

QUARTERLY PROGRESS SUMMARY: January – March 2017

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

- Local language websites developed and initiated in Thailand, Singapore and Japan
- Facebook, Instagram and Line promotions undertaken in Thailand, Singapore, Japan and Korea.
- Social media global following has more than doubled during the season from 19k followers in Sept 2016 to 45k followers now.
- New digital advertising in New Zealand reached 1 million views per month and increased average number of visitors to nzavocado.co.nz from 8k to 12k visitors per month.
- Euromonitor International has now completed research on avocado insights in China to provide market and consumer insights from avocado importers, retailers, consumers.
- Japan continues to perform as a priority market with export volumes up over 50% and strategic investment continues in South Korea with avocado consumption up 161%



Consistent and sustainable supply

- Field days both in the Bay of Plenty and Northland have been well attended with PGP Working group members presenting on their orchards
- A newly formed grower liaison/consultant group is now helping to extend research findings out to growers.
- Irrigation, spray, pruning and small trees/high density workshops were very well attended by both growers and industry consultants.
- Whangarei discussion groups are providing a good opportunity for direct interaction with growers through interactive workshops that facilitate discussion about PGP research.
- Autumn assessments for Whangarei New Cultivars orchards to get underway along with maturity monitoring for Autumn set Carmen in Whangarei and Far North.
- Tree decline working group members have been busy installing weather stations in the regions and helping to facilitate wider group discussions



Efficient supply chain

- The Packer Forum meeting held in March helped to shape some of the research and supply chain initiatives that will be put to the test in the season ahead
- The Avogreen (industry IPM) manual has been finalised and the seasons AvoGreen training courses have begun to be rolled out in all regions
- Resources have been dedicated to post harvest fruit quality with a work plan established aiming to have all growers well educated about the short and long term impact on quality, sustainability and profitability of using fungicides in avocado production.

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 series of meeting with different IT service providers has resulted in some key decisions being made on how industry could best manage their relationships and data management to provide an online solution for growers and the post-harvest sectors commercial interactions and compliance requirements.
- NZ Avocado now holds 8 years' worth of industry benchmarking data and are looking at what software or IT application is best suited to manage and interrogate this in order to deliver reporting back to industry.

Key highlights and achievements

- The industry has now completed its biggest year ever – both in terms of value and volume, with a record value of over \$193M and well on the way to the \$280m PGP goal set for 2023.
- Research groups are meeting more regularly and working group members are being utilised beyond their core functions as they coordinate much larger grower discussion groups throughout the regions on a regular basis.
- 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

- Regular contact with other horticulture sectors to understand any collaborative opportunities as they develop their own IT and industry Management Systems.
- Discussions are starting with other PGP programmes who also have a focus on research extension to producers.

Upcoming

- Recommendations from the PGP review to focus on postharvest rots has been actioned and has resulted in NZ Avocado employing a dedicated project manager for six months that will bring together past research to develop best practice messaging in order to create a long term, industry wide, rot strategy alongside our supply chain partners.
- Workshops arranged and key decisions are imminent regarding the communication portal in the upcoming quarter, with meetings set with IT developers to finalise a direction, cost and scope for the build of the CRM and associated AvoHub applications.
- 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
- 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.

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$278,944.50	\$278,944.50	\$557,889.00
Programme To Date	\$1,689,839.00	\$1,689,839.00	\$3,379,678.00

End of season media release

On the way to meet audacious goals - Growers rewarded with record New Zealand avocado season

TAURANGA, 17 May 2017: The New Zealand avocado industry has just reported its highest value ever with avocados sales reaching \$198m, an increase of \$64m on last season and \$62m higher than the previous record of \$136m in 2013-14.

Volume too was a record 7.7 million trays in the 2016-17 season - an 84% increase on last season.

The season saw significant increases in demand across all markets, with Australia remaining the industry's largest market with an almost insatiable consumer demand. Over 70% of New Zealand avocados are exported with the remaining avocados sold in New Zealand. New Zealanders too are finding more and tastier ways to use avocados, and starting to add them regularly to their shopping basket.

Jen Scouler, Chief Executive of NZ Avocado, says the industry's Primary Growth Partnership programme: NZ Avocados Go Global, has provided a major boost to the sector.

"We are part of an industry that has gone from \$70m in value in 2013 to an impressive \$200m in 2017. The Go Global programme gave us the platform as an industry to develop a strategy with audacious goals of quadrupling sales and trebling productivity in ten years. That strategy, and Crown investment has been implemented and resulted in fantastic growth in value right across the supply chain" says Scouler.

"The independent review of the NZ Avocados Go Global programme said the five-year programme had made a major contribution to the New Zealand avocado industry," says Scouler.

"The review noted that we've achieved a step change in the way the industry operates and it's now a much more trusting, collaborative, cohesive, communicative and co-ordinated industry, with a correspondingly greater public profile."

Alistair Petrie, Chair of the Avocado Exporter Council says that "We saw a superb increase in demand that was matched by excellent planning and supply from harvest through to delivery to customers in market. Versatility, health benefits and the amazing taste of avocados are the key drivers for that demand."

Ashby Whitehead, Chair of NZ Avocado, says the industry is in the best state it has been for many years.

"With the huge increase in value from avocados and much higher visibility of the global opportunities, we are seeing strong growth throughout the industry. Demand for new trees has resulted in a near trebling of production at nurseries, large commercial investors in Northland are converting dairy farms to avocado orchards and smaller orchards are maximising the productivity of their orchards. Growers will be very happy with their returns and are looking at further investment. It's a very exciting time to be in the New Zealand avocado industry."