bales that are loaded onto it. Photo courtesy of Sam and Kylie Collins.

particularly since timing of the operation is not critical. An advantage of round bales is that they can be unrolled down the row in an orchard about to be planted.

Living mulches

Where slope, soil type or rainfall increase the risk of soil erosion, growing living mulch under and between the trees could be considered. Living mulch species must be perennial, hardy, low growing, non-climbing, tolerant of shade, and dense enough to smother weed competition.

Possible species include Amarillo pinto peanut (*Arachis pintoi*), smothergrass (*Dactyloctenium australe*), Shadegro® and Maku lotus (*Lotus pendunculatus*). Amarillo pinto peanut is a legume that can supply extra nitrogen into the orchard.

Living mulches will compete to some extent with the avocado trees for water and nutrients, so extra amounts may be needed to compensate. For trees less than about three years old, some control of competitive growth may be necessary. However, in the long term, the advantages of nutrient recycling, increased organic matter and a reduction in soil loss will outweigh these disadvantages.

Suggested crops that can be grown include:

Spring/summer planting: Forage sorghum such as Jumbo (a sweet sorghum hybrid with a long growth season and coarse stem) or hybrid millet such as Nutrifeed.

Autumn/winter planting: Oats, barley, triticale, rye grass or lupin varieties such as Kalya or Merrit.

If crops such as sorghum are not grown in the inter-row, use the grass clippings from the grass sward. The sward can be enriched by planting Rhodes grass, setaria, panic, clover or kikuyu. Watering and fertilising the inter-row area can also increase the bulk of material available. Although grass clippings are not an ideal mulch because of their fineness and low C:N ratio, adding small amounts at regular intervals does not pose a problem, especially when it is added to the existing leaf litter.

Another option is to grow a low-input crop of natural coarse-stemmed grass such as Rhodes grass, setaria or panic on second grade ground near the orchard, and either forage harvest it for immediate use or bale it for later use. Forage harvesting and baling equipment could be shared amongst a group of growers,

Acknowledgements

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Recommended reading:

Aitken, R. et al (1999), Filter mud/ash—getting value for your investment, BSES Sunshine Sugar Fact Sheet.

Firth, D.J. (2000), Groundcovers for subtropical orchards, Agfact H6.3.10, 3rd edition, NSW Agriculture, Alstonville.

Review of Pack Shed Practices Phase 1

By ***Terry Campbell***, Queensland Department of Agriculture, Fisheries and Forestry and ***Nathan Symonds***, Supply Chain Program Manager, Avocados Australia Limited

Introduction

Pack shed visits and the completion of a report card template was undertaken in eighteen avocado pack sheds in all avocado growing regions in Australia. The inspections were undertaken as part of the Qualicado project, an Avocados Australia Limited led project funded by avocado grower levies and matching commonwealth funds through Horticulture Innovation Australia Limited and supported by the Queensland Department Agriculture, Fisheries and Forestry. This project has a goal to improve the quality of avocados at retail level in Australia.

The project aims to identify and promote practices throughout the supply chain which will address the major quality issues at retail level such as:

- Variability in ripening which leads to greater bruising and confusion by the consumer.
- Disease development in ripe fruit.
- Variability in eating quality related to fruit maturity.

The shed visits were arranged by Avocados Australia Ltd and we visited the shed for 1 to 3 hours to assess current handling practices from fruit receival to dispatch. The process was to look at each stage of fruit handling and compare practices against best practice as detailed in an export hazard analysis, (Internal document). An audit checklist was developed but unlike food safety audits this review focussed on practices related to fruit quality (processes, times responsibility, training) and less on evidence of compliance.

An instrumented sphere was also run through fourteen of the pack lines to investigate the number and intensity of impacts likely in an avocado pack line.

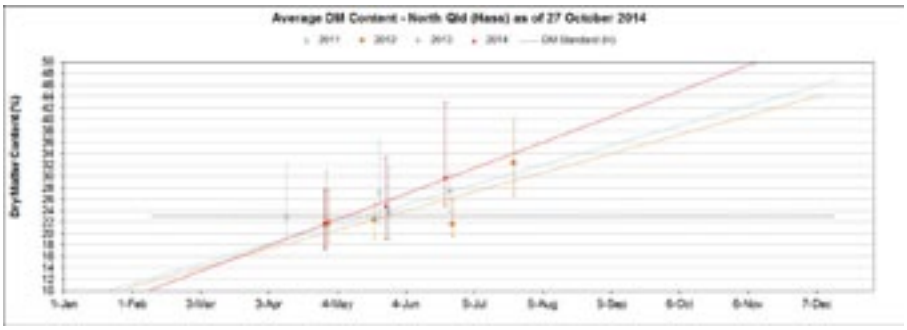
Results and Discussion

We found a large variation in practices across the industry and much of the variation was related to the specific customers of the pack shed, (direct supply to supermarkets, marketing groups and individual stores such as organic outlets) and the scale of operation. Many of the packing operations had developed and modified over many years while two were comparatively new being purpose built.

A range of practices would influence final quality were observed.

Maturity

Maturity is a major determinate of fruit ripening behaviour and eating quality. While nearly all sheds undertook pre picking dry matter tests and in some cases ripening and taste tests, there was little evidence that the fruit being packed was mature. Testing undertaken by the industry has also identified that during the first 8 weeks of picking fruit, maturity levels vary widely and in some cases maturity level falls during the season which is counter intuitive. For example the results for Hass from north Queensland (see below) demonstrate this effect.



A more robust system for pack sheds of checking the maturity of packed fruit where the average maturity and variation of maturity of the sample would assist picking decisions and staff training.

Fungicide Treatments

The use of post-harvest fungicide was limited to 50% of pack sheds although the proportion of fruit treated is much higher. Several sheds had stopped using the chemicals when they no longer need to undertake ICA treatment while others believed the chemicals did not work. In some cases the chemical was not being applied correctly or with too much delay after harvest. Trials (Dann et. al 2011) with prochloraz show a significant and quantitative improvement in disease control. It is suggested from work on the stability of the chemical in solution that the pH and storage time of the solution may be affecting its efficiency (Diczbalis et. al 2009).

Correct application of post-harvest fungicides will reduce the disease incidence in avocados at retail.

Pre cooling and transport temperatures

In the development of an industry best practise manual on avocado ripening (Ledger et al 2011), temperature management during storage prior to packing, after packing and at arrival at ripeners had a huge impact on ripening times and performance. In pre cooling rooms and at ripening rooms the project team measured large variations in temperature depending on pallet position, cooling systems and time in the facilities.

We found great variation in cooling facilities, operation and transport systems. While excellent facilities were observed (forced air cooling and air locks on loading facilities), there was only one facility that had used regular monitoring to establish

Review of Pack Shed Practices Phase 1 continued

that cooling was effective and to optimise handling conditions.

While facilities may always be a limitation to correct temperature management in avocados we recommend a greater emphasis on temperature monitoring to ensure that fruit are dispatched at the correct temperature and storage times.

Mechanical damage

Although the instrumented sphere used in measuring impacts in the systems was not shaped like the fruit studied here, and only limited runs were undertaken, it still was a valuable tool for identifying high impact transfers in the handling systems. It identified where cushioning should be added to bare surfaces, where worn cushioning should be replaced, elevation changes at transfers should be reduced, and fruit flow should be controlled. These changes would help reduce the possibility of damage in each of the avocado mechanical handling systems.

We found that the large purpose built pack lines had some of the fewest significant impacts, some small pack sheds had low impact as the packing lines were smallest. Some of the higher impacts were recorded in pack sheds which had been much modified. This has led to numerous changes in height and width where the fruit is sped up and then receives significant impacts. Careful design is needed in these cases but the impacts can be ameliorated by increased padding and brushes/flaps to slow fruit.

Elevation changes at transfers should be reduced, and fruit flow should be controlled. Bare metal surfaces should be padded.

Staff Training

Staff training is an important component of a quality system, not just in grading and packing but also the processes (such as cooling procedures and checks) needed to deliver quality fruit to the consumer.

We again found a lot of differences between pack sheds. In small sheds there is a very high level of on the job training

and shed supervision, in one case the shed owner inspected each tray packed and oversees all critical operations. In some large sheds an extensive induction program and training was in evidence.

In other cases there appeared to be little use of industry training guides and video training resources. We recommend a greater use of training staff delegation and use of AAL resources for training.

Quality feedback

In common with many industries, feedback on ripe fruit quality is rare and spasmodic. In lieu of this some sheds have developed rudimentary systems of checking ripe fruit quality. This includes retaining one fruit per pack day and retaining third grade fruit for ripening and checking. One shed had a highly developed library tray system, sampling each block packed, the results have the potential to influence marketing decisions and farm management practices.

Unless greater feedback can be assured from the market, we recommend that larger operations need to adopt a rigorous library tray system to closely monitor block quality performance.

Communication

An important part of successful supply chain development is the development of great two way communication through the chain. Successful chains demonstrate commitment to communication between all parts of the chain particularly with consumers. Although this was outside the scope of this study, there was little evidence that communication about key quality determinates such as maturity and temperature history of fruit or ripe fruit performance being communicated in the chain.

We recommend for large operations in particular that real improvements in fruit quality can be expected if improved communication systems are developed.

Conclusion

The shed inspections have given us an insight into the complexity of shed process and the potential for improvement in fruit quality for consumers. As a result of this work we have developed a template of recommendations for small, medium and large operations. These operations are characterised by the size, operation and complexity of management.

Small	Owner packing for limited number of suppliers. High control of staff and processes.
Medium	Includes pack shed expanding to increase number of suppliers and blocks. Some staff delegation.
Large	Direct supermarket suppliers with large number of farms/suppliers. Complex staff management.

Ten recommended practice improvements have been identified that should be communicated and reinforced to industry.

Small	Medium	Large
• Dry matter testing of fruit at receival	• Dry matter testing throughout first 6 weeks of packing.	• Detailed feedback on ripening performance of each block using retention samples.
• Post-harvest fungicide pH adjusted	• Machine improvements/ design to remove impacts equivalent to greater than 100 mm drop	• Staff training using AAL packages
• Fruit probed at dispatch. Transport temperature with 48 hours of receival	• Pre cooling processes driven by temperature results for each cool room and pallet position and room load.	• Pre cooling and transport processes driven by temperature logging results.
• Improved communication in chain		

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Marketing Update

Australia's top chefs let the avocado genie out of the bottle

By Stewart White, Whiteworks Public Relations

"*It's all about being expressive, and ambitious,*" says international super chef Heston Blumenthal about using avocados on menus.

"*It's potentially one of the most versatile pieces of produce you can have. I'm not sure it has ever been better received... it's now taking on something of a new persona.*"

That new persona has been increasingly pushing the envelope in Australian food service at the hands of some of Australia's best chefs hosting exclusive Australian avocado masterclass lunches. These didactic lunch sessions are part of Avocados Australia's Chef Training Program developed to influence the influencers.

The most recent series of masterclasses targeted influential restaurants in Brisbane, Sydney and Melbourne – while also including Perth and Adelaide for the first time.

Each of these inspirational lunches showcased the varied and often eye-opening possibilities for fresh Australian avocados. The menus created by the host chef highlighted the spectrum of avocado uses to encourage attending chefs to widen their avocado recipe repertoires. Each chef who accepted the challenge to host an event clearly extended the boundaries of their culinary bandwidth. The results were spectacular. From canapés and entrées to mains and desserts, avocados were presented as an indispensable, multi functional ingredient and centre plate option. They were skillfully and deliciously presented as much more than an addition to a salad, a wrap or merely an unadorned side ingredient.

A number of key messages were integral to each chef masterclass session:

- By thinking outside the "guacamole/wrap/salad" square, avocados can easily and creatively be incorporated across the whole menu. Get more avocados on the menu.
- Australian avocados have infinite culinary possibilities from casual to fine dining and everything in between. Get more avocados on the menu.
- Discover each common variety's nuances, tips on storage and handling, while debunking myths.
- They are virtually unconditionally loved by consumers. Statistics show Australians as the highest consumers of avocado per capita of any English speaking country, eating around 2.7 kilograms of avocado per person annually. So Australian avocados are an easy menu "sell".
- Dining patrons are predisposed to paying a premium for avocados – which spotlights the potential of increasing plate profits for a venue when specifically mentioning avocados as a plate item. Avocados can be profitable.
- Australian avocados have an inherent range of health properties and are under-utilised as alternative substitute ingredients for the likes of diabetics, lactose intolerance, Irritable Bowel Syndrome (IBS), etc.

Mark Jensen from 'Red Lantern on Riley' preparing an avocado sensory plate.

The highly awarded Stephen Clarke of Clarkes of North Beach in Perth fired the opening shot of the restaurant program when he unleashed his unique take on cooking with fresh Australian avocados.

Hayden McFarland and Thomas Woods performed green alchemy in Melbourne at the new, highly awaited Woodland House, with the flow of avocado creative juices continuing with Ryan Squires letting loose in Brisbane at top restaurant Esquire.

Ayhan Erkoc let the green genie out of the bottle at Celsius Restaurant and Bar in Adelaide and then in Sydney's Red Lantern on Riley, Mark Jensen combined his classical training and Vietnamese savvyness for a special take on the global versatility of fresh Australian avocados.

Avocado congee 'Red Lantern' style by Sydney Chef Mark Jensen.

The 'Red Lantern on Riley' create pickled avocado with wild boar.

Australian avocado masterclass light bulb moments

Mark Jensen, co-owner/chef (with celebrity chef Luke Nguyen) of Sydney's premier Vietnamese restaurant Red Lantern on Riley, conducted a dazzling Australian avocado masterclass. He fully exploited Vietnamese culinary thinking on avocados, producing a sequence of sensory revelations for the attending chefs. His menu was a true, modern revival and lateral, cultural take on avocados as a unique and versatile ingredient.

While Vietnam uses avocados as a sweet offering - as it is used in much of South East Asia (and Brazil) - the notion of grated unripe avocados similar to the texture of green mango or papaya salad was reinvented as a show-stopping avocado and chicken congee. Freshness, flavour and textural X Factor.

This was followed by bánh bao (steamed bun) with lobster and Vietnamese salad, then wild boar, shrimp paste, lemongrass and chilli with a pickled avocado and radish salad and finished with a take on the classic Vietnamese avocado shake (sinh to bo) with an avocado coconut shake, mung bean cake, avocado ice cream with condensed milk crumb. As each dish came out, the light bulbs clicked on in the eyes of the attending chefs. It was a palpable epicurean epiphany.

Co-owners and co-executive chefs Hayden McFarland and Thomas Woods of Woodland House, turned up the avocado volume for the Melbourne Chef's masterclass lunch. The strongly awaited event was held less than a year after the two had

Melbourne's 'Woodland House' hosted the Melbourne Chef's masterclass lunch.

Chefs from Melbourne's 'Woodland House' in action creating a dish inspired by Australian avocados.

Marketing Update continued

Innovators at Brisbane's 'Esquire' pair alternative ingredients with avocado.

Ryan Squires from 'Esquire' in Brisbane.

assumed the reins and residency of the legendary, former three hat, Jacques Reymond site where they had worked for the past few years. The duo devised a thought-provoking four course menu that saw avocados dance nimbly and proactively in both lead and supporting roles in the epitome of the finest of fine dining restaurants.

Ryan Squires the chef behind Brisbane's Esquire, the only Queensland Restaurant to be awarded a coveted Three Hats in the Good Food Guide Awards (and two years running), kept it simple...and elegant. Five courses of working local avocado judiciously with flavours and textures from dried, smoked wild Northern Territory buffalo to lambs tongue and house made wagyu pastrami. "Simple things...nice and easy"...even if it did take three weeks to make from scratch.

Perth chefs descended on the multi award-winning beach side restaurant Clarkes of North Beach for a four course Australian avocado lunch. Designed by nationally acclaimed executive chef and owner Stephen Clarke it resoundingly ignited avocado light bulb moments among the gathered guests. The menu both demonstrated thoughtfulness in the challenge to think outside the square with avocados - and showed a deft and whimsical hand that delivered a seamless progression of colour, flavours and textures across the dishes. From an opening palate-jolting avocado and citrus smoothie the menu progressed through classic shellfish avocado marriages to avocado dancing through goat three ways. The parting shot was a fun and playful kaleidoscopic use of avocados in a range of dessert styles.

Adelaide's award winning Celsius Restaurant and Bar turned up the heat for an inspiring chefs masterclass lunch at the creative hands of co-owner and two times Chef of the Year Ayhan Erkoc. He showcased a modern revival of the avocado, putting fresh Australian avocados through their paces in a thought provoking

An avocado creation from 'Clarkes of North Beach' Perth.

An avocado cocktail.

four course avocado menu that gave a nod to some molecular gastronomy principals while maintaining the integrity of the ingredients. The chefs who attended experienced why avocados are a unique and appealing ingredient that is sympathetic with so many other ingredients and kitchen techniques - and why they are so much more than a load of guacamole.

Each session was captured on video, scripted and produced for the Australian Avocado website's Professional Food Service section and on-line food service portals. The dishes, the menus, the chefs, the guests, the bustle and the attentive and visibly thoughtful tastings moments are all captured.

In addition to the qualitative first-hand room observations and conversations with the attending chef guests, each guest completed a survey that reconfirmed contact details and gauged the success of the session.

Attendees where asked about the quality of avocados from their suppliers, how often they currently used avocados and what sort of impediments affected their use of avocados. They were double checked in subsequent questions asking what elements of the session were most appealing. Invariably the 'new recipe ideas' answer was nominated which confirmed their previous lack of inspiration and creative engagement with Australian avocados. Additionally, they indicated their intent to use more avocados and try different recipes and usages in future – and to nominate their favourite dish from the session.

The survey results indicated that the calibre of the presenters, along with new recipe ideas and handling and storage tips are the three top responses of attendees following a masterclass.

Importantly on average, 90% of attendees indicated they were more likely to feature a new avocado dish on the menu and deemed the sessions 'excellent'; 82% indicated that they were more likely to use avocados more frequently on the menu and 71.9% indicated that they were more likely to use avocados in warm dishes. The exit surveys also recorded that 73% of respondents rated their avocado supply as very good.

In all categories of the food service masterclasses (clubs, pubs, 4/5 star hotels, commercial caterers, TAFEs) including those targeted as restaurant chefs, there was an element of repeat attendants from previous sessions as well as peer referrals to attend.

Australian avocados consistently have been gaining greater traction on menus. Weekend newspapers have featured their incumbent celebrity chef's avocado recipes in a case of influencing the influencers as they influence consumers. One venue which attended one of the masterclasses even boasts an avocado dish with a matching avocado cocktail on its current menu.

News from Around the World

News from Around the World contains reproduced articles that have been published by various international news sources.

Increasing avocado consumption in China

If you happen to visit China and visit your local supermarket, chances are you will not find an avocado display in the produce department. Even Western owned retailers with branches in China may only have a token few pieces of fruit for an expat customer. But generally, it is very difficult for Chinese consumers to find avocados, let alone know how to eat one. That was until Lantao and Mission teamed up to help increase the convenience for Chinese consumers to find and use avocados in their regular diets.

Before Mission and Lantao teamed, China's avocado market had yet to be developed and most avocados were shipped and marketed to some large hotels with foreign cooks in the major cities such as Beijing, Shanghai and Guangzhou. Very few Chinese consumers understood how to open and eat the fruit, let alone know the nutritional value of avocados.

This is clearly described in a YouTube video entitled "Do people from China like avocados?" which shows a Chinese person in a restaurant unwittingly being introduced to the fruit for the first time.

Clearly, Mission Avocado saw the huge potential of China's market potential after seeing a similar situation with the Japan market. Ron Araiza, Vice President of Sales for Mission Produce explained "We saw a similar situation with Japanese consumers when we entered their market. Though they knew relatively little about avocados, their culture was big on giving fruit as gifts and eating fruit for health, which is a similar environment for fruit with Chinese consumers. So we figured it was a good bet that China was a great growth opportunity for us just like Japan has been."

The challenge was how to reach 1.3 billion Chinese consumers where 80% of shoppers still purchase their fruits and vegetables on a daily basis from traditional markets like fruit stands, push carts, farmer's markets and small wet markets in China's various cities. Supermarkets are getting a great share of the retails dollar in certain categories, but fresh fruit and vegetables is not one of them. The sales trend for fresh fruits is actually in the other direction with sales to traditional markets and fruit shops increasing over supermarkets.

John Wang, CEO of Lantao and his team got feedback from their customers and learned the best way to teach Chinese consumers about avocados is to provide point-of-purchase material to the traditional markets to help the store vendors and the consumers

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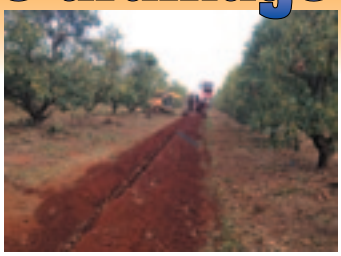

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learn nutritional information, recipes and usage tips for the fruit. "We came up with a flag campaign" said Wang. "Promotional flags were distributed with each box of fruit that we sold so the fruits stands and markets could display information about avocados. The flags included a QR code, which is a popular way for Chinese consumers to get information or redeem promotions and coupons.

The QR Code links consumers to Lantao's WeChat platform for providing information and direct fruit sales to consumers. Jim Provost, Vice President of North American Sourcing for Lantao told us that social networking is a new and important way we are getting information to the consumer and increasing sales.

In China 900 million people have cell phones, of which 60 to 70 percent have capability for WeChat technology. WeChat now has 396 million monthly active users, a rise of 40 million since the end of last year. Consumers are introduced to our store front through the QR codes from our promotions, or are introduced by friends.

"Lantao set up store fronts in each city we work in, said Provost "so it allows for closer connection to our consumers and enables us to reach consumers in 2nd and even 3rd tier cities in China. When consumers place orders on our platform, they have options for delivery, or they can pick up at centralized locations. Payment is through a system similar to PayPal."

As a result of the joint promotion between Mission and Lantao, avocado sales have increased by 15% since the promotion started in September last year.

Source: http://www.freshplaza.com

Chinese free-trade agreement opens door to exports

In November last year Australia's Prime Minister Tony Abbott and Chinese President Xi Jinping signed a memorandum of understanding in Canberra on an Australia-China free-trade agreement, aimed at strengthening Australia's relationship with its biggest trading partner.

According to Weeklytimesnow.com.au Tony Abbott was said to have won a dramatic increase in market access for Australian farmers, services and manufacturers in a trade deal estimated to be worth at least $18 billion over a decade that maintains full scrutiny of investments by Chinese state-owned enterprises.

Mr Xi addressed parliament and visited Tasmania to inspect agricultural operations expected to receive a significant boost in Chinese investment as part of the agreement.

Under the deal, 85 per cent of all Australian exports will enter China tariff-free.

This is expected to rise to 93 per cent within four years and 95 per cent when the deal is fully in force in more than a decade.

The deal has put to one side any changes to contentious issues, such as the requirement that all Chinese state-owned enterprise investments in Australia are subject to Foreign Investment Review Board approval, and increased access to the Chinese market for Australian rice, sugar, wheat and cotton.

These issues will be revisited in three years when the deal is reviewed by both governments.

The deal will ease the concerns of some coalminers; the newly imposed 3 per cent tariff on coking coal exports worth $6bn will be abolished as soon as the agreement takes effect. But surprisingly, the 6 per cent tariff on thermal and other coal will be phased out over two years instead of immediately.

As revealed by The Australian, the deal, negotiated by Trade Minister Andrew Robb after agreements with Japan and South Korea, provides new opportunities for Australian services and phases down tariffs on metals, resources exports and agricultural products.

The wool quota will be increased and tariffs will be phased down over four years on a range of horticultural exports from mangoes to nuts and potatoes.

The deal is said to allow direct investment in China by hotel and tourism operations in Chinese hotels and restaurants. Australian health and aged-care providers will be allowed to own Chinese hospitals and aged-care facilities.

Australia held the line on its requirement that all investments by state-owned enterprises be examined by the Foreign Investment Review Board (FIRB), despite China's request for an exemption. In turn China has held firm against increased access for Australian rice, sugar, wheat and cotton.

However, Australia has lifted the threshold for FIRB review of investment by privately held Chinese firms from $248 million to $1.087bn in line with concessions in other such deals. The agreement with China allows room for Australia to impose a $15m FIRB threshold for agricultural land and a $53m threshold for agribusiness.

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The deal will include some relaxing of the threshold for the size of projects that will be able to import Chinese labour.

But in line with existing regulations, Chinese companies conducting major projects in Australia will have to prove there is a skills shortage and will be required to give imported Chinese workers Australian wages and conditions.

This deal comes after 10 years of negotiations with China and gives the government a trifecta of trade agreements this year, after the deals with Japan and South Korea.

It will cement China's relationship as Australia's biggest trading partner, with two-way trade worth more than $150bn a year.

Initial feasibility studies for an agreement with China indicated a deal would increase the size of the Australian economy by $18bn over a decade. However, this figure is now seen as "conservative".

It has also been said that the deal will dramatically expand opportunities for bankers, insurance companies and legal firms. Banks will gain increased transparency and streamlining in financial services licence applications, including reduced approval times for firms wanting to trade in the Chinese currency.

Legal firms will be able to establish commercial operations in the Shanghai free-trade zone that will be allowed to service the whole of China.

According to The Australian the deal will eliminate tariffs on 99.9 per cent of resources exports to China when it is fully implemented.

Source: Weeklytimesnow.com.au

Big Mexican avocado volumes on tap for Super Bowl

Avocado shippers expect abundant supplies of high quality fruit for Super Bowl promotions.

"We anticipate that Mexico will carry the load with the majority of volume for the Super Bowl," said Ron Araiza, vice president of sales for Oxnard, Calif.-based Mission Produce. "Mexico has a very, very large crop."

Rob Wedin, vice president of sales and marketing for Santa Paula, California-based Calavo Growers Inc, agreed.

"The forecast is for really strong volumes from Mexico for the 2 1/2 weeks before Super Bowl."

Volumes in those weeks will likely be about 30% higher than in a normal week, Wedin said.

Quality should be excellent, with Mexican fruit starting to hit its peak, Araiza said.

"It's a time of year when Mexico has very good maturity."

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Mexican shippers are expected to send 42 million to 45 million pounds of avocados per week to the U.S. in the weeks immediately preceding the Super Bowl, which is set for Feb. 1 at University of Phoenix Stadium in Glendale, Ariz., Araiza said.

"We could see more volume than ever before, and we're looking at unprecedented promotions. It could be close to a record."

With TV ads and other promotions scheduled industry-wide for the Super Bowl, shippers shouldn't have any trouble moving all that fruit, Araiza said.

"It's a good time to be in the avocado industry."

With the Hass Avocado Board and Avocados from Mexico working hard on promotions for the Super Bowl, growers like Calavo can focus on "execution," Wedin said — packing and shipping the best product possible.

Cinco de Mayo and even the Fourth of July are gaining in popularity for avocado sales, but the Super Bowl still ranks No. 1, Araiza said.

In addition to good quality, Araiza expects good sizing from Mexico for Super Bowl promotions.

"Sizes should be peaking on 48s, and there should also be enough 40s and 60s to promote."

Wedin said there were periods early in the 2014-15 deal when it was hard to come by large or small sizes, but by early December sizing was more predictable, and he expected that to continue in the run-up to the Super Bowl.

"Things are falling into a reasonable balance."

California will be a small player in the deal, with about 2 million pounds per week shipping in January, Araiza said.

California is getting off to an earlier start in 2015, Wedin said, but he agreed with Araiza that its impact on Super Bowl volumes would be minimal.

Source: www.thepacker.com

Mexico: Chiapas, first in organic production

The Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) confirmed that, after having a steady growth in the last 15 years (1999-2014), Chiapas ranked first in the production of organic food in Mexico.

Currently this production represents annual revenues of US $400 million, and their coffee, honey, cocoa, avocado, mango, pineapple and banana are the most sought after in the market.

Tatiana Ramos, specialist in food production, explained that Chiapas has positioned itself as it has complied with the Law for

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Key contacts:

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Grower Member Application Form continued

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the Promotion and Regulation of Organic Products.

This rule developed agricultural production in a way that is harmonious with the environment, that conserves natural resources in the long term, and that contributes to preserving biodiversity without using or generating pollutants into the environment. It also created a certification agency that evaluates the product or production unit, which helped to boost this sector.

Proof of this is that, in late 2013, the state had 50,000 hectares devoted to organic production and became, along with Oaxaca, the main producers of organic food in the country, as they had 70% of the total organic area in the country.

The most sought after organic Mexican crops are coffee, honey, cocoa, avocado, mango, pineapple, banana, orange, sesame, corn, prickly pear, vanilla, milk and its derivatives, egg and herbs, plus some processed products such as meats and sausages, juice, biscuits and jams.

Thus, according to statistics from SAGARPA, Mexico exports 85 percent of its organic production and Chiapas ranks first with 24 percent, followed by Oaxaca, Querétaro, Guerrero, Tabasco, Sinaloa, Michoacán and Jalisco.

Source: culturaorganica.com

Peru: Exports to EU total US$5 billion

The Peruvian Exporters Association (Adex) announced the majority of the amount of exports to the European Union were shipments of Peruvian agricultural products.

More than minerals, agricultural products topped the lists of exported products out of Peru and into the E.U. Last year, products exported amounted to a total worth of US$5,192,500,000.

Adex explained that despite the economic crisis currently hitting Europe, the trade agreement made in March 2013 has been upheld and helped the Peruvian market advance into other regions such as Malta and Sweden. Respectively, those countries received US$ 135,000 and US$ 500,000 worth of quinoa shipments.

Furthermore, total exports fell 10.6% due to the decrease in traditional commodities, such as copper. As non-traditional exports, such as food, increased 20%, the traditional products fell 21.9%.

The top of the list of agricultural products included avocados, cacao beans, canned asparagus, quinoa, squid, fresh asparagus, mangoes, shellfish, bananas, and grapes.

Receiving the highest amount of Peruvian products was Spain, followed by Germany, the Netherlands, Italy, Belgium, the UK, and France.

In Luxembourg and Estonia, cocoa exports rose 711% and 407% respectively; meanwhile, Peruvian sardines to Romania rose an astonishing 1,082%.

Source: peruthisweek.com

Spain: Axarfruit to sell 10 million kilos of organic fruit in 2015

Axarfruit already exports to almost all countries of central and northern Europe. 95% of its production in 2014, around five million kilos of mangoes, avocados, lemons, grapefruit and mandarins, all organic except for one lemon provider, was consumed in Europe. In 2015, the company expects to reach ten million kilos. "But if we only do eight, those eight must be good," stresses manager Álvaro Martínez.

Martínez says that they currently receive more demand for fruit than they can cover. The fruit remains in storage for up to four days at most. "Our job is currently more focused on organising than on storing."

The main client is Europe. In Austria, France, Germany, Belgium and Denmark organic products are appreciated and good prices are paid. And Spanish produce, which in the case of tropical fruit comes almost exclusively from Malaga, is also appreciated, because it arrives fresh. Data from the Andalusian Government reveals that fruit represents around 10% of the value of the province's exports, and the continued growth of its mango and avocado production has had plenty to do with this.

Strong exports of organic products also have a downside: the low demand in Spain, for which there are no changes in sight. Mentality and prices are at the root of this problem, according to Calvo. "If you want to purchase a kilo of oranges and you can pay 30 cents instead of 80/90 cents, you will pay 30 cents, even if it contains pesticides." For Axarfruit, there is no argument possible and they expect their production to be 100% organic in the short term. "Growers also say that switching to organic is going back to basics, to obtain tomatoes with a flavour comparable to those grown 50 years ago."

Axarfruit was created with the goal of marketing organic produce and doing away with intermediaries, thereby preventing market prices from being up to four times higher than prices at origin. Now the firm is both a producer and marketer. "The most important thing is not to sell, but to have fruit to sell. If you don't look after the grower, you won't have fruit to sell."

Source: www.freshplaza.com

In 2014 South Africa forecast its largest avocado crop to date

The South African avocado industry announced last year that it was expecting a healthy export crop of around 58,000 tonnes. The first shipments arrived in Europe towards the end of March and the season continued through to the end of October.

Avocado consumption in the European market is growing. In 2003, total consumption was 145,000 tonnes.

In 2013 consumption was 279,000 tonnes. It is expected that this growth trend will continue in Europe where per capita consumption levels (0.56 kg/person/year) are still way below the USA (2.4 kg/person/year).

Source: www.freshplaza.com

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