

# avoco news



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## Directors' Review

# Riding the wave of demand

Confidence in New Zealand fruit remains high in Australia where avocado consumption is keeping pace with increased supply, writes AVOCO directors JOHN CARROLL and ALISTAIR YOUNG.

**As** all of you in business will know, not everything goes to plan. A lot of time and smart thinking can go into developing a strategy that, for various reasons, may prove harder to implement than expected. A lot of smaller businesses, with very little room for error, will plan for the best and cross their fingers that market conditions don't throw them a curveball.

We're fortunate that AVOCO's scale and depth of market experience means that when the going gets tough, we can respond quickly and deliver on customer expectations. This ability to problem-solve and successfully execute a 'Plan B' should not be underestimated in the fresh produce industry where we frequently find ourselves at the mercy of Mother Nature.

By the end of November, more than halfway through the harvest, it became clear that variable fruit maturity could be this season's Achilles' heel, especially in Asia. Some fruit was ripening quicker than others in-market, suggesting we've experienced a wider spread of maturity among fruit picked from the same tree than other years.

**We're fortunate that AVOCO's scale and depth of market experience means that when the going gets tough, we can respond quickly and deliver.**

season; variable fruit maturity and unforeseen shipping delays have contributed to this. Given that our AVANZA brand has been building a presence in this region since 2001, it's disappointing to have struck quality issues at a time when avocado demand is on the rise.

Our leadership team will be discussing these issues in greater depth over the coming weeks and months. A counterstrategy will explore logistics and how we can better manage parts of the supply chain, both off-shore and in-market. There will also be a strong focus on how we can rebuild confidence in our Asian markets which have shown signs of pressure due to heightened competition from various other avocado-growing nations.

## COLLECTIVE EFFORTS PAYING OFF

It's important we don't confuse the fruit maturity issues in Asia with the quality problems our industry was plagued with last season in Australia – they are a very different beast. What's more, our collective response to the challenges of 2018-19 would appear to be paying off. We've had the odd niggle around quality, but not to the extent of last year and that's a credit to you, our valued growers, and the professional harvesters, packers and fruit handlers we work with. By no means would we say we're out of the woods, but at the halfway mark in the season, we're very pleased with how fruit quality is performing in Australia.

Our Quality Focus team led by Alistair Young has put a lot of effort into identifying areas for improvement and we also acknowledge the investigations of our Technical team, made up of Colin Patridge, Danni van der Heijden and Jerome Hardy. Their work behind-the-scenes, at home and in-market with customers and handlers is appreciated, and we're grateful to have them as a resource to call on for their technical expertise.

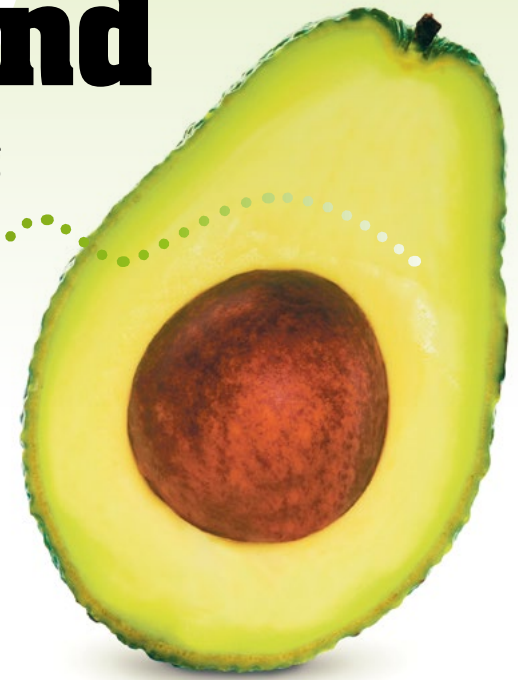
Extra care is now going into handling techniques during harvesting as well as packing, which all helps to soften the journey for fruit as it moves through the supply chain and into the hands of retailers and customers.

Since October, we've also had dedicated people from our packhouses based in Brisbane supporting our off-shore handlers inspect fruit before it reaches retailers. We've always had faith in our Australian handlers but the additional staff is a sign that we're prioritising quality with systems in place to identify how fruit is performing, enabling us to provide better feedback to packhouses and growers.

## AUSSIE LOVE AFFAIR

The positive story of the season thus far has been Australia, which continues to perform strongly under increased volumes from New Zealand and Western Australian fruit in particular.

There were some pre-season jitters about the size of the WA crop and how the market would cope under added volume pressure. Fortunately,

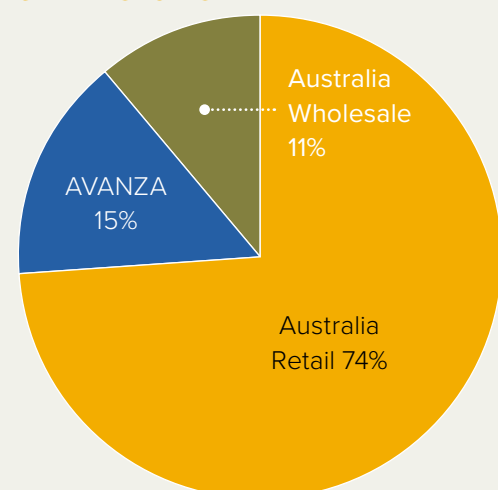


consumption seems to be growing and the market is managing to cope with the increased fruit supply.

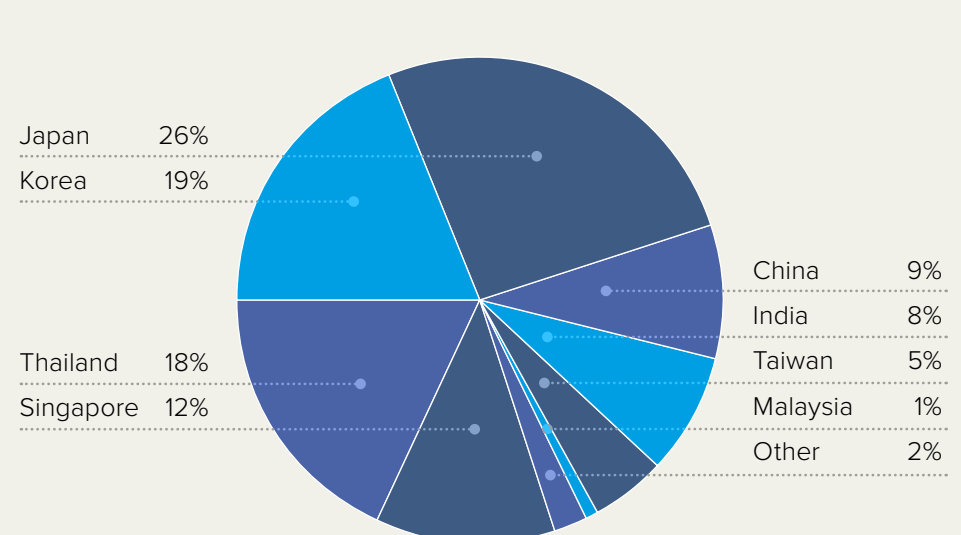
Indications are that AVOCO will have decent fruit numbers flowing through to retail into February, and that's a big plus. It means we'll be in a strong position to deliver a pleasing result to growers by season's end, but that is largely due to the significant support that AVOCO receives from Australia's supermarket business, which gives us advantages over other New Zealand exporters.

Finally, we've enjoyed catching up with growers at recent meetings in Whangarei, the Far North, and earlier in October at Mount Maunganui. Have a safe and enjoyable festive season and we look forward to seeing you all under the one roof in 2020 for the next AVOCO Grower Conference. ■

## AVOCO PROJECTED FINAL MARKET SPLIT 2019-20



## AVANZA ALL MARKETS 2019-20



Avoco Market Update December 2019

# Behind The Scenes

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

Christmas is upon us and the festivities will unfortunately cause a drop in supply to the Australian market when avocado consumption is at its peak. I commend those growers that pick along with their pickers and packers who are all trying their best to work through the holiday period and meet our market commitments.

The 2019-20 late season harvest incentive was reviewed at our last meeting in October, with a small change in smoothing out the transfer from the available Christmas fruit grower incentive to the second step of the late harvest incentive. There is now a straight line in the incentive graph from 5th January to the 6th January.

The Christmas and New Year picking and packing incentives stay the same as the last three years for those that pick and pack over the statutory holiday period.

Many growers carrying more small fruit than what they've had in past years and unsure if it will size, consider it is too costly to select pick and bring in harvesters for the second or third time. My view is it costs growers' total orchard income to harvest small fruit that does not meet the market premium

sizes. The difference between small fruit (count 32 and 36) and the premium size is normally between \$5 and \$7 per tray. Any fruit that is left to size to a 25 count pays an extra \$3 to \$5 a tray for the extra cost of select picking and additional machinery landing charges.

Any small coloured fruit should again be left for late local market as this market accepts dark fruit from March on. To pick small fruit too early and have it go over the end of the grader costs you money to pick it with no reward and less return for the 32 and 36 count.

Local market returns are always greater than an over supplied export market for small fruit. Total orchard income is always King.

The Committee met in October and will meet again in early December. The following subjects were discussed at the October meeting:

- Budget for Quality Business Plan
- China tray payment and when and how the grower would be paid
- Late Harvest Incentive proposed changes for the 2019-20 season
- Quality Project update from Danni and Colin
  - AVOCO water blaster trials to survey lenticel damage
  - Cool store temperature survey
  - Australian out-turn and repacking staff update
  - Out-turn reports availability for growers
- Heavy Metal testing requirement for Korea of Cadmium
- Forex report of cover to date
- Discussion with NZAGA chair, Tony Ponder, on industry and grower concerns
- Secondary cool store charge fee for pallet transfers
- Future presentation of AsureQuality report formats for AGRC meetings

- AVOCO marketing director's report
  - Packaging Service charge schedule. Future changes to packaging being a separate packhouse pool charge at their nominated price being separated from the Loading and Handling set fees. This is a major change from a price for packaging being set with the AGRC and Team Avocado to manage the packaging equalisation scheme. The idea would be for each Packhouse to charge each shed pool their nominated packaging price. This change will be discussed again.
- Please feel free to contact your local AGRC member for further information on any of the above subjects and any other issues you would like raised at the next meeting.



Looking forward to what seems an excellent fruitset, with trees in better health after a kinder winter and spring.

MERRY XMAS

## AGRC COMMITTEE MEMBERS

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## Q&A

# Hamish McKain

A strong advocate for an industry that's constantly evolving, avocado manager Hamish McKain enjoys being hands-on in his role at DMS Te Puna.

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

I plan and run the logistics of harvest and, along with Phil Chisnall, collectively manage a number of avocado orchards. We work with contractors and get out there ourselves to spread some fert, spray weeds or even do some picking when required. I play a role in terms of client service, looking after and helping our growers. I am part of the newly formed AVOCO Quality Focus team.

**What were you doing before you worked at DMS Te Puna?**

I was a production manager at DMS Te Puna for three kiwifruit seasons. But before DMS my wife and I combined work with six months of travel throughout Europe and it was an incredible experience. Prior to that, I worked for AGPRO Ltd for two years as a sales rep and I also gained a Management degree from the University of Waikato, majoring in Marketing and HR. During my university studies I spent four long summers up a hydalada picking avocados, giving me a great base for my current role.

**There's a growing awareness in the industry about how important it is to follow best practice**

**and technical excellence. What are your tips for growers?**

With a difficult season last year for fruit quality, pack sheds, marketers, distributors and growers are all being encouraged to do everything they can to help preserve the quality of their fruit. To some growers, best practice may seem like a daunting task. My tip is that every little bit helps, from cutting out dead wood in your trees, carting fruit slowly around the orchard, not using dropped bags and storing fruit in a cool place during harvest. As an industry we are learning so much and our best practice is evolving with it.

**In your view, why are avocados so popular to grow?**

Anyone with an avocado tree or orchard always has plenty of friends, especially during avocado season. Since I was about 10 years old, I can remember helping Dad with jobs on the orchard. Working with avocados was always enjoyable work and still is today. Growing avocados for me is just exciting, there is something about it that's hard to explain. I enjoy it all; the day-to-day activities on orchard through to planning the harvest and logistics at the shed. A big part of it is that I am always learning. Every orchard

is different, you pick up subtle differences that I might be able to apply on other orchards or on my own.

**What do you love about horticulture and the avocado industry?**

I love watching things grow, seeing the changes within the orchard as the seasons change; it's amazing. Equally I love seeing that finished product, whether it's avos in a bin or kiwis in a tray – all that hard work throughout the season getting safely packed away. I enjoy taking our learnings from the previous season and applying it to the next.

There is a great sense of community within the avocado industry; growers are generally happy to talk, share some secrets and offer improvement.

**When you're not working for DMS Te Puna, how do you spend your free time?**

My wife and I have an avocado orchard, so a good chunk of our spare time is spent out there doing all the jobs that need to be done – something we both enjoy. Off orchard, anything outdoors suits me fine – on a board, on the golf course, fishing, mountain biking, running, walks down the beach, coffee dates with my wife and BBQs with family and friends.

**Avocados are such a versatile meal ingredient. How do you enjoy eating them?**

I am shocking – I have avocados with 95% of



my meals, even soup given the chance. My two favourites are avo mash with corn chips, and poached eggs and avo on toast. Avocado cheesecake and chocolate mousse are close seconds. ■



# Challenging season in Asia

Competitive conditions highlight the importance of upholding strict fruit quality standards and market discipline.

Asia is fast becoming a crowded marketplace for avocados, with consumers now spoilt for choice when it comes to choosing imported avocados from various origins. These conditions are reinforcing the need for all New Zealand exporters to consider how the industry operates in Asia.

AVOCO marketing and communications manager Steve Trickett says AVOCO is taking a leadership role in these discussions, given the company's depth of experience in the market and the volumes shipped under the AVANZA brand.

"We need to address numerous factors, ranging from more disciplined market flow planning and customer management, through to optimum shipping and in-market infrastructure arrangements designed to protect and enhance New Zealand fruit quality."

**We'll continue lifting the profile of New Zealand fruit and the AVANZA brand in what will be our 20th season in Asia next year.**

Maintaining flow plan discipline and high fruit quality standards would also help the industry achieve its long-term objectives relating to incremental volume growth and sustainable returns.

"Every season throws up a unique set of challenges which every exporter responds to, but we should avoid losing sight of the bigger picture which is about growing the pie for New Zealand in Asia," says Steve.

"AVOCO, through the AVANZA marketing channel, has been leading the way on this since 2001, and we'll continue lifting the profile of New Zealand fruit and the AVANZA brand in what will be our 20th season in Asia next year."

## DISRUPTIVE SEASON IN JAPAN

Shipping disruptions and mixed maturity fruit have short-changed AVANZA's experience in Japan this season. A little more than 80,000 trays were shipped to Japan, down 15% on last season. The marketing plan accounted for 80% of all New Zealand shipments and focussed on a tight 10-week supply period, ending mid-November.

Maintaining a seamless supply of fruit is critical for customer confidence, but the devastating effects of Typhoon Hagibis, the largest tropical cyclone to hit Japan since 1958, led to shipping cancellations throughout October.

AVANZA had two weeks of sailings either cancelled or diverted to the port of Busan in South Korea, creating unexpected retail delays. Japan market manager Ted Thomas says the result wasn't ideal but it was still pleasing to see that avocado consumption remained relatively steady.

"Given AVANZA is active in the market for a short period of time, it's important to keep New Zealand avocados relevant to retailers and consumers.

"This becomes clearer when our New Zealand fruit is forced to compete against avocados from other origins. Consumers have significant choice, as seasons come and go. California, Mexico, Peru, Chile, Australia and Colombia all have access to Japan, so competition for supply of premium quality fruit is strong."

For this reason, it has never been more important for AVANZA to continue to present excellent quality to maintain its premium position, says Ted.

A range of promotional activities were developed by AVANZA's in-market promotions



*SISTER ACT: Celebrity chefs and sisters Kasey and Karena Bird from Maketu in the Bay of Plenty used AVANZA avocados in their dishes prepared for NZ Week in Shanghai. The week was an opportunity to lift the profile and availability of premium New Zealand food goods in China.*

agency, Candlewick, to reinforce the health and nutritional benefits of New Zealand avocados, as well as their seasonality. Promotion that leveraged off the Rugby World Cup linked good health with the power and strength required for rugby. In one campaign, Japanese families were encouraged to post a photo of their children's sports teams to social media. Using a designated hashtag, each photo went into the draw to win a carton of avocados.

Other social media activity successfully lifted the awareness about the availability of AVANZA avocados. Instagram 'influencers' across Japan were sent avocados to photograph and share with followers. Influencers included the Kubota Spears rugby team, food stylists, magazine editors and popular 'mummy bloggers.' More than 750,000 people in Japan were reached via social media.

## REBUILDING CONFIDENCE IN KOREA

Fruit of mixed maturity in Korea has forced AVANZA to revisit its pre-season plan for this fast developing market.

AVANZA fruit, although arriving well in sea containers, ripened quickly – even in cool storage. Korea's market manager, Martin Napper, says the appearance of ripened fruit was problematic for Koreans, most of whom prefer hard, green fruit. Consumers reacted by favouring the lower-priced Mexican avocados instead.

Decisions were made to restore retail and consumer confidence in New Zealand avocados by switching to airfreight shipments, ensuring fruit arrives in Korea after only six days instead of the 26-day sea transit and delivery time.

"Our Korean programme has been scaled back by about 30% due to mixed maturity fruit and widespread sluggish market demand," says Martin. "Generally, the market hasn't recovered from the high Californian prices paid over winter, the recall of Californian fruit after a cadmium residue find and competition from a lot of cheaper local market fruits.

"Retail avocado sales are down by 50-60% overall."

A promotional programme has been maintained, albeit at a reduced level. This has involved in-store samplings, an online competition with Maeil drinks company and, for the first time, filmed cooking classes using AVANZA avocados. Advertorial content in Korea's Hotel & Restaurant Hospitality magazine was

also developed to reach influential players in the growing food service market.

## TARGETING TOP TIER RETAILERS IN SOUTH-EAST ASIA

It's a similar scenario in South-East Asia with fruit age complicating what was shaping up to be another stellar season for the developing markets of Singapore, Malaysia, Thailand and India.

Fruit ripening quicker in-market than previous seasons, coupled with large quantities of small-sized New Zealand fruit from various sources, has put pressure on the markets and ultimately, on values.

Australia also has its sights set on further expanding into Singapore and Malaysia in seasons ahead, exporting high quality fruit that compares favourably with fruit from other origins.

Despite these challenges, market manager Henry McIntosh says AVANZA continues to hold a positive reputation with retailers. "We're dealing with the top tier retailers in each market and making sure our social media activity connects them with customers through brand messaging that resonates.

"Another highlight so far has been creating new retail relationships in Hong Kong, which is promising for the future."

## CHINA AND TAIWAN MARKETS SET TO GROW

Despite the frustrations of a delayed start to the China programme, AVANZA has been buoyed by the progress made in this second season. Improvement in fruit quality generally and the revitalised branding used in a comprehensive promotions campaign are highlights of the 2019 season. If AVANZA can finish the season in mid-December with its quality reputation restored, this will auger well for a significant step up in volume in 2020.

Significant growth was achieved in the emerging Taiwanese market where AVANZA is serving two major retail chains, both of which are calling for more fruit next season.

Market manager for China and Taiwan Steve Trickett cautions that the number one challenge for AVANZA and the wider industry is to be able to successfully ship fruit by sea and achieve consistent sound quality performance in-market. "It is not sustainable to service these markets by airfreight, beyond the shoulders of the supply window or in tight market conditions when higher values can be achieved." ■



*IN-STORE EDUCATION: AVANZA's seasonal launch in Bangkok, Thailand, was an opportunity to educate consumers on ripening messages.*



## Unpredictable weather

Mother Nature has been throwing everything at the Bay of Plenty this season, writes DANIEL BIRNIE from Trevelyan's.

I am writing this in mid-November, the week after the temperature reached over 35degC on some orchards for about four days straight. Night time temperatures were over 15degC. What does this mean for fruitset?

The following week we had a number of orchards in the Pukehina area hit by hail. Bushfires are tickling up NSW and Queensland. The weather sure is hard to predict.

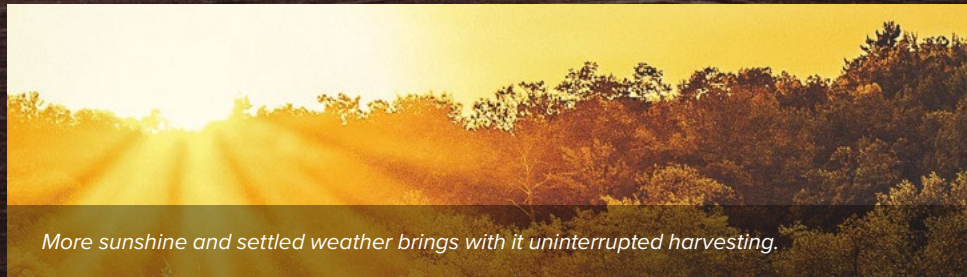
What does seem to be trending is warmer temperatures with fewer frosts. This no doubt will be beneficial for avocados in the Bay of Plenty area and, coupled with more trees going in the ground, our industry volume is going to increase.

I would encourage growers to be all market compliant. The time will come (and it could be

next season) when a significant amount of fruit will need to be marketed in Asia.

At Trevelyan's, our team is working hard to meet the AVOCO flowplan. We will need to harvest a lot of fruit heading into the holiday period, and through January, and our contractors and growers have been very focussed on picking large fruit in the first round. This should mean our size profile remains strong through to the end of the export harvest. The attention will then turn to the autumn, and no doubt there will be some great returns to be had in the local market.

We hope for sunshine around the Christmas and New Year period, so we can enjoy a few BBQs, but also so we can keep picking. And also for January when we can generally tell what type of fruitset we have for the 2020-21 season. ■



More sunshine and settled weather brings with it uninterrupted harvesting.

## Reward for effort

Great buy-in from growers has resulted in noticeable improvements in fruit quality, writes BRETT JEEVES from Golden Mile Fruit Packers.

The season for us here in the mid-North got off to a relatively slow start, mainly due to growers opting to hold back as the volume of fruit being picked for the domestic market in May and June was at levels never seen before. In fact, we packed less in the lead-up to export this season than we have for many years. This may well be a common scenario moving forward as the large scale intensive plantings that have been happening come on stream.

Our export season started on Monday 26th August and at the end of week 45 we were within 0.5% of where we were meant to be with our flowplan, but this gap widened slightly in week 46 as we were caught out by the weather. In conjunction with our growers, we have put a lot of effort into not picking fruit affected by rain events, and we thank you all for your patience in working with us in avoiding picking 'turgid' fruit. It is great to see the 'buy-in' by AVOCO growers towards improving our fruit quality in our markets.

Fruit quality in general has been quite good, to date since export started; we have averaged close to 70% export packout, which is well up on this time last season. The main defect we have noticed a big reduction in is the tannin staining we were plagued by in

recent seasons. In 2018-19, an average of 55% of the crop was being rejected from export due to tannin stain, whereas this season to date, this defect is sitting at 6.5% average. We have, however, seen the levels of wind rub increase, and we have also started seeing sunburn lesions on fruit after the uncharacteristically high temperatures we experienced a couple of weeks back.

We are also experiencing quite a small crop profile, and reports from the field are that fruit isn't sizing very well which may be an issue for our second round of picking.

The weather throughout pollination has been very good in general, apart from two hail events we experienced in early November where the temperature dropped very low, likely causing some of the earlier set to drop. Reports from the field are positive though, and bees appear to have been out working really hard.

Moving forward, we will continue to focus on sticking to our flow plan while still working around weather events, maintaining a good supply of quality fruit into our markets and we thank growers in advance for their support in this.

From the Golden Mile crew, we would like to wish all of AVOCO a safe and happy festive season. ■

## The heat is on

LINDA FLEGG at Kauripak says growers shouldn't hesitate to reach out for spray advice amid reports of heavy pest pressure.

We are very happy to let you know that we have passed our MPI audit and next season we will be able to pack fruit for China. This has been a mammoth effort across our team, including those growers that have been involved, so thank you very much for helping to get us across the line. It has meant that we will be strengthening some of our processes and we will be in touch with you regarding your orchard tree numbers and orchard maps.

Packing-wise, mid-November sees us averaging 68.2% export packouts and average fruit size is 23.9. As expected, the predominant reject is wind damage, which thankfully has not risen dramatically after the

horrible weather in October. Currently wind rub is 49% of all rejects.

The Christmas holiday period is going to be a challenging time with a need to harvest 350-400 bins over the two short weeks to meet the AVOCO flow plan. Logistically, pressure is added due to the holiday traffic congestion we experience which makes bin transport difficult.

In certain areas we are seeing extremely high levels of six spotted mite – in some instances 60%, so please give us a call if you would like some assistance with chemical choices and spray timing.

We would like to wish you all a very Merry Christmas and hope you get to spend some time with your families ■

## Celebrating three decades

Far North Packers is celebrating a milestone year in business. Owner TOM CLARK reflects on how much it has grown in 30 years, crediting his father and support team for its ongoing success.



Near the end of November, we were at the halfway point through our AVOCO crop estimate for the season. FNP staff are by now well-honed, with production and compliance targets tracking well. Many thanks to the loyal and hard-working FNP crew who do such a good job.

Flowering looks to have been a success and the match heads are already expanding. Recently we have been noticing quite a bit of leafroller turning up in the bins of some lines, so post-flowering cleanup sprays are appreciated.

Fruit quality is down on last year, mainly due to wind-related defects. There was also a hail event in early September which has caused damage to some orchards and is something we don't see much of up here. Our export average is currently sitting at 65.9%, which is about 6% down on this time last year. Fruit size is about the same at 24.8 fruit per tray and 32.4% of export fruit weighing in at 28 count and smaller.

AVOCO has been working closely with packers on out-turn quality and the efforts of the technical team here are appreciated. The more we can learn about best practice handling of avocados, the better the experience for the end consumer.

With the change of tactic to size picking early in the season, I have been encouraged to see growers heeding the call. Kudos to

Far North growers for keeping fruit size up despite the challenges that we face in the district with this. Almost all growers have been available for non-Australian markets and this has helped with AVANZA commitments.

We will see the season out with continued focus on flowplan and keeping our retail partners supplied through times of peak demand.

For Far North Packers, 2019 marks our 30th year in operation. The shed was set up in 1989 by my father and avocado industry stalwart, Jim Clark. The story goes that he either lost a bet or drew the short straw at one of the early grower meetings. I contacted a couple of the growers who were there and found them to be a little hazy on the details. Either way, in the cold light of day he must have thought it to be a good idea because building started shortly afterwards.

FNP packed about 8000 (!!!) trays in that first season and from those small beginnings we have grown ever since. Jim passed away suddenly in 2017 but he would be pleased to know that we will do around 650,000 trays total this year in what is our largest season yet. From the earliest days, the relationship with Alistair at Team Avocado and AVOCO, has always been integral to the business.

On behalf of the crew here at FNP I would like to wish you all a safe and happy Christmas and New Year. ■



## Time flying by

Our avocado business and our growers are benefitting immensely through our association with AVOCO, says PHIL CHISNALL from DMS Te Puna.

**It's** our third season under the AVOCO brand and we are continually impressed with AVOCO's performance with strong leadership shown right through the organisation. Both DMS and our growers enjoy the strong relationship that keeps building with AVOCO.

DMS got off to an earlier start with our first export volumes picked and packed in week 33 for export – two weeks ahead of last season. With fruit Dry Matter maturity levels well below last year's, we were fortunate to have orchards that passed the export DM criteria which filled the early season export demand.

Our fruit volumes are well up on last season, with our estimated export volume up 50%. We are thrilled with our business growth and thank all our existing loyal growers for their continued support and new growers who have joined us for packing in 2019.

It's been a challenging season to date, with our early harvested orchards export pack outs averaging over 75%. However, after the major weather events with very high winds experienced during the months of August and September, export pack outs have reduced significantly, and we are currently averaging just over 60%. This is in

line with what we are hearing around the Bay of Plenty.

Harvesting is progressing exceptionally well with a very disciplined focus on size picking. We are fortunate that our harvesting contractor teams have made this possible with a real emphasis on staff training for size picking. A BIG thank you to all our harvesting teams.

We are focusing on size picking ct24 fruit or larger. Year to date, DMS is averaging 15% smalls, which is an exceptional result and will certainly help our average per tray OGR for our growers. The money is in the bigger size profile fruit for both export and domestic markets. It make sense financially if your tree health allows to leave the smaller fruit on the trees to fatten up for the second pick. We envisage the second pick will occur late December and continue until the end of the export season. By Christmas, we'll be 80% through our export flow plan, leaving 20% fruit for post-Christmas supply.

Pollination looks fantastic on the majority of our orchards, with high early fruitset numbers. It's early days but these are encouraging signs for 2020-21.

On behalf of the team at DMS Te Puna, I would like to take the opportunity to wish you all a Merry Christmas and a Happy New Year.

## More settled weather a blessing

THERESE TEMPLE of Apata reminds growers that size picking discipline is set to reward growers at season's end.

**O**ur round of first picks was completed by the end of November and overall, our season has been tracking well despite the continued challenges that come our way.

It's par for the course in this game and the team is managing the stresses well and getting on with the job. Our hero of the season award goes to Warwick Verry who stepped up and took on the role of harvest manager when Lilou left. We all know it's a challenging role, but he is handling it like a pro and the transition has been faultless.

Despite three devastating wind events our export packouts are holding at just over 74% average for the season, with an average count size of 23.3. Fruit size has been noticeably smaller this year, however AVOCO's discipline has kept smalls to around 22% as opposed to the industry smalls of 41%. This strategy is going to put money into growers' pockets compared with competitors at the end of this season. There is not much requirement for container after container of small fruit in the wholesale market!

Right now, the weather is warming up and settling down which will allow us to pick some more fruit!



*FRUIT SIZE: Keeping smalls to a minimum puts more money into growers' pockets.*

Apata cannot pass up the opportunity to congratulate Maria and Andrew Watchorn who received the award for Primor Grower of the year.

Our congratulations also go to Kevin Hogan who received the award for Team Grower of the Year and AVOCO Grower of the Year.

I'm sure they are receiving recognition in this newsletter but Apata also wants to recognise their continued success. Congratulations and well done.

Happy Christmas and a Happy New Year from us all at Apata. ■

### Technical Report

# Congress takeaways

AVOCO Technical Manager COLIN PARTRIDGE was among the Kiwi delegation that celebrated in Colombia after New Zealand won its bid to host the next World Avocado Congress in 2023. He also attended several technical events and shares his highlights here.

**T**he amazing turnout at the World Avocado Congress in September shows how much the global avocado industry has grown and how much interest there is in new scientific research and market development.

I was on the organising committee of the inaugural World Avocado Congress hosted by South Africa in 1987 when there were 240 delegates. Thirty-two years and eight Congresses later, the event is now attracting more than 3200 people from 50 countries, participating in a total of 240 conference sessions over three days.

The scale of the event now means it's impossible to attend all the talks because there are four concurrent sessions on at any one time, so you have to prioritise. However, there are always opportunities to refer to conference notes and speak to others willing to share insights they've gleaned from any sessions you miss.

One of the greatest benefits from this conference are the networking opportunities. The industry may be growing but it's still a small world so I saw many familiar faces from events gone by. It's nice to catch up and swap experiences and learn more about new places in the world where avocados are expanding. The established growing regions in Mexico, Chile and California continue to loom large in the avocado landscape but it's clear the industry is still expanding across Mexico, at home here in New Zealand and massively in Peru and Colombia.

On the technical front, the Congress revealed little to me to suggest there have been any scientific breakthroughs to radically improve avocado production or solve the industry's more widespread growing challenges in the very near future. But we caught glimpses of promising results from new trials underway, as well as warnings reminding us all about biosecurity threats and how vulnerable trees can be to pests and diseases.

### FRUIT QUALITY

The presentation I enjoyed the most was from Zelda van Rooyen, a research specialist from Westfalia Technological Services in South Africa, the largest privately-funded subtropical

fruit research organisation in the world. Her talk highlighted how everyone throughout the supply chain is responsible for fruit quality. She graciously shared her presentation with me, and in light of AVOCO's quest for quality, I plan to ask her permission to present it on her behalf at some future grower meetings.

In another talk, Carol Lovatt, a former Professor of Plant Physiology at the University of California, revealed the work that's underway examining the role that plant growth regulators and hormones can play in regulating productivity of the Hass variety. The research work continues to optimise timing and rates of application, but it appears that using synthetic hormones means growers will be better able to influence flowering and fruitset, general production and possibly even quality. Until the research is verified, however, we will be unable to give more precise recommendations relating to plant growth regulators, but it's certainly exciting work.

### FUNGAL THREAT

On a more cautionary note, attendees learned about the devastating effects of laurel wilt, a fungal disease (*Raffaelea lauricola*) that attacks the vascular system of woody plants in the Lauraceae family, including avocado trees.

Dr Randy Ploetz from the University of Florida's Department of Plant Pathology revealed how laurel wilt arrived in the US in 2003, establishing itself in the South Eastern States of America. It is spread by the redbay ambrosia beetle which bores into trees, using the fungus to rot the wood before feeding. Consequently, infected trees die rapidly. Orchards across Florida have been decimated by the disease – as of 2018 an estimated 120,000 avocado trees have been killed by laurel wilt. It's now feared it could eventually spread into Mexico and California as well.

More positive developments include trials taking place in South Africa, Spain and to a limited degree in New Zealand, that involve growing avocado trees under plastic shelter or covers made from shade or hail netting. Although expensive to establish, these new orchard developments could prove to be a gamechanger for our industry, due to increased productivity and improved fruit quality. ■



*CONGRESS: The World Avocado Congress in Colombia featured dozens of engaging speakers.*



# A fresh voice

New to avocados but no stranger to doing business, Bay of Plenty grower Nick Coughlan believes the New Zealand industry is poised for a major shake-up.

The former police detective turned businessman and grower believes change is coming, and it's being driven by challenges facing the industry around fruit quality. Science, Nick says, is likely to play a major role in helping the industry transform.

"Last season was disastrous in terms of fruit rot and there doesn't seem to be enough tools in the toolbox to deal with it, apart from good orchard management practice and copper.

"I'm a new boy on the block but it seems the science needs to catch up a lot more in our industry and give us more solutions."

He points to the kiwifruit industry's response to Psa as an example of how science can lead to positive change. "I'm not advocating that we should ever want to experience a Psa-equivalent in our industry but those events certainly drive change through necessity.

"I can see that coming with avocados and I see that as a good thing."

**"When I put my business hat on, I see a lot of opportunity because the industry is still in its infancy in New Zealand."**

Nick and his wife Louise, an accountant, are in their third season on their Stewart Road orchard in Whakamarama, north of Tauranga. While still relatively new to the craft of growing avocados, their vast business experience in other fields means they're not afraid to ask tough questions or search for new or better ways of doing things.

The couple both started their careers as police detectives in Wellington but moved to the Bay of Plenty more than 20 years ago for a change of lifestyle. Since then, Nick has worked in private security, property development and owned and operated several businesses, including Tasman Aluminium with his brother.

Their orchard, across three canopy hectares,

is a completely new business venture and one he was attracted to for a variety of reasons.

"I like the trees and I love eating avocados, which is always a good start. But when I put my business hat on, I see a lot of opportunity because the industry is still in its infancy in New Zealand. It will grow and the services, science and suppliers wrapped around it will grow with it."

Low-lying and only about 10 metres above sea level at the end of Stewart Road, the orchard had changed hands several times and was under-performing when the couple leased it in 2017. Nick sought the advice of consultants and packhouse reps – people he still relies on for their technical know-how.

"I listen to Lindsay Heard and people like Therese Temple from Apata," says Nick. "In fact, the industry is really good; a lot of people were really helpful in our first season here. They'd call in and I'd say, 'Let's go for a walk', then I'd just ask lots of questions. The more knowledge you have, the better."

Most of the 320 avocado trees on the property are more than 30 years old and are surrounded by established shelter, which helps to protect them from wind coming straight off the water. Previous owners had let the trees grow high and low, but after consultation with Lindsay and pruning contractor Kelvin Clark, Nick agreed to "take the tops off" so they can be picked from an 8m hydalada. Low-hanging branches were also removed.

"We did a major prune in April after the last crop came off and we'll get Kelvin to do a big prune every year.

"Kelvin's theory is to cut windows into the tree to let sunlight in and allow plenty of air flow and spray penetration.

"I've invested a lot but I've taken all their advice because I'm new. I trust Lindsay and Kelvin and, at some point, you've got to hitch your cart to someone."

He installed irrigation under every tree in the winter of 2018 and believes it helps to stop his trees become heat-stressed over summer. He's also quick to respond to pest threats, based on the information supplied by an independent monitor he gets in every three weeks.

"I run that programme through the entire year," says Nick. "I need to know if I have an issue and I respond when I do.



New boy on the block Nick Coughlan believes changes he's made to his orchard's management will lead to more consistent production.

"The compliance work that's come with registering my fruit for China takes extra time but I figure it's probably good for my orchard to have all those practices in place."

## AIMING FOR CONSISTENCY

Management changes implemented by Nick are already showing encouraging signs of success. In their first season the orchard produced 6400 trays, and the second season (2018-19) generated more than 10,000 trays from 150 bins. That equated to close to 20 tonne/ha.

This season, the couple are hoping to pick about 140 bins.

"I'd like to think we can become more consistent producers," says Nick. "That's the aim."

The proof will come next year at the end of a long harvesting season which begins in September when they take off the bulk of their crop.

They'll take off the remaining 40% of fruit in January, leaving just the marbles to size up for picking in April for the high-paying local market.

It's a strategy that works for the pair, with the orchard appearing to hold fruit well. "I'd like to do

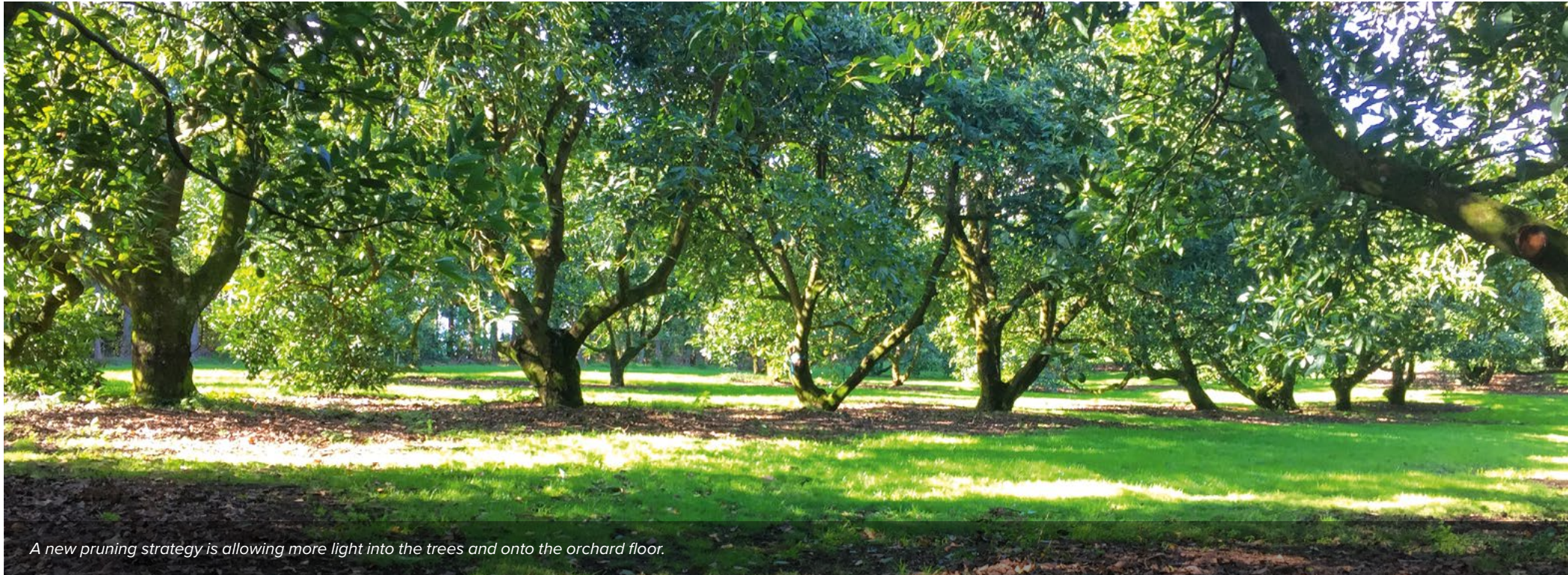
150 bins every year but that's only one part of the equation. Every grower wants an export pack out in the high 70s too."

## COMPETITION IN THE MARKET

With his strong business background, Nick is realistic about the competitive challenges lying ahead for exporters. Western Australia is increasing its avocado production at the same time as Chile is making attempts to gain market access across the Tasman. While in Asia, growing consumer demand for avocados is forcing more and more suppliers to compete for retail space.

However, Nick believes AVOCO is well-placed to weather any storm. "There's competition in any industry but I agree with the strategy they have to actively work across several markets and get better established in Asia because there's potential for long-term supply at better value in a lot of markets.

"The New Zealand industry has got its challenges but AVOCO and its AVANZA brand are doing well in positioning themselves as our country's premium supplier of high quality avocados." ■



A new pruning strategy is allowing more light into the trees and onto the orchard floor.



## Orchard Profile



Growers attending the field day learned about the island's history and development.

# Island in the sun

Growers attending a field day hosted by DMS Te Puna on Motuhua Island discovered the efforts being made to restore the island's beauty and lift production.

**A** back-to-basics approach to growing avocados has dramatically lifted production on one of Tauranga's most treasured off-shore islands.

About 3600 avocado trees were planted on Motuhua Island for domestic and export supply more than 18 years ago but, despite the best efforts, fruit volume has been relatively low and irregular.

Under the care and management of lessee DMS Te Puna, production has more than trebled in recent seasons, with new crop estimates indicating the 2019-20 season could produce its highest yield yet.

The newly-adopted management style and orchard transformation was unveiled to DMS growers and wider industry growers during a recent field day on the island. After starting with a half-hour barge trip leaving from Omokoroa, growers were greeted by the island's owners and local iwi who presented the Motuhua Island's history and its significance to Māori.

Mike Bidois, one of the orchard owners and also the DMS Motuhua Island orchard manager, and his 2IC, Chris Tangitu, spoke on behalf of iwi. They revealed that in the late 1800s, there were 2000 Māori living on the island, and 21 marae.

"There's a lot of history here and this island has provided for our people in a lot of ways," says Mike. "What's great now is the investment we can

see being made to fulfil the orchard's potential and secure a better future for our young people."

That investment has included recruiting technical consultant Lindsay Heard in 2017 to provide the DMS avocado orchard team with advice on fertiliser inputs, pruning and strategies to improve fruit set.

The 2016-17 harvest netted only 300 bins; the equivalent of just over three tonne/ha. Lindsay's first impression of the orchard was that the trees were in good health but required heavy pruning and additional leaf mulch.

"With trees carrying such low fruit numbers,

**"The more production we do allows us to reinvest in the island and in the whānau."**

they needed pruning to open them up and I also wanted to check their inputs over the previous years to understand why the trees had such low fruit set numbers."

Starting with leaf and soil sampling and a review of fertiliser applications, he discovered the leaf levels of boron were very low. He recommended applying additional ground boron rates in autumn to coincide with the seasonal autumn surface root flush. He also recommended applying copper fungicides over winter to limit tree growth.

Lindsay says avocado trees on the islands of Motuhua and Motiti have vastly different growing habits to avocado trees on the mainland, and need to be cared for differently.

"It's warmer on the islands so trees just keep growing over winter, which isn't ideal because they'll continue to size fruit and deplete their carbohydrate levels.

"If this is the case going into flowering, it's a recipe for low fruitset numbers in spring. That's why we increase the copper rates over winter to harden them off and target a more compact spring flowering period."

A longer flowering counts against successful pollination because it normally results in the lower overlap of male open flowers and female open flowers on Hass avocado trees, especially when cool temperatures below 11 degrees occur during pollination.

DMS Te Puna's general manager of avocado

business development, Phil Chisnall, says the company's relationship with Lindsay is one of DMS' key strategic partnerships which has contributed to the orchard's dramatic lift in production.

In 2018-19 season, the island produced 10.5 tonnes/ha, with 34,000 export trays and 26,000 trays for the domestic market. This season, it's estimated to produce 18-20 tonnes/ha, with 50% of the crop already harvested.

"Some of the trees have cropped pretty heavily this season and may be lighter flowering next year but it's really pleasing to see more fruit two years in a row," says Phil.

"Logistically it's tough managing the island because you have to cross water to get there. You are at the mercy of the tides and we are fortunate that we have a fantastic barge service from Omokoroa to Motuhua Island. We have to work through these challenges and we do that with great support from our key contractors."

## PRUNING AND MULCHING

Peter Marshall has been the orchard's pruning contractor, and has spent two-and-a-half years steadily opening trees up, having observed first-hand the negative impact that shade can have on yields, presently and in the future. DMS has opened up all trees on the island and has a policy of removing dead wood to help reduce wind rub and help alleviate fungus/bacterial disease pressure. A more open canopy policy will also optimise spray coverage resulting in higher class 1 pack outs.

They've also removed 1200 willow trees that were planted as shelter when the island orchard was established. Trimmings from the avocado and willow trees have been mulched and applied to the base of each tree.

Lindsay says tree mulch is critical to the orchard's eco-system.

"Whenever you go into an avocado orchard and you see leaf mulch there, nine times out of 10 it's a healthy tree. You dig around that mulch and you'll see surface feeding roots, and that's why we like to apply boron in autumn when that strong autumn flush of root growth is happening."

Added benefits to removing the willows included reducing pest pressure, and competition for space among the roots. Rows of polliniser trees have also rejuvenated.

## GIVING MOTHER NATURE A HAND

Phil admits to being a fan of both pollinisers and bumblebees, with both being introduced in large

numbers to improve pollination. Last season DMS planted and grafted 50 polliniser trees, mostly Ettinger and Zutano, and this season will plant a further 80. This is being done to increase cross pollination of open Hass female flowers in future seasons, which should further lift fruitset numbers when cooler temperatures occur in spring over flowering.

"It's about getting more male pollen in the orchard. Sure, we'll get pollination in good seasons but in marginal seasons with cold temperatures, pollinisers are essential."

A previous orchard trial had 10 bumblebee hives in one mature area on the orchard. Coincidentally this area produced the most fruit. Phil said that motivated DMS to increase the bumblebee hive population to three hives per hectare which equates to 90 bumblebee hives each pollination season. These complement the 210 honey bee hives used each season.

"We haven't scrimped on pollination and we know the bumblebees work really hard, especially during a cold spring."

## RESTORING THE ISLAND'S BEAUTY

Along with improving the health of the trees, DMS' back-to-basics management style has also seen a greater focus on cleaning up the island. Their efforts have not gone unnoticed, says Phil.

"We have a plan to further improve the island's ecosystem with a real focus on sustainability.

"We're doing fewer foliar sprays and applying a lot more solid fertilisers now, little and often. Spray contractors have commented to us that our trees look a lot healthier than other orchards they visit where copious cocktail foliar applications are being advised to be applied.

"The more production we do allows us to reinvest in the island and in the whānau. We want to keep tidying up the whole island and bring its beauty back." ■



Phil Chisnall told growers that production on Motuhua Island has more than trebled in recent seasons.

# FACTS

## Production

**2016-17**  
**3.2 tonne/ha**  
300 bins

**2018-19**  
**10.5 tonne/ha**  
915 bins

**2019-20 estimate**  
**18-20 tonne/ha**  
1800-2000 bins



Consultant Lindsay Heard highlighted how avocado trees on offshore islands have vastly different growing habits to trees on the mainland.



2019 Awards

# Growers reap the rewards of hard work

Two Bay of Plenty avocado growers have been judged AVOCO’s top performers after back-to-back stellar production seasons.



SUPREME WINNER: AVOCO Grower of the Year Kevin Hogan (pictured centre) accepts the award from the AVOCO team including technical manager Colin Partridge, director Alistair Young, marketing and communications manager Steve Trickett, director John Carroll, export manager Ted Thomas and technical representative Danni van der Heijden.

Kevin Hogan of Whakamarama collected AVOCO’s top Grower of the Year prize and was named Team Avocado Grower of the Year at the export marketing company’s recent grower meeting at Mount Maunganui.

Maria and Andrew Watchorn, orchardists in Omokoroa, also collected the evening’s other major trophy after being judged Grower of the Year for Primor.

AVOCO is in its seventh export season after Team Avocado Trust and Primor agreed to pool their grower resources and jointly supply premium quality fruit to Australia and Asia. Every year it recognises growers for top production and export pack outs, averaged over the previous two seasons.

This year’s recipients are no strangers to awards, with the accolades coming two years after they both received Grower of the Year prizes at a similar event. That year, the Watchorns won the overall top honours.

This time, it was Kevin’s orchard production figures of 20.2 tonne/ha and pack out rate of 73%, averaged over two years, that nudged him ahead.

Delighted with the win, Kevin says his figures simply reflect the fact his block is warm, sheltered and fertile.

“With global warming, there are very few frosts. But I try to keep on the ball as things can change very quickly in the orchard, so I don’t hesitate in responding to signs of bugs and phytophthora.”

A former senior constable in the Tauranga Police’s Commercial Vehicle Safety Team, Kevin bought the property in 2002 as a run-down citrus orchard and pine tree block. It originally featured about 70 citrus trees and an abandoned greenhouse that just grew weeds. In his spare time, he planted 167 avocado trees and transformed the block into a high-performing orchard.

Now semi-retired after four decades in the New Zealand Police, he’s focussed on producing consistent crops on his home orchard and four other avocado blocks that he manages.

Kevin says he follows best orchard management practices and still relies heavily on advice from technical experts, including AVOCO’s technical manager Colin Partridge and

consultant Jerome Hardy.

“I always get soil and leaf samples done at the optimum time and then I follow the fertiliser recommendations. Everyone needs to comply with the recommendations from reputable consultants.

“Colin, Jerome and Danni van der Heijden in the technical team at AVOCO are on the ball with their advice.”

The Watchorn’s property at Prole Road consistently produces a high quality crop every year, reporting production of 17.4 tonne/ha averaged over the past two seasons. Attention to quality and best practice has led to an export pack out of 71%.

The couple, who have been avocado orchardists for 15 years, believe there’s no formula for success, but agree that benefits come from having a passion for what they do.

Maria says the business of growing means you never stop learning.

“I believe there is still so much to learn but we are always willing to be open-minded and absorb any new information fellow growers and the industry have to offer.”

Maria and Andrew’s approach to growing avocados has always been to set high standards, gather around like-minded people, then “go for it”.

“It’s all about being present, having a passion for what we do, having a drive to succeed and every day doing the very best we can.” ■



ONGOING SUCCESS: Maria and Andrew Watchorn accept the Primor Grower of the Year trophy from director John Carroll.

Community Support

# Stay safe this summer

The Waihi Beach Volunteer Coastguard is preparing for another busy summer season on the water, thanks to ongoing support from AVOCO and the grower community.

more secure funding base for the Waihi Beach Volunteer Coastguard has led to an increase in the number of people volunteering over summer.

There is now a team of 47 volunteers who provide rostered support to the Coastguard unit, significantly boosting the ranks of the dedicated maritime radio team. They communicate with boaties, respond to distress calls and log their trip reports. Volunteers also play an active role in supporting community events at Waihi Beach where the Coastguard is asked to provide a boat for event safety.

Maritime Radio Channel 16 is manned 24-7, with local support available to boaties between 6am and 8pm via Channel 7.

Operations manager Jim Pooley says having extra volunteers to call on is the direct result of the Coastguard unit’s healthy funding base, in large part due to sponsorship from AVOCO and Gallagher.

“For many years we were operating hand-to-mouth, but longer-term sponsorship is enabling us to focus more on the activities that really matter to boaties, which takes pressure off volunteers having to constantly fundraise.”

AVOCO teamed up with the Coastguard unit

in 2016, and this year renewed its sponsorship at \$25,000 for three years.

The money goes towards Coastguard’s yearly operational costs of \$110,000 as well as the running costs of its rescue vessel named AVOCO Rescue, a 5.8m Naiad-designed RHIB (rigid hull inflatable boat) powered by twin 115hp Yamaha outboards.

The vessel was launched at the end of 2016, giving the Coastguard the capability to cover two completely different areas. Its larger vessel, Gallagher Rescue, oversees the Bowentown Bar, one of the most notorious bars in New Zealand, while AVOCO Rescue is used to protect the channels and shallow areas of the Northern Tauranga Harbour.

On 26th of December, the Coastguard is supporting the Old4New lifejacket campaign at Bowentown Boating and Sports Fishing Club. Between 8am and 12pm, people are encouraged to trade their old, worn lifejackets for discounted new ones.

In March, the unit is also benefiting from The Fox – Fishing and Golf Festival, a three-day charity event at Waihi Beach hosted by New Zealand golfer Ryan Fox and other sports personalities. ■

## Your AVOCO Grower Services Team

TECHNICAL ENQUIRIES	Colin Partridge Danni van der Heijden	027 270 7219 022 062 0602
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DMS	Phil Chisnall Hamish McKain Hugh O’Connell	027 4820 271 027 220 2005 027 245 1817
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KAURIPAK	Jenny Gilliver Stuart Oates Matt Roeszler Toni Morrison	021 157 6670 027 489 8098 022 319 3513 027 265 4469
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TREVELYAN’S	Daniel Birnie Jonathan Cutting Katherine Bell	0274 866 969 027 973 3513 027 211 9181
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GOLDENMILE FRUITPACKERS

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FAR NORTH PACKERS

TEAM AVOCADO	Alistair Young	027 492 9486
PRIMOR	Ross Mutton	027 6485 577