

QUARTERLY PROGRESS SUMMARY: October – December 2016

New Zealand Avocados Go Global

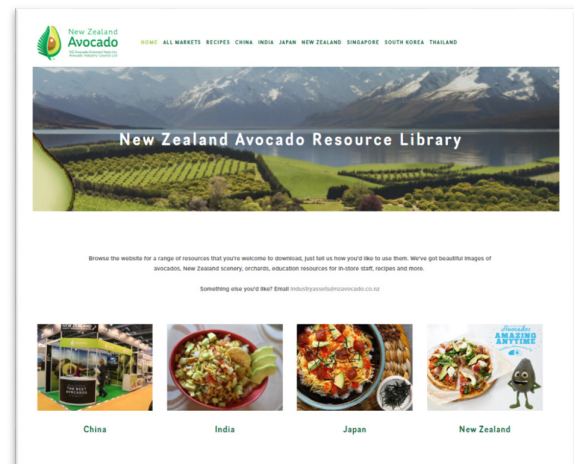
Background

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

- Significant success in the digital marketing space in Asian and NZ markets with PGP themes and imagery used through television and magazine advertising, supermarket avocado sampling events and social media activity.
- Followers of New Zealand avocado social media in Asia have tripled since the start of the season, with 19,000 followers across Japan, Korea, Thailand and Singapore.
- Programme co-investor partners are continuing with supply chain education programmes in Singapore and Korea along with in-market promotion and education in Thailand.
- Local language websites to support in-market promotions which provide recipes and tell the story of Premium Avocados from New Zealand have been developed for Korea, Thailand and Singapore, and a website for Japan is underway.
- Euromonitor International has been commissioned by NZ Avocado to provide a market and consumer insights report into imported avocado consumption in China, focussing specifically on Shanghai.
- A secure online library of promotion and education resources for exporters and New Zealand marketers has been developed to facilitate the distribution of category story resources and drive increased uptake and usage from industry stakeholders.



Consistent and sustainable supply

- Field days held in collaboration with the post-harvest sector covered a broad number of topics including pollination, including an update from the MBIE Bee- to Bee+ project from the Research team at Plant and Food Research and how to audit hives from Assure Quality; pruning strategies in order to maximise productivity, sharing the latest harvest results from the new cultivar trials and a discussion on the effects of the excess soil moisture experienced during the consistent rain during spring.
- The first of the Whangarei interactive discussion groups provided good contact with growers and helped to facilitate discussion about the research being done
- Members of a newly formed extension team made up from industry consultants and grower liaisons are contributing feedback to PGP projects/trials and helping to extend new knowledge through their exiting connections to growers.

Efficient supply chain

- The Avogreen manual has been updated and with future plans to allow growers to complete on-line training and assessments for the theory elements of AvoGreen will help meet the compliance goals of the industry's IPM programme.
- Additional consultation with post-harvest administrators have confirmed the need for spray diary enhancements to include a real-time clearance-to-pick function to bring precision to the status of fruit residues and maturity, AvoGreen compliance and export registration. An online solution to this has been presented by an IT developer and the build of this system will take place over 2017.
- NZ Avocado continues to work alongside MPI and other horticulture sectors to agree on a sector-wide approach to Food Safety assurances which will shape the future of the AIC food Safety and other export compliance programmes.

Products from waste

- With a number of commercial interests that are still being navigated through this project is increasing in scope to look at the broader 'Value Add' opportunities across the processing/waste sector of the avocado industry.
- A high level evaluation is planned to investigate the opportunities of producing by-products from processing grade avocados to understand how value add opportunities can be found within NZ rather than by offshore processing.

Information transfer and adoption

- A CRM/online solution has been presented to industry that will help NZ Avocado input, analysis and deliver industry information while facilitating growers and the post-harvest sectors commercial interactions and compliance requirements while helping NZ Avocado to manage industry relationships and data.
- Well attended events have now been held alongside industry professionals/consultants covering on-orchard management including spray and irrigation best practice. A team of consultants nominated to assist in industry extension work have been continuing to deliver the messaging from the events through their growers/post-harvest networks.

Key highlights and achievements

Programme-wide highlights

- The external review of the New Zealand Avocado Go Global PGP programme concluded in December. The review was very positive and involved over 30 interviews with those involved in the governance, management and execution of the PGP programme. The report acknowledged that the programme has already made a significant contribution to the industry. Demand in all markets has been strong with the Australian market demand outstripping supply creating a very fast flow through of avocados from New Zealand, even though western Australian crop volumes were also good.
- Industry are collaborating across the supply chain to undertake dedicated research to understand the pre and post-harvest factors that may influence or exacerbate post-harvest damage and fruit rot expression in market.
- Marketing and supply initiatives through the Go Global programme continue to enable strong collaboration, information sharing and jointly implemented promotional activities. Industry working groups are guiding marketers and retailers approach to supply chain education and consumer education. AVEC, the avocado exporter council, has appointed an Independent Chair to lead commercial discussions between competing exporters to deliver best value to the industry.

Collaboration with other PGP programmes

- Regular contact with other horticulture sectors to understand the collaborative opportunities as they develop their own IT and industry Management Systems.
- A number of meetings with other industry groups who are currently writing PGP business cases. Many aims and outcome sought by these new horticultures related PGP's will have direct relevance to the enduring goals of the Go Global strategy.

Upcoming

- Refinement of the digital promotions strategy to increase digital presence and ensure plans are in place to have all priority markets have a local website, social media and up to date consumer and market research.
- Further engagement with influencers in each market to help tell our story and to build the health and fitness benefits of avocados through avocado recipes, videos and live promotion events.
- Communication strategy to promote the nutrient properties of avocados resulting from the nutrition research that was undertaken in 2016.
- Continue with new cultivar, tree decline and canopy management analysis work with associated working groups in each region and develop case studies to highlight novel approaches to orchard management.
- Redevelopment of the industry spray diary into a comprehensive Orchard Diary system.
- Development of best practise to mitigate rots throughout the supply chain from orchard to market including research into industry rots and the post-harvest systems that influence in-market quality.
- Document approach and commission IT developers to begin the build of an industry data management solution for late 2017.

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$188,068	\$188,068	\$376,135
Programme To Date	\$1,410,892	\$1,410,892	\$2,821,788