



news alert

Taking our foot off the pedal

AVOCO is easing back on the volume of fruit entering the fragile Australian market in a bid to secure stability.

Market conditions in Australia have softened due to slow consumer demand and a late surge of Australian domestic product. The combined volume of New Zealand and Australian fruit is pushing the market beyond its current capabilities. AVOCO must urgently address this issue by modifying our production.

AVOCO and other New Zealand exporters are pulling back on harvest to allow for older fruit to be sold, leaving the market to clean-up what's left.

This week, the AVOCO marketing team advised our packers of a 20% reduction in export packing over the next two to three weeks. We expect and hope this cutback will allow us to return to our planned volumes after this period. If we were to keep on packing at our current speed, the

Australian wholesale market would without doubt collapse in value and this is a far greater loss for growers than a 20% reduction in harvest in the short term.

The purple line in the Infocado flow chart below clearly shows the peak in volumes entering the market which is well in excess of previous years' volumes for the same period. We will advise AVOCO growers when this situation has been averted.

Monitoring in Asia reveals these markets are tracking well. Good prices have been generated and feedback on the quality of our fruit has been positive. AVOCO will not be cutting back on AVANZA marketing plans in Asia.

We ask that you support your packers in making sure we protect our market by managing our flow plan. This is being done to protect you and your fellow growers from market collapse.

AVOCO MARKETING TEAM

Infocado - Arrival Data

Volume into Australia from AUS & NZ. 2014-15, 2015-16 & 2016-17

