

avoco news



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Directors' Review



Stepping up when it counts

No export season is without its challenges but 2020 will be remembered for serving up more than its fair share, writes Avoco directors JOHN CARROLL and ALISTAIR YOUNG.

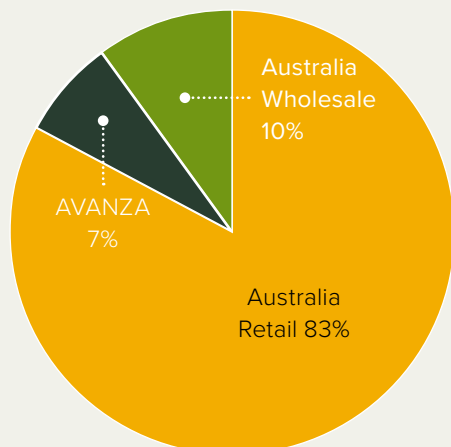
When COVID-19 started sweeping across the world earlier this year, it wasn't immediately clear how the global avocado export market would fare. In New Zealand, we considered ourselves fortunate that our national lockdown fell outside our harvest window, allowing us to observe how the kiwifruit and apple industries coped under strict new operating regimes. Credit must be given to these industries and all those in essential services for demonstrating how resilient and innovative Kiwis are in the face of adversity. Three out of the four packhouses that we partner with in the Bay of Plenty packed kiwifruit during this period and are perfect examples of how the horticulture industry successfully responds to a challenge.

With borders closed, we immediately came up with a new strategy to connect with key customers in Australia and Asia to finalise our supply programmes. Like everyone in the industry, our team is now used to conducting business via video-link in the 'new world' of COVID-19. Quarantine restrictions mean this is likely to continue for some time.

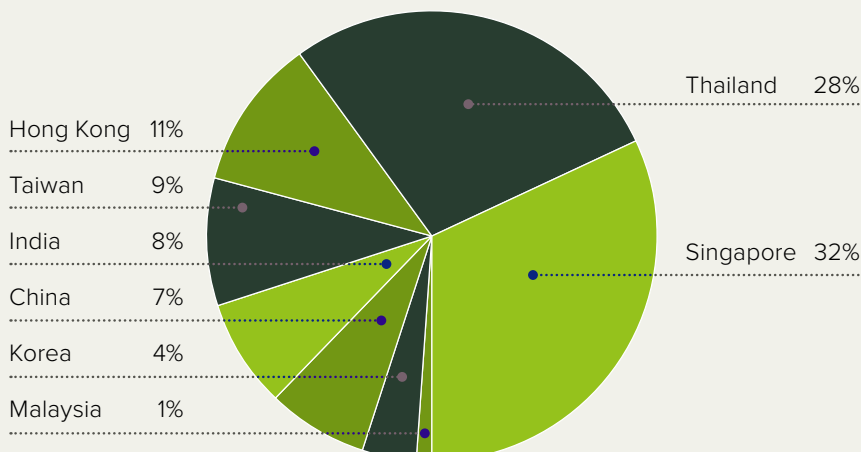
We are lucky to have long-standing relationships with key customers and service providers in this difficult environment. It makes communicating easy and everyone is clear on expectations. Midway through our season, we can be proud of our marketing, technical and logistics teams for all the work they have put into supplying markets and protecting our brand during trying times.

Directors' review continues...

AVOCO PROJECTED FINAL MARKET SPLIT 2020-21



AVANZA ALL MARKETS 2020-21



VALUES HOLDING FIRM

We leaned on Australia more than ever and this market continues to return very strong values for us. Our retail programmes into the main supermarkets benefited from below average volumes coming out of Western Australia and, with their domestic supply quickly drying up, we expect New Zealand fruit will have the lion's share of the market between now and February.

Another positive in the season has been our fruit quality which we credit to greater disciplines being applied right through the supply chain. Growers, packers and picking contractors have supported calls to avoid harvesting on wet days, leading to improved outturns in the market. Thank you for your cooperation.

Recommendations outlined in our AVANZA Quality Plan have also led to more consistent outturns in Asia but sadly, global shipping disruption forced us to take the safest option of curtailing our programmes planned for Japan, China and Korea. We are at the mercy of global shipping lines and faced with the uncertainty of vessels arriving to schedule, we could not risk fruit age and the possibility of another underperforming year.

Observations of how the season has played out in Asia reinforce that we made the right call. Logistics pressure has meant servicing Asia has been very difficult but it's pleasing to see growth in some of our South-East Asian markets – Singapore, Thailand and Hong Kong in particular.

STRATEGY RESET

We are planning for a future that will require even greater discipline and collaboration to cope with a global avocado export market facing new challenges.

The past five years have seen Avoco focus on exporting New Zealand avocados to feed a hungry Australian market primarily, where growers receive the best returns. Notwithstanding current Trans-Tasman vessel and port disruptions, risks associated with shipping across the Tasman are also relatively low.

Australia will always be our main platform for export, but a focus for the next five years must also be developing Asian markets. Success this season in shipping fruit, albeit in low volumes, that holds up under

the pressure of longer distance shipping, gives us confidence to invest further in this area.

Collaboration with other exporters, particularly in the area of alternative shipping arrangements, may also be a feature of the new way forward in growing New Zealand's avocado sales in Asia.

This may involve both air freight and sea freight arrangements, looking at what others such as Zespri are doing in the same space, and coordinating some market delivery options with them. We must be prepared to think outside the box.

Development of Avoco's five-year business plan will also involve a complete SWOT analysis and a reset of objectives, with a strong focus on how to get Asia back up to absorbing 20, 30, or 40% of our total volume at value.

We will be reviewing brand strategy and market servicing requirements, including the need for in-market resourcing. We'll also look at pricing expectations and market development tactics in the face of increased access and attention being given to more Asian markets by South American suppliers.

Avoco has a lot of work to do, but given our scale and experience in the market, we are well positioned to deal with the challenges ahead.

We wish all our growers a Merry Christmas and a safe festive season with loved ones. ■



Behind The Scenes

Your Avoco Grower Relationship Committee, led by chairman JOHN SCHNACKENBERG, reports on policy updates and issues important to growers and the supply group.

I seem to be forever following in Hugh Moore's footsteps. At the October meeting of the AGRC I was nominated and voted Chair and Deon Cartwright appointed Vice-Chair. Some shoes to fill. In 2007 I had followed Hugh as Chair of New Zealand Avocado Growers' Association.

Elsewhere in this edition Hugh's immense contribution to Avoco is celebrated but I need to make a few observations.

While Hugh has had several industry roles, always while working with him, I have only observed Hugh as being 'grower led'. Perhaps the issues of the kiwifruit industry collapse in the late 1980s at grower expense framed his passionate grower equity perspective from which we all benefit now.

Not only has our own Growers' Association recognised Hugh's contribution to the avocado industry as a Life Member, but also Hugh has been awarded the Horticulture New Zealand pre-eminent award – its own Bledisloe Cup – for services to horticulture. Well done and thank you Hugh.

What happens next? Well, there are a few things on our minds and a couple to think about over summer.

Fruit quality and research to improve the keeping quality of our fruit being a major.

That Avoco needs to invest our grower money into this research after growers already contribute handsomely to the NZAGA and NZ Avocado for research and development is a concern, but at this point, needs must. A key focus is water blaster efficacy research. We expect a partnership program with NZ Avocado, a

third-party engineering business and Avoco will be underway shortly to identify key attributes of successful avocado water blaster design. That can then inform our packing partners as they seek to upgrade their existing facilities.

Succession planning being another. At the Bay of Plenty Avoco Grower meeting on December 7, Hilton Paul's service to the Team Trust and Avoco was acknowledged as he stood down after seven



Deon Cartwright, Vice-Chair of the AGRC



New AGRC Chair, John Schnackenberg

years on the AGRC. While our committee represents a combined vast experience, including three former industry Chairs, we need younger members to bring their 21st century thinking to the table.

It was heartening on many levels to see a wide range of new faces at our Bay of Plenty meeting and I would encourage any of you interested in how the industry is run for grower benefit, to seek out opportunities to get involved.

Accordingly, it is great to have Deon on the AGRC Committee and Vice Chair (to whom the rest of us would give an easy 20 years of age)!

I wish you all a safe and happy Christmas and New Year. ■

AGRC COMMITTEE MEMBERS

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Q&A

Ella Stowers

A market support executive for Primor, ELLA STOWERS' experience has come in handy during a season disrupted by shipping delays.

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

I assist our export managers and operations team to ensure we meet the essential deadlines required to deliver Avoco avocados to our various markets. This process consists of pick and pack, logistics and supply chain management, distribution, and final sale to customers.

Within my role I also monitor, record and analyse data to ensure correct information is relayed to our export managers for planning. I also ensure sales are entered into our Avoco database, and stock inventory is accurate and updated daily.

I also oversee and manage our Primor portal website, and can support growers to set up their export contracts. Lastly, I am the Health and Safety officer for our Auckland city branch.

What were you doing before you worked at Primor Produce/Avoco?

I worked at Cooltainers Ltd for 12 years, focused on both imports and exports between Australia and the Pacific Islands for frozen and chilled commodities.

That experience gave me full insight into how freight forwarders operate, when dealing with shipping lines, ports, packhouses and transport companies.

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

My past roles have taught me that time management and communication are the two key components to achieve full completion of shipments from beginning to the end.

Working with avocados requires skilled management and without this expertise, it would be difficult to maintain successful outcomes.

What are the biggest challenges in your role and how do you overcome them?

Short supply of avocado stock affecting customer demands, weather around picking and vessel delays.

The strong relationships our sales and export managers have with our customers is important, to help meet their requirements and make Avoco's fruit transition smoothly through our supply chain processes.

What do you enjoy about your role and working in the avocado export industry?

I enjoy the challenges I face daily, overcoming obstacles and finding solutions as we endeavour to provide consumers with the best quality New Zealand avocados. Working in the industry allows me to increase my knowledge around supplying a great product to various challenging markets and, most importantly, meet and work with awesome people.

The advantage of being part of Avoco is that both Primor and



Ella Stowers, Market support executive at Primor

Southern Produce work great as partners for our growers and customers.

When you're not working, how do you spend your free time?

I spend a lot of free time at home with family and friends. I love supporting my son's sports teams, and I'm involved in administration with the Otara Rugby League, Samoa and Counties Tag clubs.

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

I eat avocados in anything, with hot meals, in salads and my favourite, mashed avocado on toast. It is a superfood with great health benefits and tastes great. ■

Export Report

Work ahead in China

Marketing and Communications Manager STEVE TRICKETT reveals that both AVANZA and the New Zealand industry have a big task ahead to build a market in China after three years of very tentative entry.

Shipping schedule disruptions and port congestion at Shanghai forced AVANZA to pull the pin mid-season on exporting to China in what was New Zealand's third season of market access.

Shipments began in September but continued delays to both vessel and port clearance times added another five to 10 days to fruit age, forcing AVANZA to make the decision in early October to cancel the remainder of the China programme. As a result, only 13,000 trays were shipped, representing 71% of industry exports to China.

"Most of the fruit we supplied were sizes 20, 24 and 30 – smaller than what retailers were expecting," says Steve. "We had targeted more 16 and 18 count sizes but this season's smaller fruit profile meant we had a limited supply of large fruit to differentiate our brand from other South American fruit on offer."

The extended shipping timeframe saw all fruit arrive 31 to 35 days after being picked. By the time it reached consumers, fruit was 40 to 43 days old. Despite this, quality held up very well.

AVANZA's importer in China, Goodfarmer, accepted the decision to stop in the interests of protecting the brand, he adds.

"The quality risks in continuing with uncertainty around shipping were simply too great."



Katikati growers Wilson and Barbara McGillivray shared their passion for avocados and the land during filming with the Chinese influencers.



Auckland-based influencers in China, including Yueyue Zhao, discovered how much our avocado industry has grown during a visit to Tauranga and a meeting with the NZ Avocado team.

Promotional activities were scaled right back as volumes reduced but AVANZA still delivered in-store tastings and marketed to consumers through social media influencers or China's KOL's (Key Opinion Leaders) and live-streamed events.

KOL IN NEW ZEALAND

Yueyue Zhao, an Auckland-based influencer popular in China, visited the Bay of Plenty at the end of September to showcase the New Zealand avocado industry and film for her website (vlog).

Steve hosted Yueyue and her film crew, taking them to Wilson and Barbara McGillivray's orchard at Katikati as well as meet the NZ Avocado team in Tauranga to learn more about plans for the industry's growth. Yueyue and her 'apprentice' Grace were also treated to an avocado cooking class at Bethlehem's Somerset Cottage.

They filmed two videos for the vlog, including a 30-second teaser played to Yueyue's followers at the time of her visit. A three-minute video was also delivered after AVANZA's fruit arrived in China. Her social media feed was linked to online sales platforms serviced by Goodfarmer.

JAPAN DECISION VALIDATED

Shipping chaos around the world validated the mutual decision taken by AVANZA and importer Farmin to suspend planned exports for Japan in 2020.

This was the first season in 17 years that AVANZA did not send fruit to Japan, a decision that was shared by other New Zealand exporters too.

Steve says observations of Japan during the season suggest they made the right call.

"In all likelihood we would have halted sea freight shipping to Japan for the very same reasons we did for Korea.

"We continued to monitor market developments across the New Zealand season, noting that both volumes and values from Japan's South American imports were also down due to the effects of COVID-19 on demand."

Fans of AVANZA were updated on developments via social media channels and media, which also reinforced the message AVANZA would be back in Japan in 2021. ■

Export Report

Short season in Korea

Unreliable shipping and having to compete with fruit from Peru for an extended period forced AVANZA to shelve its plans for Korea in 2020.

Only 7,000 of the 85,000 trays scheduled for Korea were sold in a season that was dominated by major vessel disruption, due in part to the global pandemic.

Other Kiwi avocado exporters were also affected, with the New Zealand industry shipping a total of only 46,000 trays – 18% of the planned 250,000 trays.

Market manager Martin Napper says it was unwise for AVANZA to “play roulette” on sea freight shipments that, unfortunately, could not be guaranteed to arrive at the port of Busan on time.

“We had one vessel divert to China with fruit forwarded later to Korea, arriving 40-plus days after it was harvested.

“Fruit quality appeared to hold up but unfortunately, the market did not get to appreciate it because we cannot take such risks with our brand and reputation in a market like Korea. Those trays were delivered to the food bank instead.”

Martin says air freight was not a viable alternative for Korea’s programme due to its higher cost and the fact that New Zealand fruit also incurred duty costs of 12%.

“Duty is dropping 3% a year until 2024 and until then, we must do all



we can to uphold quality while competing against fruit shipped by sea from Mexico and South America.”

Avocado consumption is still developing in Korea where the market is expected to handle a total of two million trays from all origins this year.

Peru gained access to Korea for the first time this season, entering the market strongly by shipping 760,000 trays from July to October. With no duty, a consistently low price and very robust fruit due to the low dry matter, it was popular with wholesalers as it remained hard and green for a long time.

In a normal season, Peruvian shipments should end in early September, leaving a bigger window for New Zealand fruit to hold its value.

Chile was also new to the market, benefiting from zero duty and the same supply window as New Zealand.

Martin is optimistic that shipping issues will be resolved next season and that AVANZA can return to “business as usual” in Korea.

“We have still maintained good relationships with our importers this season and we expect to return with much higher volumes.” ■



Export Report

Positive outcomes in growing markets

Singapore and Thailand appeared to bounce back quickly from pandemic restrictions, becoming the star performers for AVANZA this season.

Collectively, these two markets will account for 60% of AVANZA shipments. Both have demonstrated incredible resilience, with retailers and consumers keen to resume normal daily activities as soon as possible after the initial impact of COVID-19.

2020 is on track to be one of our biggest seasons by volume to Thailand – a great result given the challenges of this extraordinary year, says Henry McIntosh, market manager for South East Asia.

“We service Thailand totally by air freight and we’ve been successful in securing good rates with airlines and, more importantly, sufficient space each week.

“Initially this was a concern given the minimal number of flights available.”

Key Thai retailers have benefited from promotional support from AVANZA as well as social media activity to ensure consumers were aware of the brand’s presence in the market.

Shipments to Singapore and Hong Kong have travelled by sea and are two markets that stand out for being mostly unaffected by shipping disruption. However, this has required extra work and attention from our packhouse partners and logistics team to keep them supplied with premium quality fruit, says Henry.

“We are supporting leading retailers in both markets with promotions to continually grow the recognition of the AVANZA brand, especially in Hong Kong where we have not been very active for some time.”

GROWING VOLUMES IN TAIWAN

AVANZA’s programme in Taiwan continues to steadily grow and is focussed on supplying retail chain Costco.

This season, costs of imported produce went up 13% on pre-COVID-19 levels, with sales dropping by as much as 15% as a result. Given these market conditions, AVANZA is pleased with its progress, says marketing and communications manager Steve Trickett.

Consumers in Singapore are targeted with promotional messaging via social media.



“We are shipping 100% by air freight with two shipments per week to Taipei. Air cargo costs are more than three times higher than last season but we are still returning strong OGRs.”

Taiwan is the only Asian market that AVANZA is pre-packing for in New Zealand. Five pieces of size 20 count fruit are bagged, with eight bags making up each carton.

“As we continue to build momentum in this market, we will graduate to sea freight shipping in addition to air, with the 13-day transit time to Keelung less risky from a quality standpoint.”

Taiwan is one of the few markets where New Zealand has exclusive access during its supply window, with USA-grown avocados imported outside that period.

While there is growing confidence in the ability to lift volumes to Taiwan, AVANZA is monitoring the emergence of domestic-grown Taiwanese avocados. These are stocked by some retailers at much lower prices, albeit appearing to be ‘green skin’ varieties and nothing like Hass.

MALAYSIA AND INDIA

AVANZA has kept up steady weekly air freight volumes into Delhi and Mumbai, accounting for 85% of New Zealand’s total shipments to India.

Demand for avocados continues to grow rapidly in India, with Peruvian supply helping to build awareness before the NZ season begins. “This season is on track to be one of our largest by volume to India, which will be pleasing, considering the very high air freight costs at the moment.”

There has been a significant shift to online sales of fresh produce in this market and customers are well set up with platforms to meet this demand.

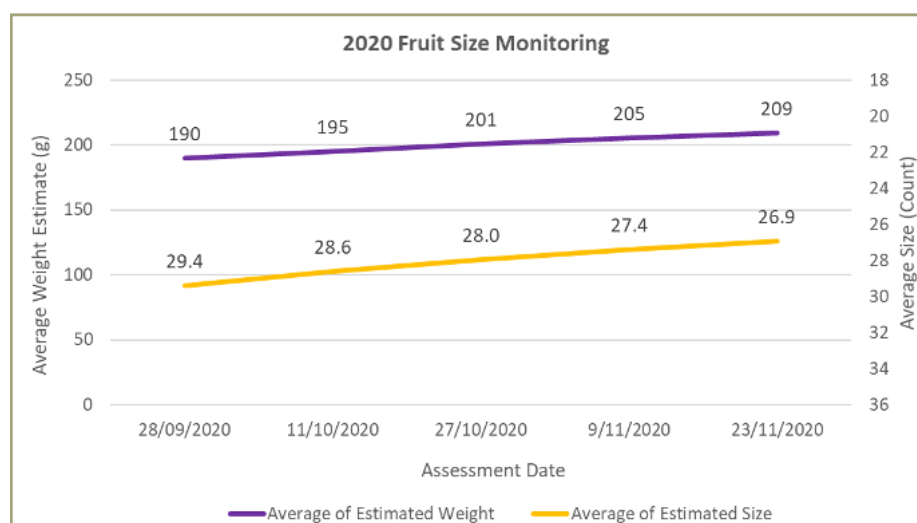
Malaysia makes up only 1% of AVANZA’s volume this season with higher air freight costs proving to be a handbrake on market development for now. “We expect to return next season with the potential to supply by sea freight.” ■

Technical Spotlight

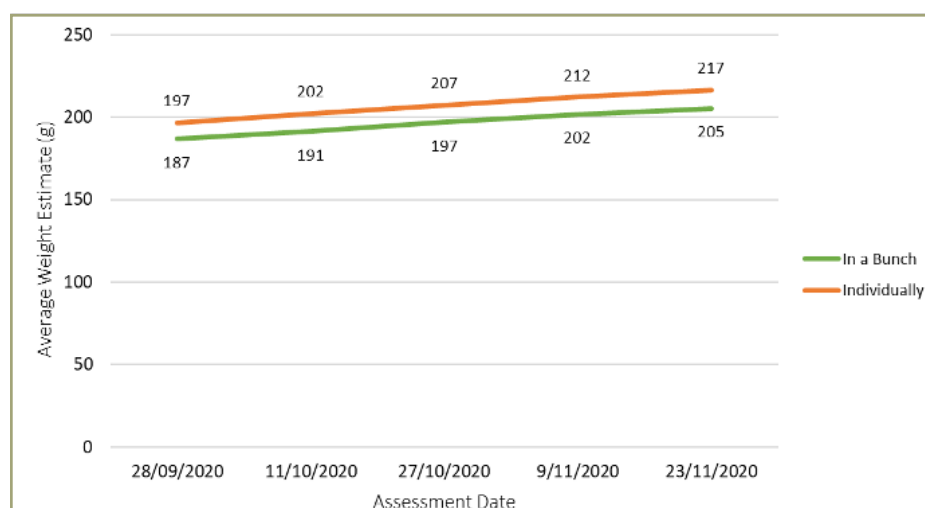
Fruit size monitoring

AVANZA Quality and Export Systems Manager DANNI VAN DER HEIJDEN reports on the findings of a trial examining fruit size.

In September 2020, 120 fruit across six trees hanging individually and in bunches of 2-10 fruit were tagged in an orchard to monitor the fruit size increase. Every two weeks, the fruit size is estimated through measurements of the length and two diameters of each fruit. NZ Avocado is also completing this exercise at two other orchards, and any information will be shared. So far:



The results seem to indicate a fruit size increase of approximately 1 Size Count every two months, which is a similar rate to data collected in past seasons.



Although fruit in a bunch was on average smaller, the rate of fruit size increase so far has been similar between fruit that was hanging individually and that which was hanging in bunches.

Packhouse Reports

Busy workload

A greater volume of smaller fruit requires careful management and handling, writes **BRETT JEEVES** from Golden Mile Fruit Packers.

As I sit down to write this at the end of week 50, we are about 66% of the way through our estimated export trays for the season. This is a good place to be in the lead up to Christmas, and if we maintain flow over the next two weeks, we should be sitting at around 78% packed by Christmas Eve. In fact, by the end of the first week of December we had packed more export trays than we did for the whole of the 2019-2020 season.

Fruit to date this season has been cleaner than we have seen over the past few years, with our average export packout since the start of the export packing season sitting at 76.37%, whereas at this time last season our average export packout was 64.86%. So far, we haven't seen too much of our nemesis the dreaded stain but, in saying that, we are starting to see a bit more of this unsightly defect on some lines.

As you will all be aware, the size has been the major issue, with our average size to date being 28.99 count, and last season at this time our average size was 25.32 count. A size profile like this creates some issues, not only in the market (where I must say the Avoco team has been doing a brilliant job of selling the copious amounts of small fruit we are pumping out), but also in harvesting, grading and packing. For example, a bin of fruit at an average of 25.32 count holds around 1490 fruit, but at 28.99 count, the same bin holds around 1710 fruit, so there is a lot more fruit to pick, grade and pack per bin processed.

All systems here at Golden Mile are performing brilliantly, and our wonderful team of staff are doing an excellent job, and I want to extend a huge thank you to the whole team for the huge effort they all put in. The shed is running like a dream, and the changes to the class 2 packing area we made over winter have exceeded our expectations.

Our compliance with industry standards, food safety and health and safety have all been spot on, and all audits to date have passed with flying colours.

I would also like to thank the logistics crew at Avoco as the shipping this season has been a nightmare, and getting fruit to market within age specifications has been a real challenge. Our outturn assessments have been good to date, with the main issues we have seen mainly being due to age of fruit on arrival.

Reports from the field are that fruit set on the younger trees is reasonably good, and in some places great, but the older trees appear to be a bit patchy. Spring weather was in general good, and flowering was nice and quick, but the fact that trees have been carrying a massive crop has obviously had an impact on the set.

On behalf of all the gang here at Golden Mile, I would like to wish you all a great Christmas, and a safe and happy new year. I have this nagging feeling that January is going to be massive, so enjoy some time with family and friends, rest up, and get ready for a busy start to the new year. ■

Small fruit proves challenging

LINDA FLEGG at Kauripak says patience and discipline is required by everyone in the industry during a difficult season.

What a roller coaster ride we have been on thus far! The average export pack percentage is currently 68%. Our size splits are 16-20 count 10%, 23-25 33%, 28-32 44%, 36-42 13%.

The weather has certainly been a challenge through November and early December with many roll tests being conducted after rain events across the Bay. Kauri Point remains very dry as the rain seems to skirt around us on the peninsula. The small fruit is presenting a challenge at harvest and all we can do is urge you to be patient as we are trying our best to accommodate everyone's needs. If you think the logistics of planning harvest is tough, try wrangling fruit on the water with the increased pressures of disrupted shipping schedules.

There is a reasonable amount of leaf roller pressure out in the field and it is important to look after those baby fruit. Remember, you can apply one free spray after flowering until the end of January.

We would like to welcome Luke Thomas to the Avopic team as the new Operations Manager. Luke has a vast amount of experience in the horticulture industry particularly in the post-harvest sector.

Another addition to the team is Karen McGurk who joins us as Packhouse Manager after working as Export Doco Clerk last season. Karen's bright bubbly personality is infectious, and we love having her on board.

Closing the door on 2020, we would like to wish you the compliments of the season and hope that you have a safe and happy Christmas and New Year. ■

Packhouse Reports

New faces at Apata

We welcomed two new grower service reps to the team during a year that tested everyone in the industry, says TERRY RUSSELL at Apata.

No two seasons are the same and now into our 30th year of packing avocados this has never been more accurate.

Not only has COVID-19 been disruptive at all levels of operation, but 2020 has been a transitional year at Apata with the departure of long-serving staff Therese Temple and Niko Tahau. However, it is exciting to have welcomed Melissa van den Heuvel and Logan Whenuaroa to our avocado team. They have already established themselves as the fastest computer typists in the office and are also actively involved with supporting Danni and her various fruit quality trials for Avoco.

Like most others, navigating the sea of 'small fruit' and intermittent rainfall has been challenging for our growers and harvesters. Despite this, we have still managed to be at or just above flow plan targets of around 32,000 export trays per week for most of the season so far. This has been helped in part by the extended run of above average pack outs. Now into December, most growers are packing out almost 10% higher than previous seasons' averages. We have also been pleased with the outturn quality and in-market reports we have been receiving from the exporter, with most of these being positive.

Looking ahead, there's still plenty of fruit to be harvested from Apata growers before the close of export and there appears to be a semblance of avocados where there was flower in spring. Fingers crossed for a positive outcome this season and the next moving forward. ■

Relationships matter in challenging season

It's our fourth season under the Avoco brand and we are continually impressed with their performance with strong leadership shown right through the organisation, says PHIL CHISNALL from DMS Te Puna.

Both DMS and our growers enjoy the strong relationship with Avoco from sound technical advice to the regular communication updates, not to mention their commitment to achieve the best industry global OGR for all our growers.

Export got off to an earlier start this season with our first export volumes picked and packed in week 32 for export, one week earlier than last season. With fruit maturity levels ahead of last season, this enabled us to meet our export flow plan which helped satisfy Avoco's early season export commitment to their markets.

Our export fruit volumes are slightly down on last season due to the small fruit size profile and a couple of our large orchards having less crop. Our export volume is estimated to be down by 12% on last season. 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 this season.

It's been a challenging season to date, with last summer's drought having a huge impact on fruit size and tree health. Fruit quality was exceptional early on with over 70% export pack outs not uncommon. We are now averaging 60% pack outs with fruit quality in general starting to drop off. This is in line with what we are hearing around the Bay of Plenty. We are 65% through our export plan and our target is to be 80% through by end of the year. A majority of our growers where fruit size allows will have 80% of their crop off by end of December.

It's been a challenging season for some growers whose orchards have been severely impacted by a lack of water. We have worked hard to try and accommodate their needs by harvesting to a smaller size profile to reduce tree stress and help size remaining fruit.

Harvesting is progressing well with a focus on size picking. Recent weather has caused harvest delays but the rain was desperately needed with most regions receiving in excess of 180mls of rain in the last month. This rain will certainly help accelerate fruit size and reduce tree stress. Our harvesting contractor teams are working well and we appreciate the fantastic service they give us. We are gearing up to harvest increased volumes during the Christmas and New Year period, taking advantage of both the grower and harvester incentives.

Pollination looks fantastic on a majority of our orchards with high early fruit set numbers and good early fruit size indications. Early days but encouraging signs for 2021-2022 season.

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

Packhouse Reports

On their toes up north

It's a team effort at Far North Packers where TOM CLARK says the region's growers need to keep an eye on seasonal pest pressure.

We are about two-thirds through our Avoco crop estimate for the season. Our staff are well-honed with production and compliance targets tracking well. Thanks always to the loyal and hard-working FNP crew who do such a good job.

Flowering looks to have been a success and by some reports there are orchards that have overset and require some pruning. As is expected our wriggly little leafroller mates are turning up in the bins of some lines so post-flowering cleanup sprays are appreciated.

Our export average is currently sitting at 64.1%, which is about 2% down on this time last year. The main defects are the usual suspects – wind-related blemish and ridging area/height. Fruit size is almost two count sizes smaller than last season with 26.7% fruit per tray and 47.4% of export fruit weighing in at 28 count and smaller. It appears we are getting a taste of what the rest of New Zealand is experiencing with fruit size, despite the valiant efforts at size picking to date by most suppliers.

The team at Avoco is doing a stellar job monitoring quality and outturns and provide consistently excellent reporting. Special mention must also be made about the huge logistical effort involved in dealing with the nightmare shipping delays and vessel swapping. Keep up the good work.

It has been another massive year for FNP and we are looking to pack about 750,000 trays. I almost finished this update without mentioning COVID-19... but yes, the season has been a challenge to all from the get-go and it's not over yet! This is the game we are in and it keeps us on our toes. We are so lucky to be part of the primary industries and doing our little bit to feed the world.

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

Future looks promising

Trevelyan's is using technology to support more informed decision-making at harvest time, writes DANIEL BIRNIE.

Greetings from the eastern side of Tauranga, where the traffic flows freely.

Season to date has been interesting for us at Trevelyan's. Our fruit size has been the largest of all the Avoco sheds, albeit two count sizes smaller than the previous season.

Packouts have been higher than previous seasons, YTD we are averaging 74% export. There has been very little leafroller damage on fruit coming in.

This, coupled with more fruit on orchards, has resulted in us increasing our estimate from 425,000 trays to 480,000 export trays.

This year we have been running our fruit under NIR heads to try and understand the maturity of the fruit we are packing. There is a lot of variability in lines, between blocks on orchards and between growing areas. Our challenge will be to make sense of the results, and how best to use the data.

Next season is looking promising as we are seeing good pollination on orchards from Matarangi to Opotiki.

There has been a number of new orchards planted over the past three months, in and around our catchment area, mainly in the Opotiki to Welcome Bay zone.

Our largest fruit of the season so far goes to John and Kathleen Morrow, with a 559g fruit packed in late November. John and Kathleen were in the packhouse at the time, so we were fortunate to capture them holding their winning avocado.

Finally, thanks to all our growers and contractors for their hard work in preparing their crops for harvest, and getting the fruit picked. We look forward to the first week of February when we are earmarked to finish what will be another successful season. ■



Kathleen and John Morrow picked a whopper, with their heaviest fruit weighing 559g.

PHOTO SUPPLIED

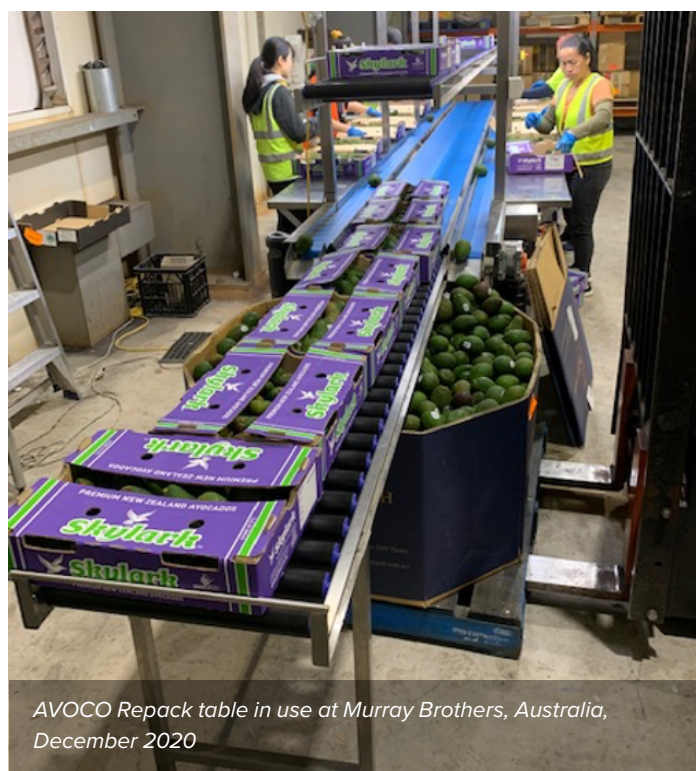
Quality Update

Quality focus continues

DANNI VAN DER HEIJDEN says a collective effort has led to more favourable outturns for fruit quality this season, with further trials underway to determine ongoing recommendations.

Due to shipping delays, fruit exported to the Australian market during 2020 has been arriving with older fruit ages than desirable. Despite this, the dry weather over the fruit growth period combined with the actions being taken throughout the supply chain to maintain fruit quality resulted in the large majority of fruit arriving with good quality up until the end of November. The amounts of fruit repacked due to severe lenticel damage and/or black patches was minimal, and outturns coming back from the market to growers were showing some superb fruit.

In early December however, higher levels of defects began to show up on fruit with older fruit ages. In order to ensure that good quality fruit is dispatched to retail distribution centres and customers, early this month we implemented a programme of inspection (opening of every tray) for our Australian retail programme, and repack (rolling each fruit) of grower lines found with major defects.



Examples of good quality in-market assessments, Oct-Nov 2020.



Although fruit quality this season has been good on 'young' fruit, we need to maintain quality through continuous improvement of our practices all the way through the supply chain. The Avoco Tech Team currently has trials underway across the supply chain looking into Pick to Pack timelines after rain, N:Ca ratios in the skin of fruit, calcium applications and the team is also investigating an avenue for further waterblaster evaluations. These trials will help to form additional recommendations for best practice.

Currently, the practical things you can do as a grower to provide quality fruit are:

PRACTICAL GUIDE

What can you do to provide quality fruit?



You will notice that there are a couple of new recommendations in this guide:

- Pruning the canopy to a density score of less than 60 - this recommendation comes from the New Zealand Avocado Avovantage project recommendations. A density score of 100 is where you cannot see through the canopy – a density score of 60 is where the canopy covers approximately 60% of your view of a tree.
- Nutrition recommendations around increasing the calcium levels in fruit and reducing the N:Ca (Nitrogen : Calcium) ratio. Internationally, it is recognised that increasing Calcium levels and decreasing the N:Ca ratio in the skin of avocado fruit has many quality benefits, however this is not always easy to achieve. You can test the Nitrogen and Calcium levels in the skin of your fruit through Hill Laboratories if you think N:Ca ratio may be an issue on your orchard. Some ways you can look to improve the ratio include:
 - Considering how many units of N you are applying per season, and the timing. Ammonium (NH₄⁺) can compete for uptake with Calcium (Ca²⁺). Talk to your consultant.
 - Calcium concentration increases during the early fruit growth period – have calcium available to the plant at this time.
 - K (potassium) can impact Ca uptake – don't apply K during the early fruit growth period. ■

Success at the top

Leading the way

Hugh Moore may describe himself as an “average-size” avocado grower but the contribution he has made to the development of Avoco can only be seen as gigantic.

The avocado and kiwifruit industry stalwart stepped down from his role as chairman of the Avoco Grower Relationship Committee (AGRC) in October after serving eight years at the top. He handed the reins to John Schnackenberg but will continue to serve and have input into Avoco's direction as a committee member.

Reflecting on his tenure, Hugh believes his greatest input came from ensuring Avoco operated under rules very similar to those he established as chairman for Team Avocado Trust.

“In combining Southern Produce as the licensed exporter for Team, and Primor Produce as exporter for the Primor group, we created what everyone now knows as Avoco.

“Having two major competitors come together like that is still very unique. Exporting is still carried out by the two exporters who own the licences and Avoco itself doesn't employ any staff.”

Critical to Avoco's formation was a Memorandum of Understanding (MOU) to address how each party worked together. “When we wrote that, we wanted to make sure we also had a grower representative body to work with Avoco. That's where the MOU enshrined the rights of the AGRC.”

Efforts to reach a consensus around the rules of engagement for Avoco and the AGRC took about 18 months and a lot of hard work behind the scenes.

“The AGRC's role is to monitor Avoco's activity and the export pool prior to Free on Board (FOB),” says Hugh. “The agreement is our foundation document and requires that Avoco is led by the AGRC and its policies. We made sure that growers will always have major input into how the Avoco pool operates.”

Direction is evenly split between growers contracted to Team Avocado Trust and Primor Produce, with each body having five representatives around the AGRC table.

“Everything is in the planning and the detail but I'm very happy with how it has worked out.”

CHALLENGES AHEAD

After eight seasons, Avoco accounts for more than 60% of industry exports and has created stability across the industry, with growers receiving more consistent Orchard Gate Returns.

Looking to the future, Hugh says Avoco and its growers must continue to prioritise fruit quality and tree health.

“The AGRC is doing that by committing revenue from the grower pool to go back into in-market monitoring. We last had that between



Hugh Moore says Avoco and its growers must continue to prioritise fruit quality and tree health.

2000 and 2003, and Avoco's Technical and Quality teams are promoting new systems and best practice.”

He says New Zealand's climate is one of the worst in the world for fruit rot and body rot, with phytophthora and biennial bearing continuing to challenge the industry.

“We want to grow volumes and more consistent production but that all comes back to good tree health and phytophthora control.”

He says scientific research is needed to better understand how to get the most out of New Zealand's avocado trees.

“We are still a young industry compared to other parts of the world. We must get our heads around the right response to our unique climatic conditions and what's right for New Zealand.”

Long term, Hugh says plant breeding and gene editing may have benefits. “It would be wonderful to breed an avocado tree that is less susceptible to root rot.”

Another looming challenge is increasing competition in Australia where, until recently, New Zealand exporters only had to compete with Australian-grown fruit. With Chile gaining access, the market has opened up and rules have changed.

“Chile will be a very strong competitor,” says Hugh. “We're still learning about them but already we know that they have very strong fruit and they don't have the quality problems that we do because their avocados are grown in dry and irrigated conditions.”

He expects international trade will only get tougher and New Zealand exporters and growers have to get smarter.

“New Zealand will always be a small player in the world market and poor fruit quality hasn't done much for our reputation. But if we change our attitudes to copper and do what we're supposed to do around picking and packing, we'll hold our own.

“Everyone likes doing business with us Kiwis and that's a big plus, but we can't be complacent in our attitude to fruit quality.” ■

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