

QUARTERLY PROGRESS SUMMARY: July – September 2016

New Zealand Avocados Go Global

Background

The New Zealand Avocados Go Global programme began in June 2014 with five key objectives: market entry and growth; consistent and sustainable supply; efficient supply chain; products from waste; and Information transfer and adoption. This is a five year programme with a vision that by 2023 an integrated New Zealand avocado industry will deliver NZ\$ 280m annually in net sales and have tripled productivity to 12 tonnes per hectare.

Summary of progress

Market entry and growth

- The New Zealand market continues to have a 17% year on year increase and has reached a value of \$41m
- NZ Avocado has worked with marketers to further develop the New Zealand Avocados Amazing Anytime PGP promotions theme through television and magazine advertising, supermarket avocado sampling, events and social media activity.
- The New Zealand Avocado consumer website has also been updated to reflect the themes and colours of the PGP Amazing Anytime promotions theme
- Export demand of avocados to South Korea have increased threefold from last season and programme partners are continuing with supply chain education programmes in Singapore and Korea along with in-market promotion and education in Thailand.
- Industry representatives travelled to Asia Fruit Logistica and along with the PGP Steering group chair attended a China market insight tour and the China International Fruit and Vegetable Fair (CIFVF).
- NZ Avocado continues to work with exporters to identify consumer and market research needs across priority growth markets and future opportunities in China.
- Research continues to determine the nutritional composition of the New Zealand grown Hass Avocado.



Point of sale material for NZ Supermarkets

Consistent and sustainable supply

- Well attended field days covered the relationship between tree stress and productivity, pruning strategies and the harvest results from the new cultivar trials.
- Interactive workshops aimed to answer important questions around what information is needed to support decision making on the orchard and a forum for growers to discuss the main factors limiting production within their orchard.
- A new working group has been formed in the Bay of Plenty to investigate clonal rootstocks in virgin soil and polliniser efficiency.
- The Tree decline working groups have completed their spring monitoring in the Far North and Bay of Plenty.
- Soil moisture monitoring equipment has been installed in orchards in the Far North and Whangarei to better match irrigation use with tree demands.



Spring assessment of tree decline orchards in the Far North

Efficient supply chain

- A review is underway of the industry's compliance and administrative systems including the AvoGreen (monitoring and spray use) and clearance to pick functions that involve stakeholders across the entire supply chain.
- Online training has been investigated and will help raise the level of competency across a number of industry systems.
- NZ Avocado is working alongside MPI and other horticulture sectors to agree on a sector-wide approach to Food Safety which will shape the future of the AIC food Safety and other export compliance programmes.



Canopy Management WG visiting the MBIE pruning to balance trial

Products from waste

- Work continues to develop a relationship with Callaghan Innovation and commercial processors to continue research into understanding the properties of seed extracts and their composition.

Information transfer and adoption

- An approach to developing the information portal is being drafted by an IT provider with priority tasks including a CRM, Member Portal and dashboard and a range of business improvements comprising spray diary and administrative upgrades.
- Market updates continue to be presented to industry through field days, Grower forums and published industry communications.
- Training events have now been planned alongside industry professionals and Irrigation NZ to deliver information on irrigation management and associated resource consent processes.

Key highlights and achievements

Programme-wide highlights

- Industry crop estimates for the season ahead is for 7.1m trays – near double the volume available last season. This will result in high (and challenging) volumes in the NZ market and well over 5m trays available for export to 11 countries.
- Marketing and supply initiatives through the Go Global programme continue to enable strong collaboration, information sharing and jointly implemented promotional activities.

Collaboration with other PGP programmes

- PGP programme managers and Steering Group Chairs workshop allowed for good discussions on how programmes communicate with co-investors and how Investment Managers and those involved in the PGP programmes can take advantage of the various resources.
- Regular contact with other horticulture sectors to understand the collaborative opportunities as they develop their own IT and industry Management Systems.

Upcoming

- Tier 1 markets are performing strongly with South Korea in particular showing an increase in demand that is enabling a 200% increase in export volumes compared to the previous season.
- PGP is enabling new consumer promotions activity in Thailand and Singapore focussing on building an audience through digital marketing and social media.
- The new research working group that has been formed in the Bay of Plenty will be working to develop practices that growers can trial on their orchards.
- The development of an RFP for the industry information portal will be completed in the new year and is now incorporating some of the needs of the supply chain Objective around industry compliance.

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$208,957	\$208,957	417,915
Programme To Date	\$1,222,826	\$1,222,826	\$2,445,653