

avoco news



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Director's Review

Responding to market demand

AVOCO's success lies in remaining consumer-focussed and market driven, says AVOCO directors JOHN CARROLL and ALISTAIR YOUNG.

The recent international avocado conference, hosted in Tauranga, was the perfect opportunity to celebrate our industry and challenge ourselves to build on our successes. As your export market leader, we were proud to be the event's principal sponsor to give our grower community the chance to hear from international speakers and learn how, as an industry, we're responding to new opportunities emerging in offshore markets and here at home through innovation and collective know-how.

This is important in increasingly competitive markets where the most discerning consumers expect a quality product and, only then, pay a premium price for it.

It was also a reminder that as an industry, we thrive most when we work together and understand our consumers. We have struck formulas that work for us in Australia and Asia but we must never forget that as an industry, we are market driven. Maintaining a consumer-centric focus at every stage in the supply chain keeps our standards high. This is important in increasingly competitive markets where the most discerning consumers expect a quality product and, only then, pay a premium price for it.

It's these commercial realities that shape our decision-making in year six of AVOCO. We have one million more trays to sell than last year and, off the back of strong demand for fruit, will be working hard to meet the commitments we've made with our Australian retail partners, who

continue to take the bulk of our volume.

We started exporting in July with fruit coming out of the Far North, packing first for the AVANZA markets of Korea and Thailand. All six AVOCO sheds were in the full swing of packing for a broad range of markets by the end of August. There were challenges getting sign-off for growers and packers to meet the rules of engagement required for exporting to China, but they were successfully met for a September start.

China and Taiwan are the two new markets we'll be supporting this year. Taiwan has been quietly "waiting in the wings" for some time, but leveraging off our "Partners in Asia" relationship with USA-based Mission Produce, we have the benefit of being able to enter this market with a good selection of customers to commence exports with, all involving retail chain arrangements.

When looking at market development, we need to plan carefully around timing of market entry. This time, we're in the fortunate position of being introduced by Mission to key retailer Costco in Taiwan. We're very comfortable with this development, as we already have a working relationship with them in Korea and have dealt with Costco previously in the USA market.

Those of you also involved in the kiwifruit industry will be familiar with the opportunities that Taiwan provides New Zealand exporters. It's a fantastic market to support because the Taiwanese regularly consume fruit and generally have good incomes to better afford premium products. While we're starting with only modest volumes this season, having seen the lift in consumer demand elsewhere in Asia, we're hopeful that Taiwan will present us with similar opportunities for market growth.

LATE HARVEST DISCUSSION

On a positive note, our harvest for the season ahead is scheduled to be absolutely finished by the first week of February. Historically, this is not late at all. In our latest plan, we also should have 77% of volume packed for export by the end of the year (week 52). Again, history shows this figure is quite high compared to other seasons.

We're well aware of the desire among growers to harvest their fruit in a timely way and we factor those realities into our flow plan. But this industry is still market led. Our retail customers in Australia still need our fruit on their shelves for all of January and most of February – it's these customers that substantially return growers the most money.

Remember – we're only ever one good fruitset away from a much larger volume of fruit than we've ever seen before. Doing what we must to please export customers is essential. It's these customers that we'll be relying on heavily to support us when the next record crop arrives.

We'll be making every effort to meet their

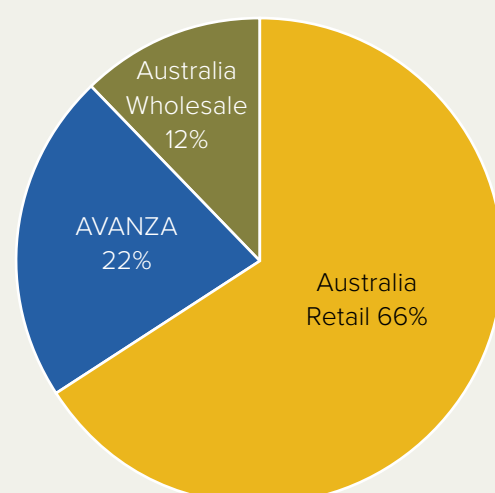


demands in January and February, especially when we're aware there are exporters out of Chile currently working hard to convince Australian officials to grant them market access, creating more competition in the market.

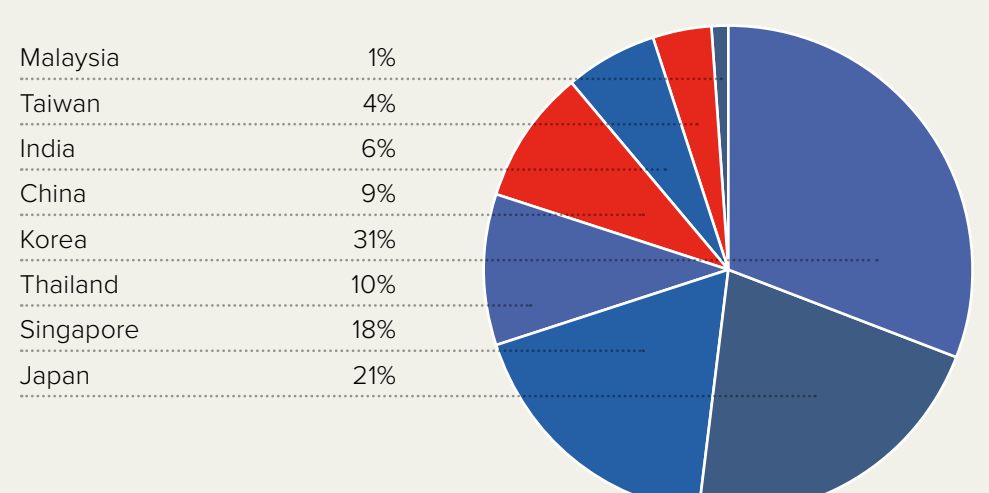
It's about future-proofing our industry for the next big crop when it arrives.

Make no mistake, for 19 seasons out of 20, the global customer base that AVOCO has will return a stronger overall outcome than all New Zealand competitors can hope to achieve. But the size of the pie is important too. AVOCO is positioned strongly with the key customers that matter. Combine the quality of our customer list with our ability to successfully coordinate and deliver an export programme should count for a lot when you're making decisions on who to supply each season. ■

AVOCO MARKET SPLIT 2018-19



AVANZA ALL MARKETS 2018-19



Avoco Market Update September 2018

Behind The Scenes

Your AVOCO Grower Relationship Committee, led by chairman HUGH MOORE and vice chairman JOHN SCHNACKENBERG report on policy updates and issues important to growers and the supply group.

It was great to see so many growers at the AVOCO Conference held in Auckland in June. I hope you agree with me that it was an outstanding success. The technical speakers were incredible and I am sure every one of you would have come away with your heads buzzing with all the information. I'm also confident that Dr Jacqueline Rowarth impressed you with her vast knowledge on the facts about Agricultural Science and on what is fact and what is fiction. "Thank God", we have people like her in academia on our side. I came away with a couple of pieces of the great jigsaw which might help with limiting the biennial bearing which has taxed my brain for many years.

The committee now has a new member representing the Team Avocado Trust from the mid-North region – Deon Cartwright from the Whangarei area. Deon replaces Rex Scharnweber who has represented Team Avocado growers as a Trustee/Director for close to 20 years.

The AGRC Committee has met twice since the last report with a meeting in early June and August which was Rex's last meeting.

The main agenda item and discussion have been around the following points:

PACKAGING AND SERVICE CHARGE SCHEDULE

Approving the final charge that make up the charges that the packhouse can directly charge the grower pools which is made up of packaging costs, container loading and special services that help make up the Packaging Equalisation System among all growers. The committee highlighted to the packhouses this season, this is the last season that there will be a standard charge for grower food safety audits which will in the future be an individual charge directly from the packhouse to the grower and not a pool charge.

AUSTRALIAN PROCESS GRADE SUPPORT

The committee was concerned that it was essential that growers and their packers support this export program to limit the Tag 3 and oil supply to maximise grower returns for all process fruit and for AVOCO to encourage support from their packers.

Marketing reports from the AVOCO market managers were received for the coming season, namely export volumes for the Asian as well as Australian markets. We note volume for the new China program is 50,000 trays.

The final flow plan will see 26% of fruit packed between Christmas and early February. The total volume of fruit expected to be handled by AVOCO is 2.3 million trays.

For the first time, AVOCO will also be exporting Class II fruit to two wholesalers for the Food Service trade once the New Zealand demand is filled to maintain grower returns. This program is supported by the committee.

GROWERS CHRISTMAS HARVEST INCENTIVE

This incentive was finally signed off at \$2.50/tray

for all export trays packed from 26 December to 4 January at an estimated cost of \$0.20 to the Pool. This is to encourage growers to have their fruit picked in January which is a critical period to maintain supply.

MANAGING LATE HARVEST PLAN

Some AGRC reps had concerns for their shed about the difficulty in having enough grower support for this important supermarket supply. They thought AVOCO needed to hold meetings in grower regions to convey the importance of growers select picking and leaving fruit for what is our most important time slot to the Australian market to maintain our high pool returns.

INSURANCE RENEWAL 2018 SEASON

The final negotiation for the Marine and Export

insurance programs were finalised and presented for sign-off which still included inherent vice.

AVOCO QUALITY MANAGEMENT CHANGE

Danni Van der Heijden has joined AVOCO and will be training to handle off-shore quality issues as well as an on-shore program to develop Fruit Harvest Guidelines etc.

Please give your reps feedback on the issue of holding fruit for the January-February market as this issue, I am sure, is going to have further discussion at our next meeting on October 9. The next AVOCO Board meeting is scheduled for September 11.

Trust that your harvest starts well and the spring is kind to you. ■

AGRC COMMITTEE MEMBERS

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Q&A

Katherine Bell

KATHERINE BELL has joined the team at Trevelyan's, with their growers' enthusiasm for the avocado industry quickly rubbing off on her.

What does your role involve and what are you responsible for?

I'm an Avocado Grower Services Rep at Trevelyan's. I work mainly with growers from Te Puke to Athenree. I work with growers to help solve orchard problems and I work with the wonderful staff at Trevelyan's to organise the harvest so that it runs smoothly.

What were you doing before you worked at Trevelyan's?

I attended Massey University where I graduated with a Bachelor of Science in Agricultural Science and Plant Biology. I then went on to work for Farmlands Te Puna where I improved my knowledge of agrichemicals and fertiliser. While at Farmlands, I also found my love for solving grower/customer orchard problems. I have found that working for Trevelyan's has grown that love due to the enthusiasm our growers have for what they do.

How did those roles prepare you for the work you do now?

Studying at Massey has prepared me for the

busy workload of harvest by teaching me time management (even when you have very little time). Working at Farmlands has improved my problem-solving skills and given me practical horticulture product knowledge.

What do you enjoy about working in this exciting industry?

I enjoy seeing growers get the returns they deserve with the amount of work they put into their orchards. The avocado industry is constantly growing, and each orchard is different, meaning that I am constantly learning, and my job description will grow alongside the industry. I am excited to be working with growers who have a passion for learning how to improve their tree health and hopefully produce a more consistent bearing.

Growers are learning all the time about ways to improve the performance of their orchard. What are your tips?

The best way to improve your orchard is to understand what is happening on it. It sounds simple, but every orchard is different so what your

neighbour is doing isn't always the best solution for your own orchard. A common mistake I see growers make is only getting a soil test done and forgetting about a leaf test. A leaf test gives us an indication of what nutrients are available to the trees and makes it easier to tailor a fertiliser plan to. I would also encourage growers to attend as many field days or ask as many questions of your consultant as possible, as the industry is constantly evolving with the new discoveries we make from current research. Again, this doesn't mean that every new idea will work for your orchard, so have a chat to your consultant about anything you are thinking about trying.

The New Zealand avocado industry has been making great strides in recent years. What do you think the industry will look like in another 20 years' time?

The avocado industry is an exciting one to be a part of due to the innovative nature of it. The industry will continue to grow, find ways to improve production and hopefully be sustainable for future generations. I see that the industry is going to continue branching into new export markets as well as building on existing ones, so that New Zealand avocados get the premium they deserve. The industry will also continue to create value add products which will show consumers the versatility of the avocado and stop any wastage.



When you're not working for Trevelyan's, how do you spend your downtime?

I enjoy spending time with my partner, our friends and family. Especially when we get time to take the horses out on a trek down to the forestry block or along the beach. We also just purchased a 2ha property, so we spend most weekends doing renovations or building fences so that our sheep don't escape.

As a consumer, there's many wonderful ways to eat avocados. How do you enjoy them?

We eat quite a few avocados in our meals, but I would have to say going back to basics with having avocados on toast (with marmite and tomato) is my favourite way to eat avocados. ■

Young Fruit Grower of the Year Awards

Danni wins national title

A big congratulations to Danni van der Heijden, a member of our AVOCO Technical Team, who won the New Zealand Young Grower of the Year award in Napier last month.

She beat six other contestants in a day-long session of horticultural challenges. These included practical and business tests as well as taking part in a leadership panel discussion on sustainability and delivering a speech on the future of horticulture at the awards dinner.

Danni not only won the national title, but was also judged the top young fruit grower and took home awards for finance, innovation and speaking.

“She tested herself against the country’s best at a national level and she came up trumps.”

She earned the right to compete for the national title after winning the Bay of Plenty Young Fruit Grower of the Year award in February, when she previously worked for one of AVOCO’s packhouse partners, Trevelyan’s Pack & Cool.

The award is also a back-to-back victory for Bay of Plenty contestants and for women working



Danni gets her head around the irrigation module challenge.

in horticulture. Last year, Erin Atkinson won the national title, working for another AVOCO packhouse partner, Apata.

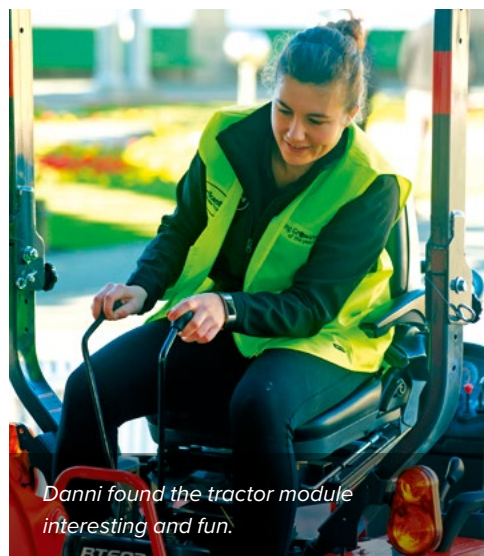
Reflecting on the competition in Napier, Danni says she was thrown in the deep end at the times, especially during the irrigation module.

“That was particularly challenging for me as I haven’t had any experience with irrigation maintenance. But I enjoyed the tractor module as it was an interesting, fun challenge. I surprised myself by doing quite well in it since I have not

spent much time on tractors.”

Winning the national Grower of the Year title means Danni will next compete at the Young Horticulturist of the Year competition in Auckland in November. The competition involves practical challenges and tests participants in different ways, including having to present a Market Innovation Project.

The challenges include a broader range of topics such amenity horticulture, floristry, landscaping, flower growing, viticulture and



Danni found the tractor module interesting and fun.



Danni van der Heijden, receives the Young Fruit Grower of the Year award.

nurseries, as well as horticulture.

Danni says the competition has already exposed her to many news aspects of the industry. “I have learnt so much preparing for and competing in the events. I have also met lots of great people.

“I would like to thank everyone in the avocado industry for the huge amount of support I have received over the year.”

AVOCO director Alistair Young describes her achievement as “massive”.

“She tested herself against the country’s best at a national level and she came up trumps.

“Everyone at AVOCO is incredibly proud of Danni who has proven herself to be a future leader of our industry.” ■

AVANZA to debut in China with ‘next-level’ cool brand

A strategic promotional campaign targeting affluent and aspirational young families will be used to drive sales of AVANZA avocados in China this season.

The campaign, supported by in-store demonstrations and the WeChat app, will position AVANZA as the supplier of premium quality New Zealand avocados and tap into the desires of Chinese ‘supermums’ who want to be seen as upper-middle class.

For mothers of school-age children in China, in-depth market research shows avocados are a symbol of prosperity - purchasing them is a sign that you want the very best for your family. Premium prices are no barrier for this consumer group which AVANZA is targeting in niche retail stores with a new Chinese brand that reflects the avocado’s status as a high-quality super food.

AVOCO is exporting avocados to China under its AVANZA brand for the first time since New Zealand gained market access earlier this year. About 50,000 trays are planned for its debut.

AVOCO’s marketing and communications manager Steve Trickett says the promotional plan and its niche market focus would help to differentiate AVANZA avocados from fruit sourced from South American heavyweights, including Chile and Peru.

AVANZA, with around 65% projected share of New Zealand exports, will be the industry leader in China. In preparation, AVANZA appointed Shanghai-based branding agency, Resonance China, to conduct research to better understand consumer behaviours and attitudes towards avocados, especially among the group labelled ‘supermums’.

“When we went to people’s homes, they had avocado on display in their fruit bowls. It’s important in symbolising modern health, wealth and family.”

“These are mums who are very independent in their own right and who are very focused on their children and spend a lot of money on fresh



produce, not really having any price sensitivity in that area,” says Resonance China director Jerry Clode, a Kiwi expat.

His company’s research discovered that many mothers in this consumer group disliked the taste and consistency of avocado after trying it the first time. Despite this, they persevered and amalgamated it into their families’ diets as they believed it had nutritional benefits.

“One thing we noticed was that avocado was a very important part of middle class status,” says Jerry. “When we went to people’s homes, they had avocado on display in their fruit bowls. It’s important in symbolising modern health, wealth and family.”

Jerry and his team also accompanied women who fit the ‘supermum’ description on shopping trips. “We were able to observe interesting cues which we could build into a brand story for

AVANZA, with the objective of positioning it as the most recognised and trusted New Zealand avocado brand in China.”

This involved creating the idea that AVANZA avocados “reach a new standard” of quality compared to other imports. This messaging is reflected in new fruit labels carrying the Chinese name for AVANZA, “Chao niu guo”.

“When translated, to a younger generation the name implies ‘next-level cool fruit’ or ‘next-level cool’, whereas the more literal translation reads as “the super one” explains Steve. “The name is a call-to-action of sorts, and if you want to be seen as ‘next-level cool’ or feed your family ‘super food’, it’s something you need to have in your shopping basket.”

Supporting this name and large-size fruit is promotional information available through in-store tastings and interactive digital campaigns. These campaigns involve WeChat, China’s multi-purpose messaging, social media and mobile payment app.

“As with most markets we export to, in-store tastings, product demonstrations and social media remain the most effective and rewarding promotional investment we make,” Steve says.

“China will be no different and being a relatively new market, consumer education on aspects such as nutritional content, product versatility, usage, and recipe ideas will be fundamental to our long-term success.” ■



Audit Report

New Zealand Avocado Company Ltd
Special Purpose Financial Statements for the 2017-18 season

AVOCO POOL STATEMENT FOR THE 2017 / 2018 SEASON

NUMBER OF TRAYS	14/16ct	18/20ct	23/24/25ct	28/30/32ct	36ct	TOTAL
Australia	71,952.00	324,441.00	347,838.00	208,879.00	60,528.00	1,013,638.00
Japan		9,112.95	32,190.90	34,183.80		75,487.65
Singapore			11,448.00	39,998.00		51,446.00
Thailand			3,900.00	23,241.00		27,141.00
Malaysia				2,219.00	1,146.00	3,365.00
India		15,287.00	202.00			15,489.00
Korea	12,674.00	28,184.00	55,385.00			96,243.00
Total Trays	84,626.00	377,024.95	450,963.90	308,520.80	61,674.00	1,282,809.65

TOTAL INCOME	66,778,104	52.06
Less Offshore Costs		
Freight	4,125,812	3.22
AUS Ripening & Delv	1,431,133	1.12
AUS Pre-packing	400,831	0.31
AUS Other	7,928	0.01
AUS Repacking Charges	108,606	0.08
Insurance	712,299	0.56
Total Offshore Costs	6,786,609	5.29
FOB Total at AVOCO	59,991,494	46.77

New Zealand Avocado Company Ltd

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (EXTRACT)
FOR THE 2017 / 2018 SEASON

1. Statement of Accounting Policies

Reporting Entity

These financial statements are for New Zealand Avocado Company Limited, a company registered under the Companies Act 1993.

These financial statements are an extract from the reporting prepared for New Zealand Avocado Company Limited. They are special purpose financial statements prepared to meet the directors requirements of reporting for the “AVOCO pool”, being sales and expenditure of the pool to the FOB Total for the 2017/2018 season.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial performance on a historical cost basis are followed by the entity.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance have been applied.

(a) Goods and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis where all items have been recorded exclusive of GST.

(b) Revenue

Revenues are recognised on an accrual basis at the fair value of the consideration received or receivable for the sale of goods and services, to the extent that it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sale of goods are recognised when the entity has transferred the significant risk and rewards associated with ownership of the goods to the customer.

(b) FOB Total at Avoco

The Avoco Pool statement reflects an FOB (free on board) return to growers. The FOB return is the net of Sales, Freight, Offshore costs and Insurance.

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INDEPENDENT AUDITOR'S REPORT
To the Directors of New Zealand Avocado Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New Zealand Avocado Company Limited ('the Company') on pages 1 to 2, which comprise the Pool summary statement, for the 2017/2018 season, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the New Zealand Avocado Company Limited Pool Sales and Expenditure to the FOB total for the 2017/2018 season, in accordance with the policies stated.

Our report is made solely to the Directors of New Zealand Avocado Company Limited, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than New Zealand Avocado Company Limited and the Directors of New Zealand Avocado Company Limited, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, New Zealand Avocado Company Limited.

Emphasis of Matter

We draw attention to Note 1 of the financial statements, which describes that the financial statements are an extract from the reporting prepared for New Zealand Avocado Company Limited. They are special purpose financial statements prepared to meet the Directors requirements of reporting for the “AVOCO pool”, being sales and expenditure of the pool to the FOB total for the 2017/2018 season in accordance with the policies stated. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible on behalf of the Company for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:
<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Staples Rodway Audit Ltd.

STAPLES RODWAY AUDIT LIMITED
Tauranga, New Zealand
6 June 2018

Grower Profile

Setting the standard

No stranger to awards, this year Te Puke grower **ROBBIE MOORE** got his name etched on the **AVOCO Grower of the Year** trophy for a second time. He shares with **ALISON BROWN** his own formula for success.

By his own admission, Robbie Moore isn't always one to follow the rules. Not that it matters.

The success he has consistently achieved on his Gridley Rd orchard is proof that sometimes, being unconventional can be very rewarding.

At the AVOCO conference in June, Robbie and wife Julene picked up the AVOCO Grower of the Year award – four years after winning it the first time. The couple, who this season will have 4.5 canopy hectares of mixed age Hass avocados, have enjoyed two strong successive crops, producing an average of 25.45 t/ha over the past two seasons. Nominated for the award by their packhouse Apata, they also took home the Primor Grower of the Year trophy.

Earlier success came in 2005/06 and 2007/08 when they were judged Growers of the Year as suppliers to Team Avocado. But Robbie, an ex-dairy farmer, says it is consistent production that drives them – not trophies for the mantlepiece.

The Moores bought their property in 1994, when the trees were only about two years old. Production was held back by soil starved of nutrients – a problem that took time to resolve. He hand-fed them every month through spring and summer with fertiliser to replenish the neglected soil. His trees were also suffering from the effects of phytophthora. Early years on the orchard, which also grew green kiwifruit, were tough.

"We got a small amount of avocados for a few years then one big crop before we were hit with a major frost. It took a while to recover from that."

The icy blast in August 2011 swept across Te Puke and saw overnight temperatures plummet to -5degC, burn flower buds and split stems on trees which meant their export crop was completely wiped out for the 2012-13 season.

But the forces of Mother Nature weren't enough to deter the couple who saw long-term value in replacing their kiwifruit vines with more avocado trees.

They had already replaced half a hectare of kiwifruit with young avocado trees in 2004 and followed that up with a second planting programme in 2014. Planting under the male vines limited their spacing options and they were forced to adopt a 12m x 7.5m spacing. These young Dusa and Zutano rootstock thrived regardless, and will produce their first fruit for export this season.



Frost pots are used to keep off the chill in the orchard's coldest areas.

Although the Moores no longer have kiwifruit on Gridley Road, they continue to have a stake in the industry. Three years ago, they purchased a 3.6ha green kiwifruit block on No 2 Rd in Te Puke. Managing kiwifruit and avocado on separate orchards makes it easier to manage spray applications by helicopter, says Robbie.

LIGHT AND WARMTH

With now 4.5ha of mixed age avocado trees on Gridley Road, Robbie's focus has turned to pruning to further boost production.

Historically, the most mature trees have been very tall and the aim is to reduce their height from 13m to 10m and remove two or three big limbs on each tree to let in more light.

"We want to transfer light from one side to another, with a focus on letting in more light on the south side where it's generally always colder, making it hard to set fruit.

"Reducing their height slowly over time should also make it faster for the harvesting teams to pick," he says. "Costs mount as a result of tree height and it also makes it harder to spray them effectively.

"When you're making \$40/tray you can afford

"There's some practices that come at quite a cost but they don't lead to any dramatic production gains."

to take your time picking but it's not always going to stay that price."

Pruning will also minimise damage on the orchard caused by wind. The Moores have lost a few very large, healthy trees in one block that were all close to 20 years old, due to strong winds lashing the trees, causing them to tip over.

The family's orchard contracting business, run by son Duncan, means the Moores regularly visit other orchards and see what pruning techniques work most effectively for other growers. Robbie is adopting more of his son's pruning principles and has learned that it pays to prune more than just the tops of trees.

"They just grow back so quickly. If you want a crop all around your tree, you need to prune to let in more light and warmth, which is so important on that south side."

MANAGING NATURAL CHALLENGES

The ever-present threat of frost damage through late winter/early spring are reminders that the Moores are never in full control of their orchard. With no water irrigation systems, Robbie relies on his wind machine and diesel heaters (frost pots) to combat severe frosting in the most sheltered spots.

He also knows from experience the benefits of taking action when it comes to spraying for six-spotted mite. One year, in the early 2000s, they were set up to pick a 40 tonne/ha crop but could see all the leaves falling off the trees as they



Robbie Moore in a section of his orchard affected by heavy rainfall.

walked through their orchard after mite swept through.

"It was a bit frightening because we hadn't been hit before and didn't know what to do. In the end we took off about 60% of our crop to reduce the fruit load and take stress off the trees.

"We started spraying the following season and that immediately made a big difference."

He injects every year to combat phytophthora and also applies a foliar spray with phosphorous acid to support his trees and reduce root dieback.

Aware that root health is critical to his trees' success, he's keeping a close eye on soil erosion in parts of his orchard most affected by heavy rainfall. The area experienced a very wet autumn and visiting the orchard in late July, Robbie points out signs where the water and lack of sunlight have taken their toll on the soil, especially in areas of rolling contour.

He expects more light entering the orchard floor as a result of pruning should help the top soil and grass to eventually recover.

KNOWING WHAT WORKS

Extending the avocado block has meant ordering additional beehives, 16 instead of 12, ahead of flowering in mid-October. He takes a relaxed approach to pollination, noting that his older Hass production block had no pollenizer trees, but still managed to produce more than 40 ton/ha.

These results are met with disbelief from observers to the industry and some of his peers. But he says it is proof that there's no clear right or wrong approach.

"There's some practices that come at quite a cost but they don't lead to any dramatic production gains."

It's for this reason that he supports more research into growing avocados in New Zealand.

"It can be frustrating at times when you get conflicting advice from various sources on what kind of fertiliser you should be applying and when. This is especially true if you're new to the industry or new to an orchard.

"Do they listen to the guy telling them to put their fert on in larger quantities four times a year, or to the others who say it should go on little and often?"

Having worked on his orchard for a number of years, Robbie has learned to trust his gut for what's likely to work and not work, cherry-picking the advice he receives from trusted sources. His instincts are paying off, because he's seen his fruit size and overall tree health improve. "I just understand the trees a bit better."

STRIVING FOR MORE FRUIT

Robbie expects to pick three times this season – firstly in October and again just before Christmas. There will be a final harvest in late January.

Not one to become complacent about production, Robbie has set some lofty targets for the future.

Wanting to get away from the high costs associated with helicopter spraying, he intends to progressively reduce the height of his trees over the next five or six years, all the while striving for more consistent production.

"I won't ever compromise on injecting or

fertiliser so the leaf and soil testing will continue. Otherwise, it's very easy for everything to get out of kilter and suddenly your fruit set and size are affected.

"But having previously achieved figures of 42 tonne/ha every second year, I'd like to achieve at least 30 tonne/ha every year and I do believe it's possible." ■

FACTS

2017-2018

11,400 trays

Export

15,880 trays

Production

71.78%

Pack out

24.8ct

Average fruit size

24.95

Tons per hectare

2016-2017

11,493 trays

Export

16,243 trays

Production

71.19%

Pack out

24.9ct

Average fruit size

25.95

Tons per hectare

Proven performers

The McBride Family Trust picked up this year’s Team Avocado Grower of the Year award. ALISON BROWN visited their orchard on the outskirts of Tauranga and discovered a couple enjoying a change of outlook.

Peter McBride is best known for his association with the kiwifruit industry, but it’s avocado trees that surround him at home.

It’s a private love affair that he shares with wife Linda at their orchard in Te Puna, a property that Peter fondly describes as their “oasis”.

It’s a sprawling setting that welcomes the couple and their visitors on arrival – a feature that Peter never tires of seeing.

“I enjoy the trees and their park-like qualities. They’re very different to kiwifruit.”

As productive as they are attractive, the trees are proven performers, collectively earning the Zespri board chairman an award at this year’s AVOCO Grower Conference. The McBride Family Trust was named Team Avocado’s Grower of the Year in recognition of consistent production for two successive seasons.

The award was the first of two presented to Peter this year. At the Horticulture Conference in July, he received the Bledisloe Cup, horticulture’s premier award, recognising his outstanding leadership in the kiwifruit industry, which he’s been involved with for 40 years.

“I’ve never received any awards before so to get two in a row was a surprise,” Peter says. “The Grower of the Year is pleasing though. We’ve improved the orchard and learnt a lot.”

The couple bought the property, an established block with 400 mature trees, 15 years ago. Previously based at Paengaroa, Peter and Linda had been searching for an avocado orchard for some time.

“We had children at Bethlehem College and the orchard’s location at Clark Rd was appealing,” Linda recalls. “But we were prepared to wait for the right one because we were aware that finding the right site is important for avocados.”

The orchard had a history of irregular bearing but that didn’t dissuade the couple who decided to transform it and build a family home.

“When we took over, it had a big crop on it. But we took out half the trees and started re-engineering the place,” says Peter. “We bowled whole rows, taking out about 200 trees and built a house in the middle of the orchard.”

It was Peter’s first experience managing an avocado orchard, but he has enjoyed overseeing its re-development.

“Avocados, like many other horticultural crops, have their challenges and they’re very different to kiwifruit. But in owning the property for a number of years now, I’ve achieved a much better understanding of the nuances of what works here.”

Irregular bearing remained a problem for the first decade but changes adopted over the past five years have led to significantly healthier trees, boosting production.



The McBrides are strong advocates of pruning, giving Mike Dillon full licence to remove mature branches.



Linda and Peter McBride

“It wasn’t immediately obvious but most of the trees were suffering from sub-clinical phytophthora. This had been masked and misdiagnosed as a lack of nutrients.

“We started injecting all the trees twice a year and that really was a critical decision. I had tried different ideas prior to that but they didn’t work.”

AGGRESSIVE PRUNING PROGRAMME

Their proactive management approach also extends to pruning. The McBride’s contract Mike Dillon to prune late autumn and again in November.

The strategy is to target a tree height that means fruit can be picked from a 6m hydalada and prune to allow more light into the centre of each tree.

The focus is on injecting and pruning. If you don’t, there’s a much higher risk of heavy cropping one year and that’s when you get those massive swings in production.”

For Peter, it’s all about getting the balance right to enable more efficient harvesting.

“Many growers that see Mike pruning here would freak out because at times, he’s removing fruit and big branches. But he’s making 12 or more different pruning decisions on a tree all at once. It’s really complex. But I give him licence to do it.”

Aggressive pruning also makes it easier for sprays to penetrate the orchard canopy. As a result, the number of sprays they’ve had to apply each year have reduced.

Avomax apply their sprays in response to pest monitoring carried out by Fruited. Thrip and six-spotted mite still make appearances and Peter says he’s learnt to be aggressive with sprays to get on top of problems early. “Pest pressure is a lot higher on avocados than it is on kiwifruit.”

He also supports the industry’s use of copper hydroxide to mitigate against fungal disease and postharvest rots. Until alternative

sprays are found, growers need to do all they can to protect fruit from infection and minimise outturn failures in export markets.

“It’s not fair on other growers in the pool if you’re not spraying coppers. Under performances by those growers is letting the pool down and best practice around these applications is an important part of the export story.”

MAINTAINING DISCIPLINES

At flowering time, the McBride’s bring in eight hives and rely on other pollinators in the area to work alongside their bees. Harvesting typically occurs twice, in November and January, although the McBride’s have picked as late as February.

Although their area isn’t known for early maturity, their fruit is maturing slightly earlier each season and grower larger, in line with overall improvements in tree health. It’s no surprise then that Peter wants to remain disciplined in his orchard management approach and “stick to what works”.

“It’s a sheltered block but we don’t irrigate, aiming instead to maintain appropriate soil moisture levels by applying vegetation to the canopy floor and mulching it back into the soil.

“The formula isn’t rocket science. The focus is on injecting and pruning. If you don’t, there’s a much higher risk of heavy cropping one year and that’s when you get those massive swings in production.”

LONG-TERM PARTNERSHIPS

One of Peter’s business strategies has always been to work with the right people and build long-term relationships with them. He applies the same principle to orcharding, choosing to work with experienced service providers, including consultant Lindsay Heard and Hugh Moore at KauriPak.

He believes that the AVOCO partnership between Team Avocado and Primor was a turning point for the industry five years ago. Wearing his director’s hat, he also recognises the value of market development throughout Asia, under the AVANZA brand.

“Our reliance on Australia needs to come down and the advent of China will make a difference,” says Peter. “The industry should be applauded for its patience and attention to phytosanitary requirements that allowed it to gain access to China.

“When avocados catch on, the potential is

massive for New Zealand. But now that market access has been won, we can’t afford mistakes. Quality is critical in China where the customer is very discerning.”

FUTURE CHALLENGES

With consumer demand for avocados growing worldwide, he predicts the New Zealand industry will grow with it, with the most visible growth in the Far North. This will be driven by greater management efficiencies and economies of scale. “Northland orchards also have the benefit of a preferable growing climate, resulting in higher yields per hectare. Smarter orchardists should be looking now at higher density planting and smaller trees to mitigate any future risks to their business and ensure their survival.”

On his own orchard, he plans to plant more pollenizer trees to fill gaps, while maintaining an aggressive pruning strategy. While he’s aware that avocado blocks around the Bay of Plenty are being pulled out to plant gold kiwifruit, he won’t be doing that on his home block.

“I’ve grown apples, kiwifruit and been a dairy farmer. I just enjoy the challenge of growing different crops. It’s fun and what I’ll continue doing.” ■

FACTS

2.6 ha Orchard canopy

2017-2018

12.6 tonne/ha Production

86% Export pack out

23ct Average fruit size

2016-2017

18.5 tonne/ha Production

76% Export pack out

25ct Average fruit size

Conference in focus

LOREN ZHAO, the co-founder of Fruitday, China's largest online produce retailer, was one of three international speakers at last month's NZ Avocado International Industry Conference. He provided insights into the current market for avocados in China and evolving marketing strategies driving sales.

Fruitday was founded almost 10 years ago as a dedicated online business, delivering premium quality, fresh fruit to customers, starting in Shanghai. Loren and his team have worked with a number of New Zealand brands over the years, including Zespri and Rockit apples. The company was the first to promote organic products online in China and this season, for the first time, it will be selling AVANZA avocados online and through retail operations acquired two years ago.

IMPORT HISTORY

China has been importing avocados for 13 years, starting with Mexican fruit in 2005. Volumes of imported fruit have increased in recent years as other countries have gained market access. Chile gained access in 2014 and was quickly joined by Peru in 2015. New Zealand became the fourth country to win access after phytosanitary requirements were officially signed-off earlier this year.

Chile has been the largest supplier of avocados to China for the past two years, with imports from Mexico declining. While starting small, Peru has been steadily increasing its export volumes to China and has the benefit of a long supply window. Future imports are likely to come from the US, Columbia and Israel.

Across the various sources of origin, Chinese consumers can now enjoy avocados for 12 months of the year. The year-round availability makes it easier for retailers to promote avocados, raising the awareness of the avocado category in produce aisles.

DOMESTIC PRODUCTION

Avocados have been grown in China for 20 years but historically, they have been growing less popular commercial varieties, and the fruit has been of poor quality.

More fertile areas have been planted recently but orchard management practices have been limiting their productive potential. About 7500 acres have been planted in avocado trees, producing 200 tons of fruit, yielding an average of only 0.5 ton/ha. Loren says US-based Mission Produce has been investing in China's domestic production and with external support, it's likely production will grow markedly over the next five years.

China's social media channels are critical because consumers like to buy online and through their mobile phones.

MARKET CHANNELS

The main market in China is the wholesale market, due to China's size and its population of 1.4 billion people. Even tier two cities, with their populations of 10 million people, require support from the wholesale markets.

However, this comes with some challenges

for export marketers. The wholesale market still prefers hard, green fruit and only wants to see fruit with smooth skin and no pitting or lenticel. Loren says wholesalers are solely focussed on the presentation of fruit in the tray and are less interested in the fruit's dry matter or its taste. Their size preference is 30 and 35 count fruit in 6kg trays, and it's this hard, green fruit that attracts premium prices.

"The retail market also sold only green fruit up until five years ago. But when first presented with ready-to-eat avocados, consumers didn't know what to do with them. Consequently, due to their lack of knowledge about how to store and prepare the fruit, about one in five pieces of fruit bought by consumers was wasted."

The problem was also exacerbated by the fact that many consumers, on first impression, didn't like the appearance of pre-ripened purple avocados. AVANZA's partner in Asia, Mission Produce, has been trying to change attitudes towards ready-to-eat fruit by promoting them in-store in pre-packs, with Mr Avocado fruit labels indicating their different stages of maturity.

"This is an indicator to the customer of the order in which they should eat the different pieces of fruit, based on ripeness."

MARKETING TRANSITION

In the largest tier one cities, avocados are marketed on outdoor billboards but there is little education about how to prepare them. With exporters keen to grow sales in China, Loren expects that to change, with online platforms the perfect space to make consumers more aware



Loren Zhao

about recipes and preparation methods.

China's social media platforms include Weibo and WeChat. These channels are critical because consumers like to buy online and through their mobile phones.

"It is now possible, just by following online links, to see a promotion on social media and click through to purchase," says Loren. "By ordering through Fruitday, we can ensure fruit ordered online is delivered to customers in the tier one cities within 10 hours."

FUTURE GROWTH IN CHINA

With avocado consumption expected to rise, Loren expects innovation will play a key role in the category's development.

Fruit ripening technology is still evolving in China and more commercial investment is happening in this area. Ripening systems have been developed for 40ft storage containers, with the view to being able to freely move these ripening rooms, effectively making them mobile ripening facilities.

Loren says technology could also be developed to support retail marketing.

"Fruit labels could possibly change colour as the fruit ripens. This would help customers better understand when a piece of fruit is ready-to-eat. This will help to reduce wastage and improve the overall consumer experience with avocados in China." ■

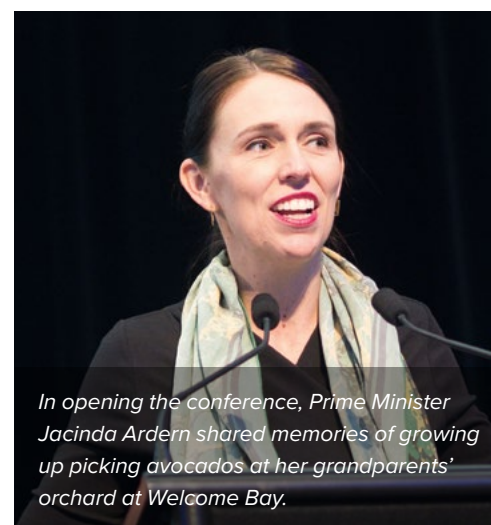
Photos from the opening day



Prime Minister Jacinda Ardern was joined at the opening by Tony Ponder, Chairman of the NZ Avocado Growers Association and CEO of NZ Avocado, Jen Scoular.



Tony Ponder speaks to delegates at the opening ceremony.



In opening the conference, Prime Minister Jacinda Ardern shared memories of growing up picking avocados at her grandparents' orchard at Welcome Bay.



AVOCO director Alistair Young reminded conference delegates about the importance of being a united industry to remain competitive on the world stage.



AVOCO technical representative Danni van der Heijden.



AVOCO marketing and communications manager Steve Trickett.



AVOCO director John Carroll chats with AVOCO supplier and former Industry chairman John White.

Conference field day

The NZ Avocado International Industry Conference, sponsored by AVOCO, was a fantastic opportunity for growers and supporters to learn about innovation and best practice techniques adopted by some of our most progressive orchardists. Day 3 involved bus trips to orchards owned by two AVOCO suppliers, Dave and Julie Flett, and Maria and Andrew Watchorn.



The Watchorns bought their Walker Road East orchard near Katikati four years ago, restoring its health through a combination of phytophthora and nutrition management, and strategic pruning.



From left, Plant & Food Research's Edouard Perie and Dave Flett.



Five-year-old trees are growing in a 5m x 3m spacing on steep contour. Three tractor tracks allow access for spraying.



NZ Avocado's R&D officer Phillip West introduces Maria and Andrew Watchorn to those attending their orchard field day.



AVOCO technical manager Colin Partridge is a consultant for the Watchorns and briefed field day visitors on the orchard's transformation.



The Flett's orchard on Pukemapu Road at Oropi is part of a Plant & Food Research project establishing the feasibility of small tree, high density plantings in New Zealand. Their trees were planted in 2012 and are being pruned to a maximum tree height of 2.5m.

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Field day visitors took the opportunity to explore the Watchorn's orchard and learn about the couple's management strategies.



All Terrain Platforms of Katikati demonstrated the stability of their elevated picking platforms on rough and steep terrain during the orchard field day.