

avoco news



AGRC

Packaging
equalisation

AVANZA MARKETS

Season summary

TIME FOR
REFLECTION

TECHNICAL ADVICE

Foliar nutrition



Directors' Review

Eyes wide open to new reality

It will take some time for the true economic impact of COVID-19 to reveal itself in offshore markets. In this new environment, directors JOHN CARROLL and ALISTAIR YOUNG say growers can have faith in AVOCO to overcome challenges ahead.

More than a month has passed since finalising our payments to growers for the 2019/20 season. The healthy results reflect another solid performance by our grower-led company and the pleasing efforts to lift the quality of our fruit right through the supply chain. This achievement was especially important given the significance of the Australian supermarket business which represented 76% of our export pool sales last season.

We are moving to implement a new AVANZA Quality Business Plan designed to also improve quality outcomes in Asian markets which continued to experience problems in the past season, unlike Australia.

The ongoing COVID-19 global pandemic presents many new challenges for us in Asia, and over the past three months, we have stayed in close contact with our market partners there. Consumer demand in Asia continues to be difficult to predict as countries roll through various levels of restrictions as a result of COVID-19. We



The Australian market outlook is bright.

are continuing to watch the markets closely so we can quickly and carefully manage our response, while staying focussed on what we can control.

The market landscape in Australia is more predictable and we're taking comfort from the strong demand for our fruit being shown to us by Australia's most influential retail players. Driving calls for our supply is the fact that Australia's domestic crop appears to be well down on last season. As a result, we have locked in significant supermarket orders, and these programmes will hold us in good stead while we navigate what is unlikely to be a 'business as usual' season for many exporters.

As the industry's largest export marketer, we remain committed to supporting our AVANZA markets as we believe they continue to play an important role in our long-term strategy to grow the global appetite for New Zealand avocados. Since 2001, when AVANZA was formed, we have achieved numerous milestones in Asia and our nine markets there, while each have unique challenges and opportunities, provide fertile territory for development when we are ready to lift volume.

Our pre-season market plan largely reflects a market mix very similar to last season's. Priority will be given to our retail programmes in Australia and we will maintain a presence in the wholesale market which relies on our fruit to service independent retail stores and the hospitality and food service sectors.

The current plan sees around 13% of our pool volume allocated to our AVANZA markets, including Japan, Korea, Thailand, Singapore, Malaysia, China, Taiwan, Hong Kong and India. Eventual volumes and the timing of shipments to markets such as Thailand and India will largely be determined by the availability and cost of air cargo space.

We had hoped to mitigate quality risks associated with longer

Directors' review continues...

Directors' review continues...

seafreight journeys by shipping greater volumes by airfreight to some emerging markets, where we could still achieve attractive returns. However, until we have certainty about regular airline services, we can only make provisional allocations to these markets or export reduced volumes only by sea.

What is certain, is that the impact of COVID-19 will require all of us involved in the different stages of the supply chain to operate differently to how we have in the past. But rest assured, our scale and breadth of customer base ensures we have options and flexibility to make changes leading up to and through the season. Our experience and nimbleness will also be strengths in a season that will require us to make sound decisions quickly to mitigate risks and maximise opportunities that emerge.

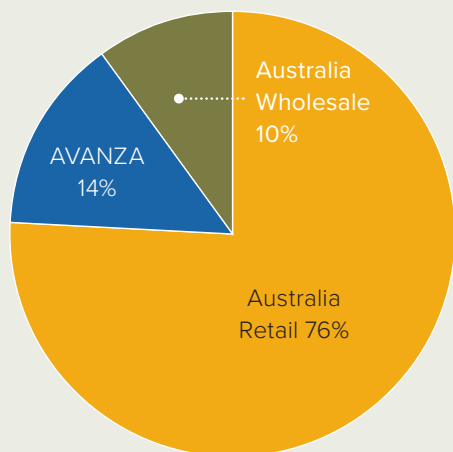
As always, we welcome new growers and encourage anyone

'sitting on the fence' to have a conversation with our team or any one of our packhouse partners. As growers you're best placed to make recommendations and provide informed testimonials. AVOCO handled 64% of total industry exports last season and we have plenty of capacity for growth.

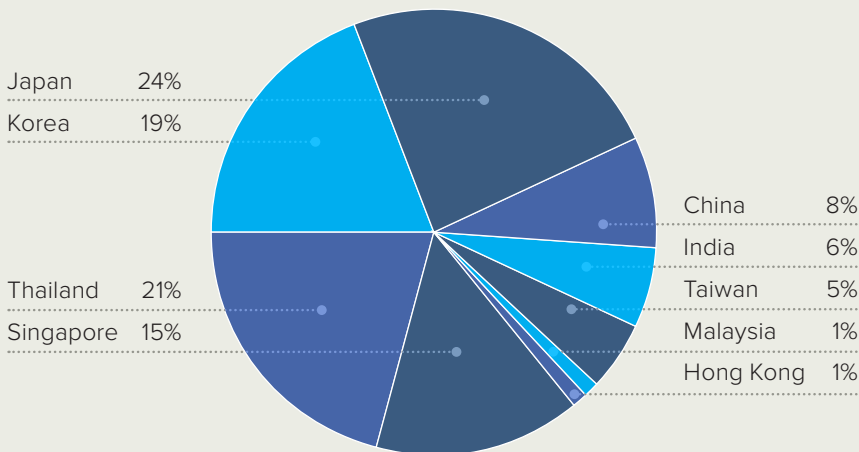
In this newsletter, we highlight some of AVANZA's achievements in 2019/20 and provide our Technical Manager Colin Partridge, who is stepping down from full-time duties in July, the opportunity to reflect on his career with us in his own words. Colin has been a champion for science and a great servant to our industry for many years – we wish him all the best in his semi-retirement.

Our technical team also shares their advice about foliar nutrient sprays and we hear from AGRC chairman, Hugh Moore. Happy orcharding!

AVOCO FINAL MARKET SPLIT 2019-20



AVANZA ALL MARKETS 2019-20



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.

Well what a different world we live in at the moment. Finally, we are in Level 2 and we can now meet and greet someone outside of our bubble and go out for more than the odd takeaways by phone order.

We are lucky that being part of the avocado industry has allowed us to maintain a more normal life in our large orchard bubble and do more around the house and surrounds.

As a horticulture business that is involved in export our income has not changed significantly because of how our pooling system operates and the late sales of local market avocados have maintained income (at a lower rate and price).

I am glad that we are in a business that has been able to carry on and employ staff and pay bills without any major worries. We should also consider ourselves lucky that our product is still selling in the export and local markets and that next season looks promising.

There has been a major change to the packaging equalisation system for next season. Since AVOCO was formed and the MOU between Team Avocado and Primor Produce was introduced there has been a packaging equalisation system that made sure all growers from all packhouses were treated equally, regardless of the mix of pack types their fruit may end up in. This had been achieved by a schedule of charges being set and signed off by the AGRC on behalf of growers. The base packaging charge was set inline with a packaging quote contracted by Team Avocado.

AGRC report continues...

The AGRC has decided that each packhouse will have its own packaging equalisation pool using its own packaging prices mirrored to the total AVOCO pool sales. These individual pools will be managed by AVOCO through the nominated packaging prices that they submit for payment from the main pool on behalf of their growers.

This means that packaging charges will differ between packhouses and the committee believe that this will create a more competitive structure to the post-harvest industry. The AGRC reasoning is that some of the sheds can achieve a better price from the packaging suppliers due to their scale and involvement in the kiwifruit business. This saving should be passed on by those packhouses to their growers by charging lower rates to their pool. The proviso to change is that the packhouse must supply AVOCO and their growers a list of their packaging charges.

The last AGRC meeting was held on April 7 by conference call due to COVID-19. The following subjects were discussed:

- Food Safety Costs – suggestion of a nominal cost could be deducted from the first grower payment to allow for a reduced charge to be deducted at pool finals.
- AVOCO Market Directors Report – planning for the markets to date and how things may look with COVID-19. Final market volumes for the 19/20 season. Cost for supplying the quality team in Australia. Crop estimation and flow plan management showed only a 10% deviation from forecast flow to actual. DWAR pest

interceptions Australian pest finds and fumigation results. Grade standards and quality reports. China supply 2020. Insurance Claims-only three small claims for the season. Pool position and final date. Forex report contribution to the pool was \$700,000.

Please feel free to contact your local AGRC member or myself if you would like any further information on the above subjects or other matters. ■

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Q&A

Colin Partridge

For more than 20 years, Colin Partridge has been helping New Zealand avocado growers become more productive by bridging the gap between science and their orchards.

From July, Colin has made the decision to step back from full-time duties but his technical expertise will be retained by AVOCO part-time in a mentoring role and to help with the handover to a new Technical Manager.

We asked Colin to reflect on his career to date and share with growers some highlights in his own words.

I have really enjoyed the challenges and successes that each season has brought to us and no one year has ever been the same as the other. To give you a small example, although we are naturally very focussed on sea transport, airfreight costs took a big tumble one year (quite a while back now though!), and our Australian customers got every single tray delivered by air that season and I had to coordinate the supply. So I have enjoyed having a varied role to play.

When we were a smaller group, I was also involved in logistics and allocating fruit to shipping systems, negotiating with packaging suppliers, ordering packaging and inventory and fruit age

management, secretarial and advisory work for the Avocado Nursery Association. I even did local market sales for a season back then.

Not that well I was told, because I wouldn't give discounts! But hey, it was a short supply situation.

Then managing shipping temperature regimes and residue testing, organising meetings and keeping minutes of those meetings, field days, discussion groups and conferences. Trouble-shooting in our overseas markets was sometimes challenging, but always interesting.

Overall though, it is the general interaction with and technical advice to growers that has been a steady focus. I really appreciate the hospitality that growers have extended to me and many of them have become personal friends. There has also been a lot of satisfaction gained from advising brand new growers, many of whom had zero prior experience of avocados, watching them getting stuck in and seeing their trees flourish and produce.

If I had to choose a few more highlights, they would be writing job advertisements, conducting interviews and being involved in appointing some staff members that are a credit to the company today.

After the AVOCO conference in 2014, some growers said, "Now that was the best conference with the best technical content ever. How are



Colin Partridge is ready to embrace semi-retirement.

Q&A continues...

Q&A continues...

you going to beat that?" They said the same thing after the next two conferences which I took as a compliment.

Lastly, back in the Team Avocado days I came up with the slogan 'Team Avocado – grower powered, market driven' (probably after a few wines). Alistair was so impressed he asked if he could use it. I said of course, and I was chuffed that it was printed on our promotional material for many years thereafter.

What do you see as some of the key technical challenges that still need addressing?

Controlling post-harvest rots remains a big issue and while we are making progress by implementing a raft of horticultural, operational and handling changes, some improvements have been due to more favourable weather this past season. It would be nice to have some effective post-harvest treatment. If we did, then other shelf-life enhancing treatments could be used without aggravating rots, which they do if we use them now.

Everyone in the world struggles with alternate bearing and we are no exception, despite what some would have you believe, so crop manipulation is a big challenge. Although strategic pruning is starting to have a beneficial effect, it would be a breakthrough if we could develop additional techniques that would allow very late hanging of fruit without jeopardising the next set.

I think the answers are there waiting to be discovered and will probably involve plant growth regulators, which then will also involve allaying public concerns about chemical use. Alternately, new cultivars could be considered. There are already some late cultivars in other countries, but they have more quality issues than Hass that would have to be overcome.

If you had a magic wand, what do you wish every avocado grower did on their orchard to support tree health?

Every grower would have a well-designed and effective irrigation system and enough water and knowledge to use it properly. This would relieve water stress at critical periods and improve the application and uptake of nutrients at key growth phases, which over time should improve set, fruit size and overall productivity.

What do you think the industry will look like in another 10 or 20 years? How do you expect orchards will change and what will drive that change?

Some growers need to up their game to increase their own production. It can be done as witnessed by many quiet achievers who don't say much, but just get on with doing things well and on time. Perhaps it's just human nature, but I sense a slight restlessness and an increase in some growers and organisations seeking 'their own individuality and



Colin will continue consulting and providing growers with technical advice.



Colin Partridge plans to indulge his love for trout fishing.

wanting special treatment' (for want of a better phrase), as opposed to sharing the market peaks and troughs with fellow growers in order to satisfy customer demand.

The forecasts for the upcoming season are positive, but there will be larger volumes produced here and overseas as time goes by. 'Unity is Strength' is a saying that should be heeded by AVOCO growers because survival in competitive export markets depends on unity of purpose, allowing AVOCO to capitalise on the very strong relationships it has formed with retailers in Australia and customers in other markets.

Aside from supporting AVOCO in a mentorship role, how do you plan to spend your time?

Sooner or later, one becomes aware that succession planning is required. You get called 'dinosaur' and 'old man' at the office and you watch the younger ones work spells on their computers which take them four hours but would take you a week (which is all very well, but some of them don't know other important things, like mature avocado orchards needing up to 170,000 litres of water per hectare per week in dry periods, or even who Bob Dylan is!).

Seriously though, new blood is necessary to bring increased energy and skills to an organisation and after 23 years with Team/SPL, I asked Alistair if could step back somewhat seeing as the youngsters are demonstrating their worth. I was fortunate the AVOCO directors see value in retaining me in a semi-retired capacity, helping the newer ones and taking on projects that may need my expertise.

I also plan to continue consulting to those growers who value my experience, enjoy my grandkids, catch that BIG trout and travel a bit so long as it's affordable. It is a privilege to work with a great group of people and for an honest, transparent company that really concentrates on maximising orchard gate returns to its growers. ■

AVANZA markets

Korea

Avocado smoothie samples at in-store demonstrations continue to introduce avocados to new consumers, while we continue to educate the food service sector about AVANZA fruit.



1.5m Total avocado trays imported by Korea from all origins.

This is down from 2.1 million trays the previous season.

25k Hotel & restaurant magazine subscribers targeted with information about AVANZA avocados.

132

In-store sampling events reached 64,000 consumers.

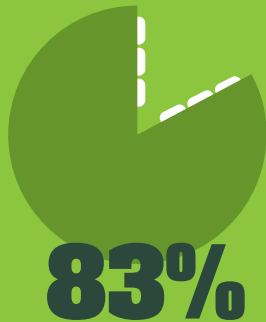
Our partnership with Maeil soya milk introduces avocado smoothies to a targeted network of mostly young Korean women.



AVANZA returned to Hong Kong after being absent for a few years, generating strong interest and sales.

Japan

The 2019 Rugby World Cup in Japan was an opportunity to lift the profile of New Zealand. We partnered with the Kubota Spears Rugby Team to highlight the benefits of New Zealand avocados as a superfood. We must improve quality to hold our place.



AVANZA's share of NZ's avocados to Japan.

South East Asia



Growth in volume shipped to Thailand and India last season.

80K

Trays shipped to Japan.



10 weeks

AVANZA's supply window in Japan.



For the first time in Thailand, we launched a comprehensive social media campaign to boost awareness of AVANZA avocados.

AVANZA's volume to Thailand was up 45% on 2018-19 off the back of growing awareness of avocados among consumers and successful marketing initiatives aimed at educating people about how to use them in meals.

China

Season two of AVANZA's market development achieved strong brand awareness and valuable lessons. Inconsistent quality was a challenge.



Months spent in market.



17%

Airfreight volume.

In-market survey of consumers confirmed that New Zealand avocados were the most favoured for taste ahead of fruit from Mexico and Chile.



Avocado foliar nutrition

Some foliar nutrient sprays can be an effective supplement to ground-applied nutrition. A wide range of foliar nutrition sprays are used in the NZ avocado industry, in particular by growers who seek to augment flower Boron levels or maintain canopy condition through the autumn, winter and spring months.

Nitrogen is the most important nutrient to maintain canopy condition over winter. Adequate Boron levels are important for flowering and fruitset, especially when a dry summer may have resulted in an autumn leaf test which is particularly low in Boron.

Solubor (Sodium tetraborate pentahydrate) and Technical (low biuret) Urea are the only two foliar sprays proven in replicated trials, that we are aware of, to increase yield in avocado. *An important point is that while both are beneficial if applied independently, the Urea + Solubor combination has been shown in research by Carol Lovatt to cause floral deformity if applied together just before or at flowering.* The obvious question is, since pre-flowering applications of both Technical Urea and Solubor are proven to improve yield BUT cannot be applied together, then which is more important? Our view is to decide which is the priority by assessing your autumn leaf tests (which will point to leaf nutrient deficiencies).

SOLUBOR

(Sodium tetraborate. Also sold as 'Actibor'): Emphasis should be on applying up to three foliar applications of solubor at 80 grams per 100 litres water, from cauliflower stage to open flower. Solubor is widely compatible and safe when used at this low foliar rate. Proven in Carol Lovatt's and other South African work to increase yield when applied at this stage of floral development.

TECHNICAL UREA

Technical Urea is applied at 1% (weight by volume). It is a cost-effective source of N which also improves cold-tolerance if applied monthly during the winter. To avoid the possibility of the negative effect of solubor/urea interaction mentioned above, stop foliar urea applications from end September onwards. While magnesium sulphate is often added by some growers at 0.75% (weight by volume) to winter urea sprays, there is no evidence at this stage, of any production benefit of doing so.

YOUNG TREES

Application of 1% Technical Urea can also be used to good effect as a



Results of autumn tests will reveal any nutritional deficits that need addressing.

frost protectant for young trees. Apply monthly.

Caution: There is high risk of severe phytotoxicity if foliar urea is reapplied at shorter than monthly intervals or at rates higher than 1%, so seek professional guidance.

Broad Spectrum nutrient sprays: Nitrogen + Phosphate + Potassium + Trace Elements (Ca, Mg B).

Here is a selection of foliar products which have a history of being used by NZ growers with no visible negative effects on tree health.

NITROSOL ORIGINAL

Applied at rates of up to 10 litres per ha. As a higher-rate product, Nitrosol Original should be applied separately to insecticides. Safe to apply with phosphonate on young trees. Apply monthly and seek professional guidance with regard to rates and compatibility. Nutritional composition published.

ACADIAN/STIMPLEX SEAWEED

Both from the same manufacturer (Acadian is the powdered formulation and Stimplex is the liquid formulation). Acadian seaweed powder is applied at 1-1.5 kg per ha. Widely compatible. Apply monthly. Nutritional composition published.

WUXAL RANGE AND YARAVITA RANGE

Two other proprietary brands with a history of use in our industry are the WUXAL range (e.g. Wuxal Boron) and the YaraVita range (e.g. Bortrac). Again use with professional guidance.

Feel free to contact Colin, Danni or Jerome if you have further queries.

Disclaimer: The above serves as a summary of safely used foliar sprays. Any reported benefit other than for Boron and Technical Urea is anecdotal only and it should be noted that there is no replicated trial work that we are aware of, which covers the use and benefits of proprietary branded foliar nutrition sprays on avocados.