

# avocconews



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**Directors' Review**

# Bring on summer

After a very difficult year in the toughest market Avoco has ever faced, the new export season is looking noticeably improved write Avoco directors JOHN CARROLL and ALISTAIR YOUNG.



**We** are facing a much better scenario than last year, and the new season brings a considerably brighter outlook. Last year was significantly the toughest market we have ever faced and through your patience, hard work, and the experience of our team we navigated our way through.

The biggest impact was from our major market of Australia that had the largest avocado crop with which we have ever competed. There was also the ongoing effect of Covid-19 lockdowns and the impact of the pandemic on consumer behaviour, as well as shipping, waterfront, and logistical challenges.

**DEMAND IN AUSTRALIA**

The market prospects are much more positive for the year ahead. We are in a solid position in Australia having built up very strong relationships with the major Australian retailers and they have given us some good programmes with which to work. We expect Australia will have significantly less volume of its own fruit in our supply window and the general outlook in terms of value is looking decidedly much better. We are aware that the Chileans are planning on shipping to Australia this season and so will be in competition with New Zealand fruit. This presents a risk particularly when our crop volume reduces, giving them the opportunity to start serving customers left short on supply from New Zealand.

**BUILDING CONSUMER CONFIDENCE IN ASIA**

Competition in Australia and Asia are very different, with Asia attracting fruit from several global sources. As discussed at the grower meetings, Avoco was still the largest New Zealand exporter into Asia last year. We started the AVANZA export brand 21 years ago and we are now very experienced and familiar with doing business in that region, albeit change is constant.

Avoco supplies nine different countries in Asia and the outcomes for them are very different because each market is very specific and in varying stages of growth. Our development

strategy is to continue to spread our supply in the region in a range of markets. We expect the volume into the various markets in Asia will be similar to last year, but poised for future expansion.

Consumers in these markets tend to be very conservative and cautious about their purchasing and there is not the same level of consumption. Avocados are a relatively new item, and as yet not a 'must have' item. So even though we have been active in these markets for more than two decades, last season was still very challenging in what was an unprecedented year. There were many issues and constraints across the supply chain.

The most recent development in Asia in the last five years has been an ever-increasing supply out of Peru. Peru is a big supplier and can be very aggressive. But Peru's season tends to finish by the end of September. If we were competing directly with its supply, we would find its value expectations at the front end of our

season to be quite sobering. However, once Peru's supply ends, the market tends to align to a stronger value from October onwards.

**MUCH BETTER PROSPECTS AHEAD**

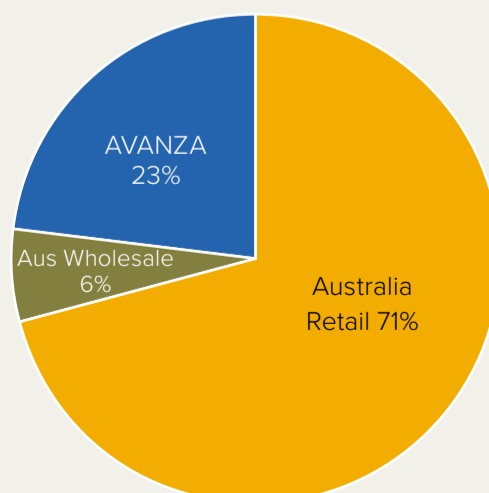
We have come through an extreme time and the factors that were so prohibitive last year will start to recede. There is cautious optimism about what is ahead of us. Although we anticipate some continuing challenges with shipping, we are hoping for a year that starts to resemble those pre-Covid. It is an exciting time because the closer we get back to post-Covid normality the more we can travel and interact with existing and potential new customers.

Growers were basically spooked by last year's values – as we all were. As much as people don't want to talk about the pandemic it is very real and we've all been in the same boat – not just in

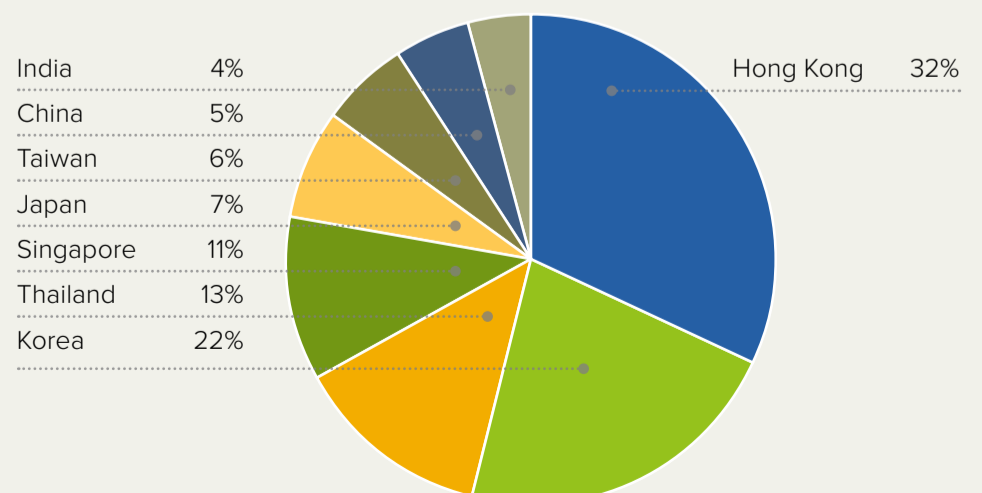
our industry, but across all sectors. The positive is, that along with improved supply and demand factors there is also the feeling that things are starting to improve. We are not back to normal, but are heading in the right direction in terms of mitigating the impact the pandemic has had. We are facing a better scenario now and there will be some decent value to come from that. It won't be a 'walk in the park', but we hope disruptions will lessen.

We want the grower community to have confidence in Avoco's scale and depth of experience in terms of our people and their expertise. Our collective team has been involved in the industry and international business for many years. At the same time, we have invested in the future and brought in young people who are going to be the talent for the future, which we believe can be bright. ■

**AVOCO MARKET SPLIT 2022-23**



**AVANZA ALL MARKETS 2022-23**



Avoco Market Update September 2022

# 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.

Spring is upon us with two consecutive light frosts at our place, after a record wet July, and a not so flash August. But advanced flower buds are evident right through the avocado blocks suggesting an earlier flowering. Hopefully, appropriate average temperatures will also be in attendance.

With the 2021/22 season in the rear-view mirror, we now need to be mindful of what is coming at us as we head into the next five years.

The AGRC has been proactive with Avoco management over the last 18 months in assisting in the development of the 5-Year Business Plan, now being shared in detail across the regions.

It is a rolling plan to be updated each year and is not to be 'shelved'. To that end, it has become a standing item on our bi-monthly meeting agenda and is rigorously discussed, particularly the execution of the plan.

Whilst the 5-year average OGR forecast range of \$12.50 to \$16.00 is sobering after such a strong run for Avoco from 2013-2021 (average around \$23.00), there remain some key take-outs we all need to be working on:

- On orchard practice supporting high inherent fruit quality

- All market compliance for our fruit
- Total orchard production

### QUALITY

The growth targets in this plan (AVANZA increasing, Australia reducing) presume a high-quality product that attracts a premium over our international competition. We can't sell at a premium without reliable quality and that has been letting us down over the last few seasons. Indeed, in many situations, it has led to importers' lack of confidence in our fruit. Therefore, be mindful of all the information becoming available regarding on orchard practices that help deliver a premium product, from fungicidal sprays to managing N:Ca ratios in the fruit, fruit handling at harvest, and so forth.

### ALL MARKET COMPLIANCE

This drum is going to be beaten relentlessly from now on as our marketers must have sufficient compliant fruit available for our growth markets. Diverting non-compliant fruit to Australia is a diminishing return, and not an option in most seasons before Christmas, due to increasing Aussie production.

If you are not all market-compliant, your harvest will be put back. Spray practices from this coming fruit set will determine your compliance for 2023/24, so get in front of the requirements and don't rely on your spray contractor to make the spray decisions for you.

Also, note the Avoco Technical Alert dated 10 August on cadmium, which if present in your fruit above a minimum level will put your fruit out of key AVANZA markets.

On both these issues, the AGRC is coming under pressure to consider incentives for growers that enable our exporters to market our fruit with confidence to any market Avoco is operating in at all times through the season. We may also have to look at sheeting home the cost of fruit failure to the grower (rather than the pool as in the past) where orchard practice can be attributed to poor fruit outturns.

### PRODUCTION

It is clear that production at the industry 'average' (2021/22, 11.7t/ha) is not economically sustainable when on orchard costs before harvesting, including valuing one's own labour, are upwards of \$15,000 per canopy hectare.

But if you are, or can average 20t-25t per hectare (and many of our growers are already mostly through the consistent implementation of 'best practice'), then an OGR in the \$44k - \$72k range using a low of \$12.50 and a high of \$16.00 per TE delivers an 'okay to strong' surplus after harvesting at say \$3 per tray. So don't despair!

At a recent meeting, we endorsed the re-introduction of the late season harvest incentive scheme, otherwise operating as per recent seasons, based on an incrementing percentage by pack date of FOB per count size, but capped to a maximum cost of \$2.00 per tray over all trays in our Export Pool.

If required, this will be managed by reducing the incrementing percentage amount.

The committee also supported the 'grower only' Christmas / New Year incentive of \$2.50 per export tray, with the harvester and packer incentives available again with an upward adjustment. These incentives are critical to ensuring we harvest sufficient fruit during the Christmas / New Year period to maintain our retail programmes in Australia without having to revert to expensive airfreight to keep up the supply after New Year.

We also discussed impending changes to our AvocoGap scheme, being driven by Version 6 GlobalGAP. This has not been finalised in time, so the introduction for Avoco will be delayed until after the expected April 2023 implementation; therefore V5.2 remains current for this season.

Looking forward to a strong and positive season. ■

## AGRC COMMITTEE MEMBERS

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## Q&A

# David Hill

KauriPak avocado business manager DAVID HILL is a keen tramper and fisherman who loves to explore. He's passionate about growing avocados and brings an abundance of business experience to the industry.

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

My role is a new position created when Hume Pack-N-Cool Ltd purchased KauriPak last year. The role includes an overview of the avocado business from picking, packing, and pruning to injecting, with a drive to utilise the efficiencies of a larger buying and resource base. Our people drive the business, and we trust and empower our team to deliver an offer that is consistently better than the day before.

### What were you doing before you worked at KauriPak?

For the past 20 years, I worked on redeveloping and reinventing stressed shopping centres with involvement from the local community, as well as owning and managing a block of avocados. I am thrilled to have the opportunity to be involved in a growth business in a growing industry and be involved through the supply chain to deliver a

quality product to Avoco and local customers.

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

As well as revamping shopping centres, I owned my own business and worked on the commercial side of an oil company. These experiences involve listening to the customers, the markets, the suppliers, and stakeholders to produce a sustainable company of which we can all be proud. KauriPak is in a unique situation where we can build on the legacy of the past, include the skills and experience of the present, and chart a course to meet and exceed the future requirements of the avocado industry.

### Like any primary sector, avocados have their ups and downs. What do you think are the biggest challenges facing growers these days?

The trick is to stay focussed on the big picture and have a plan that can be adapted to weather

market and seasonal fluctuations and listen to expert advice, while remaining active in your investment. Maintaining tree health with a consistent monitoring, spraying, pruning, and injecting regime means your trees continue to produce a quality crop.

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

I love the dynamic nature of horticulture – from citrus, kiwifruit, and apples through to avocados – and I love the constant learning and immediate feedback the trees give after a tweak in treatment or an unexpected weather event, and, despite all the trials, are still able to produce a world-class product that everyone can enjoy.

### When you are not working for KauriPak how do you spend your free time?

I divide my time between my own orchard, trekking into the Kaimai ranges (and other walks in this magnificent country), and fishing around the Coromandel Peninsula.

### Avocados are loved for their health benefits and versatility. How do you enjoy eating them?

Since becoming involved as an orchardist a few years ago my partner and I have made a



variety of avocado related 'delights' including guacamole (of course!), soup, mousse, chips, and our own oil – really emphasising the versatility of a wonderful fruit.

# The 5-Year Business Plan – a recipe for success

Communications and marketing manager STEVE TRICKETT takes us through the Avoco 5-Year Business Plan emphasising the critical areas of focus on to capture and capitalise on growth opportunities.

Last season looked a lot different from previous ones and one we gladly leave behind. Covid-related events had an unparalleled impact on many industries, including ours, and Avoco wants to reassure growers that our outlook remains encouraging.

New Zealand origin has a positive consumer perception and there is increased consumer demand for sustainable and ethical production, which favours our fruit. Demand for our product will continue to grow as will per capita consumption across all Avoco's markets, and there is potential to grow more markets over time.

We responded decisively to the tests of last season, adjusting our market plans to meet these challenges with AVANZA markets taking a higher share of the crop. Over the five years ahead, we are planning for considerably more of our export volume to go to the Asian markets.

With the new season underway our focus is set firmly on maximising returns from an Australian market forecast to be short and strong over summer and then longer term ensuring a more prosperous future. Our continued success will be dependent on several factors. Consistently demonstrating quality improvement and achieving higher levels of 'all-market compliance' will be critical. Growth in market volumes will also require a market-by-market review of AVANZA's distribution strategy in Asia, with the objective of increasing both capacity and capability within each. At the same time Avoco are developing plans designed to retain meaningful programmes with our key Australian retail accounts. Looking beyond current business, investigating and pursuing the development of

new and emerging markets in Asia as well as staging a return to the USA market are a key focus area in the 5-Year Business Plan also.

## GROWER POWERED, MARKET DRIVEN

Our vision has always been to look forward and be ahead of the game. Our 5-year plan is a working document and a strategic roadmap to reach our goals. Avoco directors aim to provide a sustainable, secure, and profitable future for our growers through the continued development of technical know-how, supply chain systems, and new market development.

**Our vision has always been to look forward and be ahead of the game. Our 5-year plan is a working document and a strategic roadmap to reach our goals.**

We are a stable organisation with depth and strength in our team who have skills and experience right across the supply chain. Our mission is always to be 'grower-led and grower focused', using our combined expertise and resources to take the New Zealand avocado industry forward and provide a profitable future for our grower stakeholders.

## KEY OBJECTIVES

– STAY STRONG, GROW ASIA, SUCCESSION PLAN

The last two years have reinforced the need to be nimble and react positively to market changes. Our goal is to remain robust and competitive through sound planning and disciplined actions while maintaining our historic share of the industry export crop. AVANZA markets took a higher share of the crop last year compared to previous seasons, when a bumper Australian crop flooded the market. An oversupply of avocados coupled with covid-related global events distorted consumer markets and tangled supply chains delivering downward price pressure and cost increases.

These events reinforce our determination to further grow Asian markets; a mission started 21 years ago when AVANZA was established for that very purpose. Avoco will be intensifying efforts and investment in developing Asian markets to lessen reliance on Australia.

Avoco has strong leadership and capability. The 5-Year Business Plan sets out the commitment to invest in our people and continue to build and develop a team with the capabilities to ensure continued success beyond 2026.

## THE CHALLENGES – FRUIT QUALITY, SUSTAINABLE AND COMPLIANT SUPPLY, COMPETITION, AND RELIABILITY

Market analysis and experience shows it is critical for brands like AVANZA to consistently deliver high-quality fruit that meets customer expectations, enabling us to compete internationally with the avocado heavy weights

from South America to achieve our growth targets. There is an urgent need to improve quality performance out of New Zealand, with fruit strong enough to endure a 20-day journey by sea. Further, to meet increasing and ever-changing customer demands in all aspects of supply including the sustainability of how the fruit is grown and achieves compliance.

New Zealand is a small player globally, providing less than two percent of global supply, and therefore inconsistent supply can have a major impact on our credibility in markets. These factors become even more important as post-Covid restrictions start to lift and other larger competitors move to extend their international reach.

## THE OPPORTUNITIES

– INTERNATIONAL COLLABORATION, BRANDING, GROWTH, STRONG PRESENCE Avoco is well established and has strong connections globally with other international avocado players. We will be exploring collaborative opportunities in markets that make sense, where they offer benefit and value for our growers. Given the significant volume targets set through to the 2026-27 season, over the next year Avoco will be evaluating options for investment into in-market resources designed to support our product, brand, and customers.

The Asian market arena for avocados is comprised of nine highly individual and distinctly unique dynamics involving different cultures, religion, language, diet and cuisine. Each requires specific and customised marketing programmes to engage with customers and consumers.

We need to develop a localised and compelling brand story in each target market to support our product and to promote the unique points of difference associated with the New Zealand avocado.

While each market is at different stages of maturity in terms of their understanding of the avocado category, all currently have relatively low per capita consumption and therefore immeasurable scope for growth. That will take investment of time and money to educate and promote avocados in both new and emerging markets, at the same time continuing to pursue new channels in more established markets. A new focus on innovation and exploring new technologies that add value to our product offering forms part of the 5-Year Business Plan. ■

## “This is the moment to go forward”

Same-day fresh avocado delivery proves popular in Shanghai. AVANZA are currently discussing supply options with Jaap Pees at Avocado Masters in partnership with Shanghai-based agency Tribal Brands who manage AVANZA's promotions in China.

**“If** you are confident in the Chinese market and you want to have a long-term presence, then this is the moment to go forward.

Opportunity will arise. A city like Shanghai will always bounce back. The people and companies that are here now, are invested in this city and in it for the long term. This creates a new fresh energy. The unique character and positive energy of Shanghai will always be a solid base for new business,” says Jaap Pees, founder of Avocado Masters.

Avocado Masters supplies restaurants, hotels and chefs daily with fresh ready-to-eat avocados in Shanghai. The company supplies restaurants directly. In the summer of 2021, it also opened a shop in the centre of the city to raise consumer awareness for fresh avocados and as an answer to the curiosity of the public.

Jaap continues: “We supply directly to hotels and restaurants businesses in



Shanghai. In addition, we recently started to deliver to businesses in Hangzhou, Beijing, and Chengdu. We have a packing facility in the centre of Shanghai from which most food service businesses are easy to reach. We work with ripening facilities just outside the city and work closely together with growers and importers.”

The avocados that Avocado Masters use are

ripened by different facilities outside the centre of Shanghai. Because the ripening process and availability of ripening solutions have improved and increased in Shanghai, it is now possible to deliver the right ripeness of avocado to different clients each day. Jaap explains: “We have a team of delivery drivers that go around the city on a daily basis. Because our company is so centrally located, we can reach many parts of the city within 10 minutes. This is convenient, as based on the weather or city-wide activities our clients sometimes have more business than expected. If this is the case, and they are in need of additional ripe avocados, we can easily accommodate their requests.”

In addition to the company's delivery business, Avocado Masters has also opened an avocado shop in the centre of Shanghai. “In our shop, we sell smoothies, yoghurt, and gelato ice cream. All made with our own avocados of course. This is a nice and accessible way to let people get



acquainted with avocados. We also organise tastings and events and give away avocado seeds with an instruction for people to grow at home. Avocado consumption in China is still in its early days but the development and growth we see are promising.” ■

*This story was published in FreshPlaza.com and has been reprinted with their permission.*



# Audit Report

New Zealand Avocado Company Ltd  
Special Purpose Financial Statements for the 2021 / 2022 season

## AVOCO POOL STATEMENT FOR THE 2021 / 2022 SEASON

No. of Trays	14/16ct	18/20ct	23/24/25ct	28/30/32/36ct	TOTAL
Australia	101,991	564,373	772,468	296,237	1,735,069
Japan	–	–	5,649	4,768	10,417
Singapore	–	8,511	9,104	51,444	69,059
Thailand	448	6,275	17,763	49,379	73,865
Malaysia	–	–	–	–	0
India	1,693	35,063	–	–	36,756
Taiwan	–	23,112	4,276	–	27,388
China	54	35,632	4,107	15,558	55,351
Hong Kong	11,632	37,406	7,562	102,742	159,342
Korea	137	15,586	101,766	672	118,161
NZ	27,914	57,801	77,585	106,660	269,960
<b>Total Trays</b>	<b>143,869</b>	<b>783,759</b>	<b>1,000,280</b>	<b>627,460</b>	<b>2,555,368</b>

		per TE
<b>TOTAL INCOME</b>	<b>53,228,588</b>	<b>20.83</b>
Less Offshore Costs		
Freight	10,127,992	3.96
Ripening & Delv	3,355,569	1.31
Pre-packing	1,095,445	0.43
Transfer	367,863	0.14
Grading & Waste Removal	45,906	0.02
Insurance	307,909	0.12
<b>Total Offshore Costs</b>	<b>15,300,684</b>	<b>5.99</b>
<b>FOB Total at AVOCO</b>	<b>37,927,904</b>	<b>14.84</b>

New Zealand Avocado Company Ltd

## NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (EXTRACT) FOR THE 2021 / 2022 SEASON

### 1. Statement of Accounting Policies

#### Reporting Entity

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

These financial statements are an extract from the reporting prepared for New Zealand Avocado Company Limited. They are special purpose financial statements prepared to meet the directors requirements of reporting for the "AVOCO pool", being sales and expenditure of the pool to the FOB Total for the 2021/2022 season.

#### Measurement Base

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

#### Specific Accounting Policies

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

##### (a) Goods and Services Tax (GST)

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

##### (b) Revenue

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

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

##### (b) FOB Total at Avoco

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

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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of New Zealand Avocado Company Limited

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the special purpose financial statements of New Zealand Avocado Company Limited (the Company) on pages 1 to 2, which comprise the pool summary statement for the 2021/2022 season, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Pool Sales and Expenditure to the FOB total for the 2021/2022 season in accordance with the policies stated at Note 1.

Our report is made solely to the Shareholders of the Company. Our audit work has been undertaken so that we might state to the Shareholders of the Company those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders of the Company as a body, for our audit work, for our report or for the opinions we have formed.

#### Basis for Opinion

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

Other than in our capacity as auditor and provider of other assurance services we have no relationship with, or interests in, New Zealand Avocado Company Limited except that Baker Tilly Staples Rodway Tauranga Limited has provided accounting assistance to the Pool manager. The provision of these other services has not impaired our independence.

#### Emphasis of Matter

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are an extract from the reporting prepared for New Zealand Avocado Company Limited. They are special purpose financial statements prepared to meet the Directors requirements of reporting for the "Avoco Pool" being sales and expenditure of the pool to the FOB total for the 2021/2022 season in accordance with the policies stated. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and the Shareholders of the Company and should not be distributed to parties other than the Company or the Shareholders. Our opinion is not modified in respect of this matter.

#### Responsibilities of the Directors for the Financial Statements

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

*Baker Tilly Staples Rodway*

BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Tauranga, New Zealand

5 September 2022

**BOP Young Grower of the Year**

# Call of the outdoors pays off

Laura Schultz is this year's Bay of Plenty Young Grower of the Year and competed for the nationals last month. She is both a grower and a Trevelyan's grower representative.

**T**his year's top three in the Bay of Plenty Young Grower of the Year is an all-female line-up.

Trevelyan's grower liaison Laura Schultz took out the highest accolade, biosecurity advisor for Kiwifruit Vine Health Yanika Reiter came in second place, and Apata's kiwifruit grower services – organics – Emily Woods was third.

Laura departed for Nelson on September 21 for two days where she competed for the title of National Young Grower of the Year 2022.

Girls from the Bay have notched up previous national wins. Apata manager, Erin Atkinson, became the first woman to win Young Grower of the Year in Christchurch in 2017. Avoco quality manager Danni van der Heijden followed winning Young Grower of the Year 2018, and Apata's



Melissa van den Heuvel won the title last year. Horticulture wasn't Laura Schultz's first choice as a career. The born and bred Te Puke girl grew up on her parent's kiwifruit and avocado orchard and like a lot of young people left to explore a world of opportunities.

After leaving Te Puke High School, Laura tried commerce at Victoria University but "didn't love it" and moved to Auckland to take up fashion design. "I loved the study, but the jobs weren't there," she says.

With the wider world beckoning, Laura flew to Canada where she signed on to be a snowboarding instructor while spending the summers mowing the greens at a golf course. It was a "fun time" and in 2018 when her work visa ran out, she returned home.

"I was ready for a new challenge. I had no idea what I wanted to do, but I did know I didn't want to go into an office."

It wasn't long before Laura was back in The Bay and in the outdoors working out the summer in a landscaping job intending to save for a trip to Europe. However, with the Covid-19 pandemic spreading rapidly she was about to steer another course.

Laura's family needed help with the avocado harvest, and she was back in the orchard helping to manage three hectares of avocados. Before long Laura had taken over the orchard's avocado lease.

"There was a lot of learning, but having grown up around the business possibly made it easier. Because I had moved back home Dad was



Laura Schultz is this year's Bay of Plenty Young Grower of the Year and heading is off for the nationals this month. She is both a grower and a Trevelyan's grower representative.

always around to answer my questions. We talk about work a lot and there is a lot of information available online – heaps of industry information and heaps of packhouse information. I did lots of reading too," Laura says.

The call of the outdoors and decision to remain in New Zealand paid off when Laura won the Bay of Plenty Young Grower of the Year in July securing an all-expenses trip to Nelson to contest the national title. The competition, now in its 15th year, is known to push contestants out of their comfort zones.

In the Bay of Plenty competition, Laura excelled in all eight challenges, including the speech competition titled 'What I will be growing in 2050'.

Laura says any young person working in horticulture should enter the competition. "Just go for it. It is good for everyone – you learn, get to meet people and it is very supportive, and there are lots of amazing prizes.

"The speech competition was one of the biggest reasons why I wanted to enter. I wanted to be better at it, so I thought it was a good chance to learn and you have to do it to get better at it."

Laura immediately signed up for a course at Toastmasters New Zealand, which helped her build confidence. At the finals in Nelson Laura presented a three and half minute speech at the

gala dinner. She said the competition was fierce as seven winners of the regional contests from a variety of horticultural industries and disciplines competed to find the best young fruit and vegetable growers in the country.

Although Laura won the leadership panel jointly with Jacob Coombridge from Central Otago, it was Meryn Whitehead, a supervisor at Vailima Orchards, who won the national title and was named 2022 Young Grower of the Year.

After four years working with avocados, Laura joined Trevelyan's as a grower liaison earlier this year. She "loves it", and says she is always learning.

This is where her passion lies, and where she wants to be.

"Working out on orchards, half in the office and half out on orchard is perfect," she says.

"My main goal is to have my own avocado orchard. I'm across what happens with the kiwifruit in the orchard, but it's the avocados I love.

"It is a nice environment in an avocado orchard. I love the trees – they are beautiful, and I just love the fruit.

"I also like that there is a lot of room for improvement. With avocados, we still don't have a lot of research and there isn't a prescriptive way of growing. There are lots of different ways of doing things." ■

**Grower Profile**

# Avocado lifestyle

When life gets tough on the farm Kelsea and Daniel Symes think about the avocado trees they left four months ago when they packed up their toddler and three-year-old, rented out their house, and made the decision to return to dairy farming.

**"It** has been a tough year for calving. It has just rained and rained and rained," says Kelsea.

To make matters worse the farm they are on backs onto the Whakatane River which has flooded.

"We have been in the mud. It has been a baptism of flood since we have been back in the dairy industry."

Five years ago, the couple swapped dairy farming to run an avocado orchard.

"We were dairy farming in the Waikato and moved back to manage my parent's avocado orchard," says Kelsea.

"Daniel and I wanted to spend more time with the family and not be tied to the farm for seven days a week."

Kelsea's parents John and Kathleen Morrow farm a dairy unit, with an avocado orchard at

Pongakawa in the Bay of Plenty.

"Moving back, we really thought our stars had aligned, especially when a two-and-a-half-hectare property with an avocado orchard came up for sale five minutes down the road, which we brought for us.

"Our orchard was our weekend job, and we were working full time on my parent's orchard."

However, with the fallout from the Covid-19 pandemic and a year of unsustainable returns from avocados, the couple decided they needed to return to dairying.

After starting a milking contract in late June this year, they were back in the business.

Kelsea says the hardest thing was to make the decision, make the call and leave.

"It was a very emotional decision to make, and it is hard moving with little kids.

"We had our own home and had put roots



Kelsea Symes with Oscar, 3, and Molly aged 17 months.

down and are back living a transient life farming again.

"We don't want to sell our orchard, which is one of the reasons we went back to dairy farming because we don't want to lose our property."

The couple invested a lot of time and hard work into the Morrow's orchard, planting new blocks and developing it to 30 hectares.

Kelsea who has a Bachelor of Commerce (Agriculture) says it was a big learning curve and the orchard was a bit overcrowded.

"We were just cutting down trees and chipping for probably a year – we got pretty good on the chainsaw.

"It made a massive difference to the amount of sunlight that came in, but then what was equally amazing was how quickly those trees filled those gaps we had created. They all just relaxed into place and spread their branches out.

"It was all a bit of a work in progress because all those trees needed topping because they had grown up to reach the sunlight and all the lower branches were naked, and the trees took a while to recover, but it was good to get all that greenery back on the lower branches and top the trees, so they weren't too high for the Hydralada to pick," Kelsea says.

"It does feel right we are farming but the lifestyle of horticulture is a lot better – more freedom. With trees, you can just drive out the gate.

"We lived on our orchard and there is something quite peaceful about living amongst the trees. Avocados don't lose their leaves all at once, although they do have a bit of a shed and they aren't deciduous so it's not like an apple orchard in winter when they are all bony."

The couple says they are the type of people who will always work in the primary industry.

"It feels good producing food for people, and we are still doing that. We feel like we are doing something useful, and it felt good being an avocado grower – I love telling people I'm an avocado grower, I don't love telling people I'm a dairy farmer." ■

# Quality improvement a group effort

Quality and systems manager DANNI VAN DER HEIJDEN gives an update on the quality section of Avoco’s 5-Year Plan, guidance on picking around rain, and advises the more fruit that is all-market compliant the greater the ability to access important AVANZA markets outside Australia.



## Avoco 5-Year Business Plan

The quality section of the Avoco 5-Year Business Plan has the aim to improve the quality and post-arrival performance of avocados exported by Avoco.

The defined areas of improvement are:

- Shelf-life (ability of the fruit to withstand extended transit times)
- Consistency of post-arrival performance
- Reduction in green fruit disorders (lenticel damage, fuzzy patches, discrete patches, external rots)
- Reduction in ripe fruit disorders (diffuse flesh/grey pulp, stem-end rots, body rots)

To improve the quality of New Zealand avocados, it has been identified that Avoco needs to work both individually and collaboratively across all areas of the supply chain to review and address the elements influencing fruit quality.

To assist us in these goals, please ensure to follow our harvest and fruit quality guidelines.



### QUALITY PROJECT UPDATES

PROJECT	UPDATE
<b>Advances Fertiliser PhD</b>	The first year of the PhD “Influence of fertilisation practices on avocado fruit mineral composition” has been completed, and the second season is underway. This includes a fertilisation trial with different levels of N, K and Ca fertilisation, and monitoring orchards with different fertilisation practices.
<b>Waterblaster development</b>	The first test manifold has been built, and CR Automation is working on the initial trials.
<b>Fruit size profile prediction tool</b>	The measurements and fruit harvests for Season 2 have been completed.
<b>N:Ca library tray analysis</b>	The first season has been reported. The results indicated that N:Ca ratio could be used as a tool to help predict postharvest performance. This work will be repeated in the 2022-23 season.
<b>Fruit quality – uniconazole</b>	Beginning Spring 2022 – an initial investigation of any effect the application of uniconazole may have on avocado skin nutrient content and fruit quality.
<b>Rootstocks and skin nutrients</b>	Fruit samples for skin nutrient testing have been taken from the Far and Mid North - an initial investigation of the influence of rootstocks on avocado skin nutrient status and on fruit postharvest quality performance.
<b>Pre-packing temperatures and time trial.</b>	Commencing November 2022. To determine the influence of two different pre-packing temperatures and time on fruit postharvest quality performance.
<b>Avoco orchard management guide</b>	To improve the yield, quality, and consistency of Avoco orchards, we aim to have a complete, prescriptive, grower manual available for Avoco growers with sections on each element of growing avocados. The first draft of this manual has been completed, and is being reviewed by growers, consultants, and other industry stakeholders. The aim is to have the document available by November 2022.
<b>In-market assessments Australia</b>	In-market assessments in Brisbane and Sydney will again be commencing in October 2022.

## All-market compliance

Chemical choices

Heavy metal testing

Fruit quality

Market declarations

Pest control

Chemical spray choices, frequency, and timing have major influences on access to specific markets. The ability to access export markets outside of Australia will become increasingly important as production volume increases within New Zealand as well as Australia. Avoco has the ambition to reduce its reliance on the Australian market and significantly increase its overall export crop split to AVANZA markets to more than 50 percent. The only way in which this can be achieved is if the vast majority of our volume is ‘all market compliant’ at harvest, which is dictated by the spray choices each grower makes.

We have updated our Pest Control Options document – this can be found on the Avoco website.

## Picking in and around rain

As in the Avoco Harvest Guidelines, please ensure not to pick fruit in or after rainfall.

Although fruit may still appear green and undamaged when it is picked, when it is exposed to the coolstore environment after packing, the lenticels blacken. Picking turgid fruit also increases the risk of black patches developing on the fruit later in the supply chain. The cost of managing this fruit after packing can be extensive and will impact returns.



Picking turgid fruit increases the risk of postharvest disorders.

- Do not pick in the rain (wait until the fruit is dry to the touch or two hours after rain).
- Do not pick if more than 5mm of rain has fallen in the last 24 hours.



### Food Safety

# Derisking the supply chain with effective food safety systems

Consumers want to know where their food comes from. Safe management of the supply chain, accurate documentation, and adhering to legal obligations all provide independent assurance of the commitment to safe and sustainable growing practices and ensures consumers know that Avoco's product meets the highest standards writes STEPHEN CLEMENT, general manager – compliance.

**As** consumers' awareness of food safety grows, we have to ensure that we improve how we manage the supply chain to ensure we meet their expectations and requirements.

It is now several years since the start of the Covid-19 global pandemic and there is growing global consumer awareness around food safety with people wanting some assurances about what they are buying and whether it is safe.

When we talk about food safety, we are talking about the concept that food is handled in the correct manner through the supply chain and that the intended guidelines are followed so that it will not harm the consumer. We mitigate and manage any potential threats by reducing and removing any potential hazards that could cause a risk. These managements tools include increased surveillance, higher standards of hygiene, improved storage, and safe shipping, as well as best practice in the use of agrichemicals.

**... there is growing global consumer awareness around food safety with people wanting some assurances about what they are buying and whether it is safe.**

It is a shared responsibility from grower to consumer to ensure that food safety is managed, and it relies on the efforts of everyone to ensure that we provide the best and safest product we can deliver to the market. This has led to customers and markets requiring food producers to operate more effective food safety systems, offering assurance that risks have been minimised.

Some of these systems include standards such as the NZ Food Act, GLOBALG.A.P. certification for producers, and Global Food Safety Initiative (GFSI) certification for other parts of the supply chain including packhouses, exporters, packaging suppliers, storage and distribution providers and the list goes on. Compliance with these standards means consumers can buy with confidence because it demonstrates that management systems, procedures, and practices are in place to meet relevant regulatory and market requirements.

As the world changes, so do consumer expectations and we start to see constant changes and adjustments to compliance requirements. Consumers want to know where their food comes from. This means an increased need for improved systems around traceability from orchard to customer, which gives the consumer visibility of the source of their food.

### CHANGES AND ADHERENCE TO GLOBALG.A.P. STANDARDS

To meet these needs, one of the biggest changes coming up is the latest version of



GLOBALG.A.P. with version 6 on its way. There is also an increased need to ensure all relevant information provided is true and accurate. This means that we need to ensure that all documentation around supply, packing, and exporting is correct.

An example of this would be where previously produce suppliers have referred to their properties by orchard name, the orchard now needs to be referred to as a legal entity. If it is not a Limited, Partnership, or Trust then it will be necessary to use the full first and last name of the owner/lessee as this is the accountable person/s for that product site (orchard).

In May 2020 GLOBALG.A.P. commenced work on the new Integrated Farm Assurance (IFA) v6 standard. After two years, which included numerous public consultation periods, almost 700 participants in the 120 GLOBALG.A.P. World Consultation Tour, and webinars conducted

in 15 languages, GLOBALG.A.P. received over 4,000 comments on the IFA v6 documents. After successful revision by the technical committees, the final standard documents were approved by the GLOBALG.A.P. Advisory Board in October last year.

The timeline at this point was to have an interim published version available in April with the final published version in September, and for it to be obligatory for use by May 1st next year. However, since the interim final documents were published on 26th April this year, there have been some amendments made and the interim standard was replaced on 7th June. As a result of this amendment, the obligatory use of the standard has changed from 1st May to 1st October 2023 with the hope that this extension will allow for a smoother transition for all producers. ■

## GAP - what is it?

**G**ood Agricultural Practice (GAP) schemes provide assurance for the safe and sustainable production, packing, and distribution of fruit and vegetables.

The two GAP schemes operating in New Zealand are NZGAP (New Zealand Good Agricultural Practice, owned by HortNZ on behalf of growers) and GLOBALG.A.P. (Global Good Agricultural Practice, based in Cologne, Germany).

New Zealand GAP is an assurance scheme for the New Zealand horticulture industry giving consumers confidence in the safety and sustainable production of New Zealand fruit and vegetables. Created by New Zealand growers over 20 years ago, NZGAP has a vision to grow the world's most trusted food.

The GLOBALG.A.P. certification lets consumers and retailers know that the business has good agricultural practices in place to ensure food safety and quality. It signifies food has been produced sustainably, while considering the health and safety of workers, the impact on the environment, and animal welfare.

Horticultural businesses that achieve compliance with GAP assurance standards demonstrate that management systems, procedures, and practices are in place to meet relevant regulatory and market requirements. Compliance enables customers to buy with confidence.

FOR MORE INFORMATION GO TO: [NZGAP.CO.NZ](http://NZGAP.CO.NZ)

# Welcoming the avocado world to New Zealand

Next year, for the first time, the World Avocado Congress will be held in New Zealand when world-class experts, industry associations, technology experts, investors, marketers, packers, and growers come together to attend this premium event.

**A**voco is proud to be a major sponsor of the 10th World Avocado Congress. From Sunday 2 April to Wednesday 5 April at the Aotea Centre in Auckland, the World Avocado Congress (WAC) is anticipated to attract a wealth of talent with over 1000 people from 50 countries, including some of the brightest minds in avocados, international growers, researchers, marketers, retailers, tech innovators, and investors.

The industry has come a long way since the first congress in Johannesburg in 1987. The Congress is held every four years; however, it will be the first time the event is being held in New Zealand.

Marketing and communications manager Steve Trickett says 2023 is an important year for Avoco because April coincides with the 10th anniversary of its founding. It will be a great opportunity to celebrate the achievements made over that time as well as a wonderful chance to learn from international and local experts, to network and showcase our avocado industry.

"It is important Avoco takes the opportunity to get involved in supporting the industry as host, and ensure our growers have the opportunity to attend this prestigious event to get first-hand knowledge from the experts on the latest avocado research, international market trends, and the most recent information on various topics," says Steve.

"As New Zealand's largest avocado exporter with around 60 percent share of the industry's volume and in representing the majority of growers, Avoco is delighted to take the opportunity to host our growers from the Bay of Plenty, Mid, and the Far North regions in New Zealand as well as international customers who attend.

"This international event will provide a great opportunity for everyone across the supply chain to reconnect face-to-face, learn, share information and build connections."

The congress will include a three-day academic programme with international keynote speakers, regional field days and plenty of opportunities to mix business with pleasure.

New Zealand Avocado CEO Jen Scoular,

who is also President of the WAC committee, emphasises the incredible opportunity the local avocado community has in hosting this event, especially after the challenges of the global pandemic.

The avocado market was worth around \$8 billion (USD) in 2020 and is expected to grow to \$17 billion (USD) in three years. The Congress is the most prestigious global event in the avocado sector.

Registrations are selling fast with many coming from outside New Zealand.

New Zealand growers can still take advantage of the specially discounted \$500 tickets available on a 'first in first served' basis until sold out.

**"This international event will provide a great opportunity for everyone across the supply chain to reconnect face-to-face, learn, share information and build connections."**

Exhibition space has opened, and organisers are expecting a lot of interest from service providers to the industry as well as from the countries intending to bid to host the next congress in 2027.

The Congress programme kicks off on Saturday, April 1 with an optional field day, followed by the start of the official programme with field days at Taporā and South Auckland. Later that day the Congress will be formally opened. Three days of academic sessions will follow. NZ Avocado is partnering with Plant & Food Research to develop a world-class academic programme. Topics cover the whole avocado value chain and include fundamental and applied science and technology.

Sustainability will be a key theme. The congress will end with a gala dinner on Wednesday night.



Jen Scoular, CEO of NZ Avocado and President of the World Avocado Congress.

The first keynote speakers have been announced. They include Professor Andrew Robson, director of the University of New England's Applied Agricultural Remote Sensing Centre in Australia, Brent Clothier, principal scientist with Plant & Food Research NZ, Professor Dov Prusky, a leading scientist at the Volcani Centre in Israel, Florence Van Dyke, head of sustainability at NZ Trade and Enterprise,

Francisco Mena Völker, partner at GAMA in Chile, Lain Jager, former CEO of Zespri International, and Jen Scoular, CEO of NZ Avocado and President of the World Avocado Congress.

The Congress theme is "Respectful" — with a focus on global sustainability requirements that respect people, the environment, and economic sustainability. ■

## Your Avoco Grower Services Team

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**Secure your place today**

Tickets are still available on the World Avocado Congress website. For more information about the event and registrations go to [www.wacnz2023.com](http://www.wacnz2023.com)