

# avoco news



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**Directors' Review**



# Riding the waves

A period of challenging weather conditions won't dampen our resolve to grow and achieve the best possible results, explain AVOCO Directors Alistair Young and John Carroll.

**W**e're very lucky to have an exceptional technical team in place at Avoco, working hard on research projects and the implementation of clear systems into play from growing to our distributors overseas. Many projects that have been implemented are clearly improving the strength of our fruit on the shelves. We were very pleased to see that even with the shocking weather last season it was not until January that problems appeared. It could have been much worse as historically after a wet spring issues have shown themselves just after flowering in early December.

**MITIGATING THE PERSISTENT CHALLENGES**

The challenges, however, appeared as persistent rots from all regions when the Australian market strengthened after Christmas. This meant a repacking strategy had to be implemented, to ensure deliver of the quality our customers were seeking. This was managed very well by our ripening teams under the guidance of Danni and fast action was implemented in response.

After we identified the scope of the issue, we reworked all our fruit going to Australian customers through to the seasons' end, which was the right decision to protect our brand reputation and permit harvesting to continue.

As Australia in some seasons becomes more saturated with their own domestic supply, we need to ship further and further afield to markets in Asia and perhaps the USA. This is a work in progress as we explore suitable shipping options, a link in the chain that is still somewhat dogged by the issues of Covid. But put simply the more distant markets will demand more of our fruit quality to satisfy customers.

*Director's review continues next page...*

The biggest positive from Australasia last year was that the markets absorbed the same large volume of fruit as we did in the previous big season, but for twice the price. This shows that we still foresee some market growth there. But looking immediately ahead we are cautious as there's a big Australian crop this year, potentially the biggest ever, and without question Australian supply will trend heavier into the future. This means our focus needs to turn to Asia as our biggest market region. So, it remains a challenging and economically tight time for all.

### FRUIT QUALITY

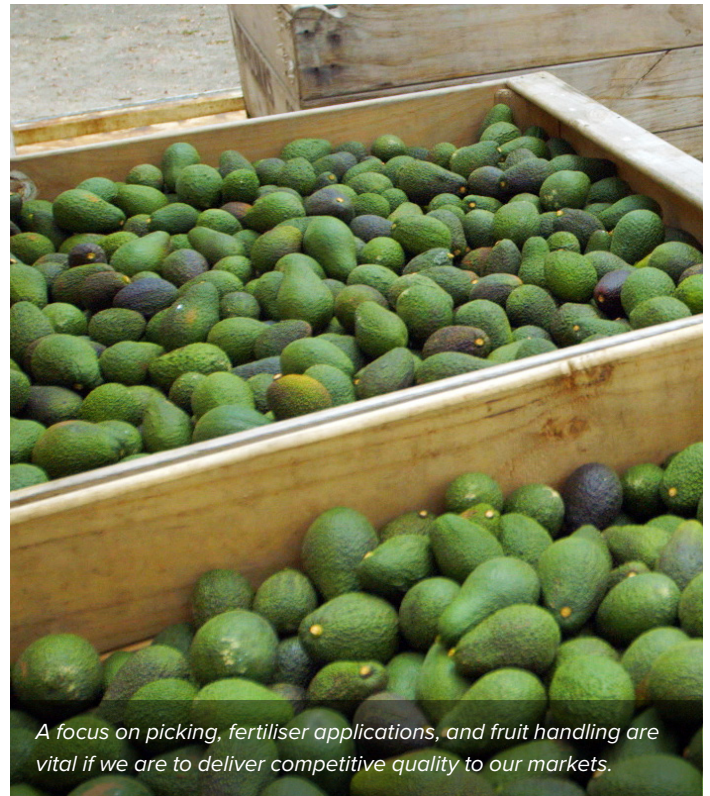
While there's been a heightened challenge to achieve good fruit quality in the season just passed, this is something we need to continue to address if we are to compete with other nations' fruit on the world stage. We're all well versed in the persistently poor weather conditions with which we've had to contend, including saturated orchards, which made last season especially challenging.

We do rely on continued and consistent grower support to see the research from our technical teams thrive through application and implementation. We understand the many pressures of the recent season and acknowledge that the resulting fruit quality showed some positive improvements despite the challenges. But with the season ahead we have the chance to step up the focus on measures that will improve fruit quality further and we hope you'll join us on the journey.

Overall, last season's value achieved from the markets was decent without being spectacular. The higher values we had hoped to get through January and February were there, yet our values were impacted by the repacking costs, and the fact that our anticipated volumes fell some way short of expectation. We simply had less fruit to sell when the Australian market was at its hungriest.

Our programme into Asian markets was more modest than our initial plans, necessitated primarily by shipping difficulties. Some of that was erratic scheduling of boats, plus the length of time the vessels were taking to reach the markets. On one hand it wasn't such a worry as we had good options for fruit into Australia. However, this season will be different again and it's that ever-changing landscape that Avoco will need to respond to.

Overall, the shape and size of our programme last year was quite different to what we estimated and anticipated at the start. Total



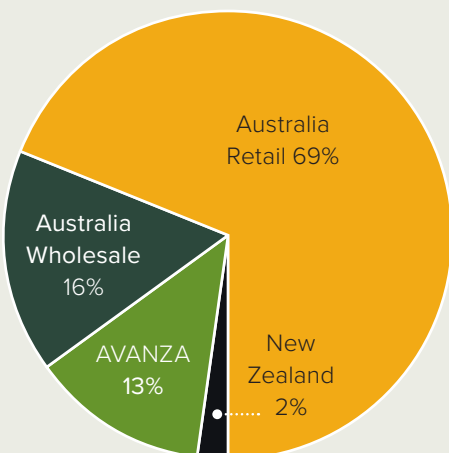
*A focus on picking, fertiliser applications, and fruit handling are vital if we are to deliver competitive quality to our markets.*

volume was over 30% down on pre-season estimates, and that's a big number, easily a record for Avoco. We sent less into Asian markets than planned, but even volumes into Australia were well down. So making estimates more robust is a major focus for us all.

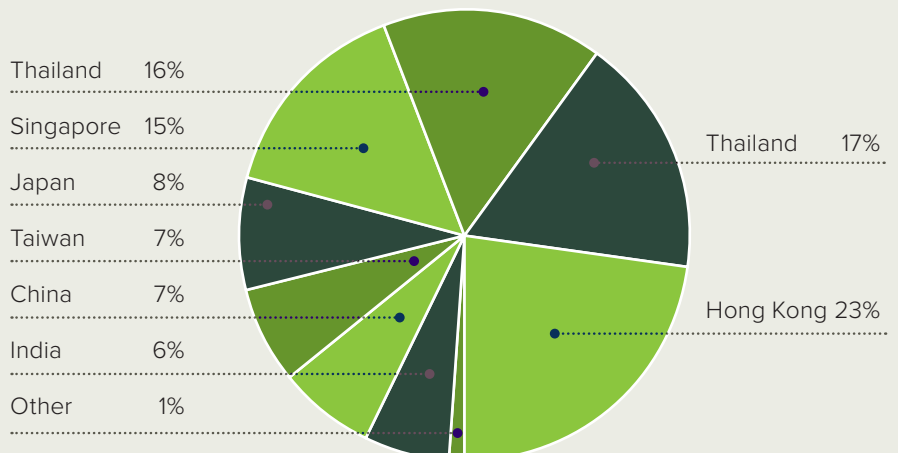
At the recent roadshows around the country where we have connected with you our growers, we have focussed some conversation on picking, fertiliser applications, and fruit handling in an attempt to mitigate the sorts of challenges we are facing with the New Zealand climate. We can improve our shelf life in the markets if we all scrum down and do the basics right.

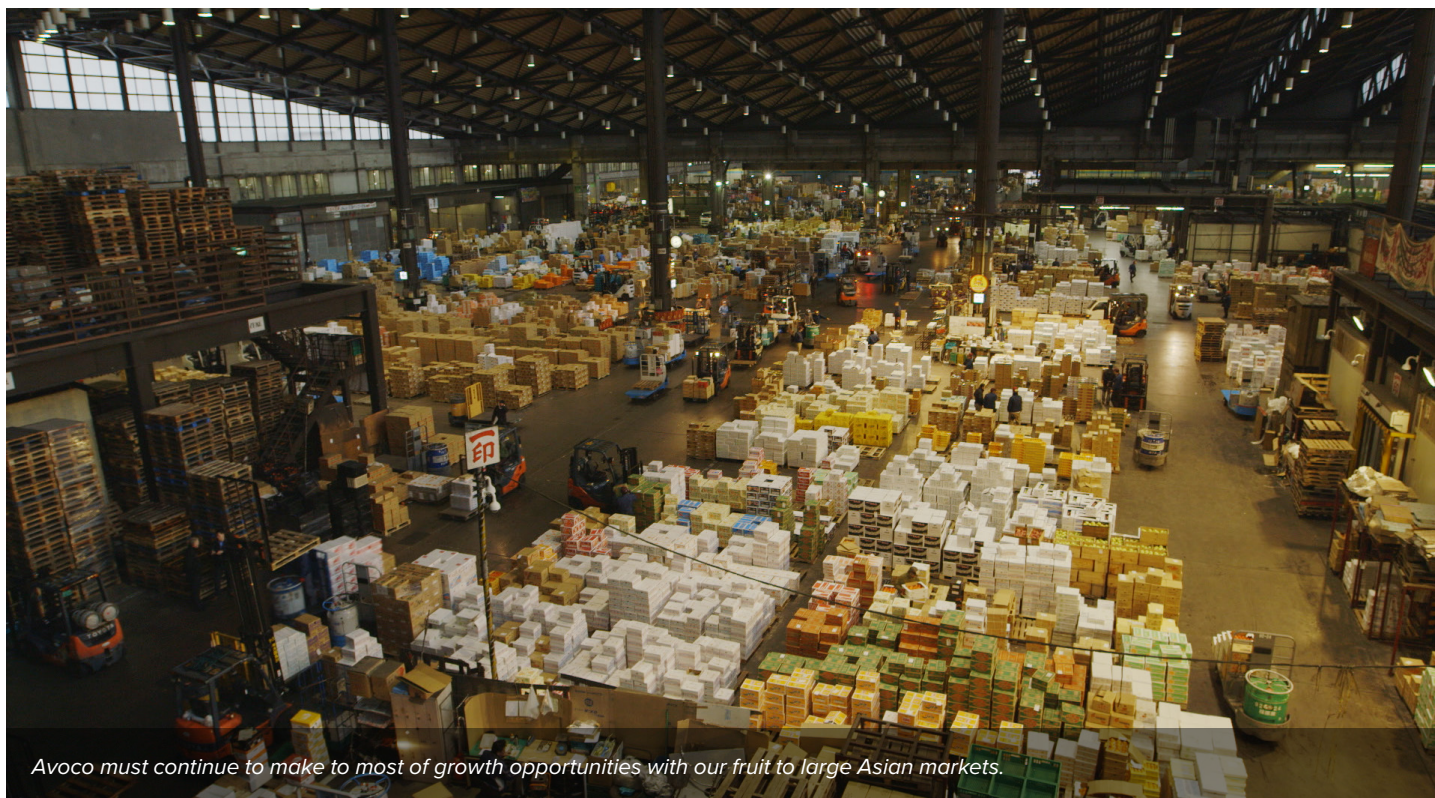
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#### AVOCO FINAL MARKET SPLIT 2022-23



#### AVANZA ALL MARKETS 2022-23





*Avoco must continue to make to most of growth opportunities with our fruit to large Asian markets.*

## NZAGA AND RESEARCH

On that note, we were heartened by the support of our grower community at the latest NZ Avocado Special General Meeting to vote against the NZAGA's intention to eliminate research, particularly with the respect to quality research due to levy reductions.

It's critical that the key objective of the NZAGA, namely research, remains. And with your support this has been upheld. Avoco cannot do this alone and needs industry support for further in-depth quality research. Avoco is supportive of a temporary reduction in offshore promotions. However, there will be no point in re-invigorating promotions investment while quality questions remain with our own fruit. So, we thank you for backing this call to keep research front and centre as we look to the long-term future of our industry. We are delighted that the new chairman of that NZAGA research committee can now get on with helping to drive the industry forward accordingly.

## THE YEAR AHEAD

Next season, early estimates are in the region of 1.5 million trays for export. We have made it clear to packers and by extension growers that we need to get more accurate numbers. Our planning has to be vigilant so we are laying plans for both slightly lower, and slightly higher than 1.5 million trays as we wait for the numbers to firm. By November we will understand how the reality is matching up with our plans.

It's the tenth year of Avoco, and 1.5 million trays is nothing like the bigger numbers of trays we've known historically. We've exported close to 3 million trays before.

We are looking to have a larger Asian export presence this year and we must continue to grow these Asian markets as we were before Covid. For the first time in three years in some cases, we are now able to travel to markets and have those face-to-face meetings that you just can't replicate on Zoom. We're looking forward to what those face-to-face discussions will produce.

## CYCLONE REPERCUSSIONS

The quality will already be tested this year because of weather events like Cyclone Gabrielle in February. The Mid North – Whangarei and the adjacent west coast were hit hard and that's impacted the volumes that will come out of those regions. It was already going to be our 'off year' in terms of lower volumes overall, but now the quality will also be downgraded because of the cyclone damage.

The Far North mostly escaped the damage, as did the Bay of Plenty, and particularly those well-sheltered orchards. So, we are hopeful that those regions will produce similar numbers to last year, or even a little higher. However, the weather in general was harsh around the start of 2023, potentially affecting quality everywhere. There has been some concern that ridging in some orchards is more significant than it has been in some years – we will get to see if that is real when we start to pack.

## WORLD AVOCADO CONFERENCE 2023

Finally, many of our growers attended the World Avocado Congress in Auckland in April. Around 32 countries attended, and it has come back to us anecdotally that there are concerns amongst growers from both the formal and side-line discussions that the world has a lot of production. Questions are being asked about how we can compete. We do acknowledge that through the Covid years demand has been compromised, and during that time there has also been a significant number of trees planted across many foreign countries, producing larger volumes of fruit.

But we want to remind growers we maintain a positive outlook as we connect our supply with the best market options available. That is exactly what Avanza, and then Avoco were formed to do, so that we can put our best foot forward every season. ■

## Behind The Scenes

# Get involved and have your say

AGRC Chair John Schnackenberg shares his thoughts on a range of topics and calls for refreshed grower engagement for shaping the industry's future direction.

**G**reetings fellow Avoco growers. While I was rather sceptical when NZ Avocado announced some years ago we would bid to hold the 2023 World Avocado Conference here in NZ, I concede that the team put together a fantastic event in Auckland late March / early April, and I thoroughly enjoyed the presentations, interactions, social activities and learnings that have come from it.

Hearty congratulations to Jen and her team for such a wonderful, insightful, and highly successful world class event.

Day one I was not too enthused hearing about the massive over-supply that will be delivered to Europe over the next several months and into the following few years and the risks that imposes on us exporting to Asia in the short to medium term.

But by day three, understanding the huge body of evidence supporting avocado as a health wonder food and the consumption growth achieved in the US on the back of the Hass Avocado Board's annual promotional investment of around US\$80m, my mood changed for the better.

Along the way, I also saw the opportunity to re-work my 40+ year old giant trees into trellised intensely planted rows, arguably ultimately yielding much more per hectare with reduced wind rub risk and better spray coverage, hence export pack outs. So long as I can get and remain on top of the pruning!

With respect to the current issue of world supply exceeding demand, the main message was to significantly lift domestic consumption through local marketing. It was noted that the key European suppliers were meeting to discuss their options to lift European consumption, Russia notwithstanding.

Whilst from NZ we have funded significant marketing and promotions across Asia, there is no point in spending heavily on big campaigns while our fruit quality is so variable.

The NZAGA budget for 2023/24 presented at the recent Special General Meeting (SGM) had minimal export marketing focus but included significant investment into our domestic market this coming season, with big volumes of fruit likely to be presented to the domestic market that haven't made export. A sensible move.

There was no quality research focus proposed. For us here, a key issue is to work to identify and resolve the orchard to market issues which are causing significant quality issues in-market.

To that end, at the recent SGM I was very happy to seek an amendment to the industry export levy proposal of 30c per export tray to 35c, with 5c to be ringfenced for quality research overseen by an independently chaired committee of appropriate industry participants. Thank you to you all who supported this amendment which was subsequently passed overwhelmingly.

Over the last 18 years I have enjoyed a period fully involved in our industry politics (2005 – 2013) and since then in this more grower focused commercial space. There are big changes coming at NZ Avocado with the recent announcement of two director resignations as well as the CEO resignation.

Our industry has had a great run up to 2020/21 and will do so again. But it does need re-focusing now on what is important to our existing growers – economic sustainability through high-quality cost-effective production, supported by smart marketing.

Clearly our industry needs new and smart thinking at both the governance and management level. I encourage any of you with appropriate skills and vision to consider putting yourselves forward for election to the NZ Avocado Growers Association for which nominations will be called shortly.

Please don't hesitate to contact the industry Chair, or any senior member of the industry to discuss what would be involved. ■



AGRC Chair, John Schnackenberg

### AGRC COMMITTEE MEMBERS

John Schnackenberg	021 731 437	<a href="mailto:jschnack@outlook.com">jschnack@outlook.com</a>
Deon Cartwright	027 596 2963	<a href="mailto:deoncartwright@gmail.com">deoncartwright@gmail.com</a>
Hugh Moore	021 935 243	<a href="mailto:hugh@mmfl.co.nz">hugh@mmfl.co.nz</a>
Ron Bailey	0274 524 538	<a href="mailto:baileyfarms@xtra.co.nz">baileyfarms@xtra.co.nz</a>
Ross Mutton	027 648 5577	<a href="mailto:ross.lesley@slingshot.co.nz">ross.lesley@slingshot.co.nz</a>
Terry Ridder	021 671 231	<a href="mailto:avocadosnz@gmail.com">avocadosnz@gmail.com</a>
Trevor Seal	07 552 4485	<a href="mailto:trevseal@xtra.co.nz">trevseal@xtra.co.nz</a>
Mark West	027 534 6349	<a href="mailto:m.k.west@xtra.co.nz">m.k.west@xtra.co.nz</a>
John Cotterell	027 451 3138	<a href="mailto:jccotterell@gmail.com">jccotterell@gmail.com</a>
Ross Woods	021 407 361	<a href="mailto:rosswoods@xtra.co.nz">rosswoods@xtra.co.nz</a>
Alistair Young	0274 929 486	<a href="mailto:alistair@southernproduce.co.nz">alistair@southernproduce.co.nz</a>
John Carroll	0274 959 388	<a href="mailto:JohnC@primor.co.nz">JohnC@primor.co.nz</a>

AVANZA Report

JAPAN

# Prime Japan market in for a reset

We have a big job to do in Japan. This season is all about pushing the ‘reset button’ on an important strategic market for AVANZA, says Market Manager Ted Thomas.

**T**he past two seasons AVANZA has sold very modest volumes of fruit in Japan. We have worked hard on our fruit quality to regain the confidence of our import partner Farmind. With their commitment as well as support from our target retailers, we now have a platform to move forward with our growth objectives.

Priority considerations for any retail customer include consistent supply of high-quality fruit at competitive pricing. We have been challenged with irregular shipping services in recent seasons, disrupting our ability to serve retail customers with continuity. A return to reliable shipping and delivering high quality fruit will be crucial in our reset plan.

Import volumes of avocados to Japan (from all origins) has been very steady since 2017. However, 2022 saw a reduction in import volume of approximately 25% compared to 2021. 2023 imports year-to-date have tracked closely to 2022. The weakening Yen has contributed to this softening in demand, driving up on-shelf prices. The Yen has slumped to a 24 year low against the USD, largely driven by the difference between interest rates in Japan and the USA. This reduction in purchasing power of income for household’s places constraints on consumption and spending.



Mexico continues to dominate supply to Japan (approximately 72%), Peru is the big mover (approximately 26%). Balance of supply is made up from Californian, Chile, Columbia, Australia, and NZ. Our target volume in 2023 for Japan is approximately 70k trays. Our growth targets over the next 5 years aim to get AVANZA supply up to approximately 300k trays. To assist in achieving these targets we will work alongside our PR agency Candlewick.

The NZ industry category story will underpin our communication plan. Use of key messaging aimed at the right target market will be important.

For example:

- Respectful Harvest requirements demand specific orchard practices, environmental management, fruit maturity and harvesting methods.
- Triple Active New Zealand avocados are grown in the right way and harvested at the right time, they are creamy and nutritious.
- Triple Active New Zealand avocados contain 19 vitamins and minerals and 3 special nutrients – antioxidants to protect and repair, folate for safe natural baby development, and omega 3 for heart and brain health.

These important messages help communicate NZ’s point of difference to consumers and retailers. We must build on the positive image of NZ and leverage our position against Mexico and Peru particularly.

We do not want to compete with Mexico and Peru’s price offer, but rather a value-add option. A compelling story backed up by compelling fruit quality will create trust and value in the AVANZA brand. ■

## CHINA AND TAIWAN

# China market on watch, while Taiwan set to grow

AVANZA Market Manager responsible for China and Taiwan shares an update on what is planned for the season ahead in these two distinctly different markets.

**A**s China renews its appetite for imported avocados post-Covid with a significant increase in crop available from Peru we are witnessing heavy levels of shipping into the market. As a consequence, prices are unseasonably low and the market would need to lift before New Zealand exporters were to entertain commencing early season programmes.

With reduced opportunities in the Australian market this season we will be looking to take a significant step up in volumes targeted into markets such as China, particularly for large size fruit.

Early discussions with our importer Goodfarmer are focused on expanding sales in the South China region whereas previously most shipments have been made into Shanghai. This is in part motivated by quality considerations and minimising fruit age wherein we can ship to Hong Kong with a 15-day vessel transit, clear cargo there and transfer to

Goodfarmer's warehouses in Guangzhou and/or Shenzhen.

A market visit is planned for July to meet with target retailers and our promotions agency to discuss final details of the 2023 season, which subject to prevailing market conditions and competitive forces will represent a trebling in volume compared to what has been sent in recent seasons.

In the five years since the New Zealand industry gained access to the China market a number of supply origins have also negotiated supply protocols with this vast, complex and rapidly changing market. In recent seasons Mexico, Chile and Peru have been the main origins of supply however, over the past two years we have also seen Colombia, the USA, Tanzania and Kenya secure access, with Kenya alone projecting to export 20,000 tonnes to China in 2023. So with such a congested marketplace New Zealand and AVANZA will need to tread carefully in this dynamic market also noting China's domestic Yunnan Province avocado production volume continues to grow.

In sharp contrast looking at Taiwan, this is a small but progressively growing market made up of wealthy high per capita fruit consumers still discovering avocados and fortunately only able to access either USA or New Zealand supply.

To date all of our exports have been made by air freight with only modest incremental volume growth over the COVID years. Taiwan has been the highest paying market of all those served by AVANZA where our focus has been on premium direct retail programmes.

Commencing this season, as we seek to increase Asian export volumes we will be developing additional distribution capacity and customers both in the retail and wholesale market sectors. Prospectively this will include shipping by sea freight in order to achieve more price competitive sales values to penetrate new market segments and allow more consumers to enjoy our fruit.

Fortunately this market also prefers larger sized fruit which given the emerging New Zealand crop profile will make for an easier market fit. To this point we have not invested heavily in promotional activity but as we look to grow new channels, as with other markets, targeted spend on consumer education and other promotion initiatives becomes an important tool in the toolbox to support the brand and our trade customers. ■



Taiwan is a small but progressively growing market made up of wealthy high per capita fruit consumers still discovering avocados.

KOREA

# All-market compliance: a must

With continuing large crops in Australia we are increasing our focus on Asian markets, explains Korean Market Manager Martin Napper.

Over the past three years these markets have been most impacted by Covid with erratic shipping services and congested ports - the biggest issue hampering our programmes. More frequent rain events along with an increasingly larger fruit profile have also made it more difficult to complete orders. It is hoped from this season that shipping will return to the more regular weekly service, although due to the post-Covid reinstatement of emission standards, vessels must now travel at slower speeds adding to fruit age.

Across these Covid years the world has moved rapidly from an under-supply of avocado to a global over-supply due to the magnitude of planting that has occurred particularly in Mexico, Peru, and Colombia. This has meant more pressure on the three main markets of USA, Europe-UK, and Asia.

The challenge ahead for all exporters is that although Asia contains 60% of the world's population it only consumes 5.5% of the traded global avocado production (29m trays = 300-600gm/head vs 1.6k in Europe and 3.7kg in USA).

To increase consumption to match the growing supply we must encourage ripe retail programmes (many Asian importers and retailers prefer hard-green fruit with Japan and China being rare exceptions) backed with increasing consumer promotion and ensure that we deliver a quality product.

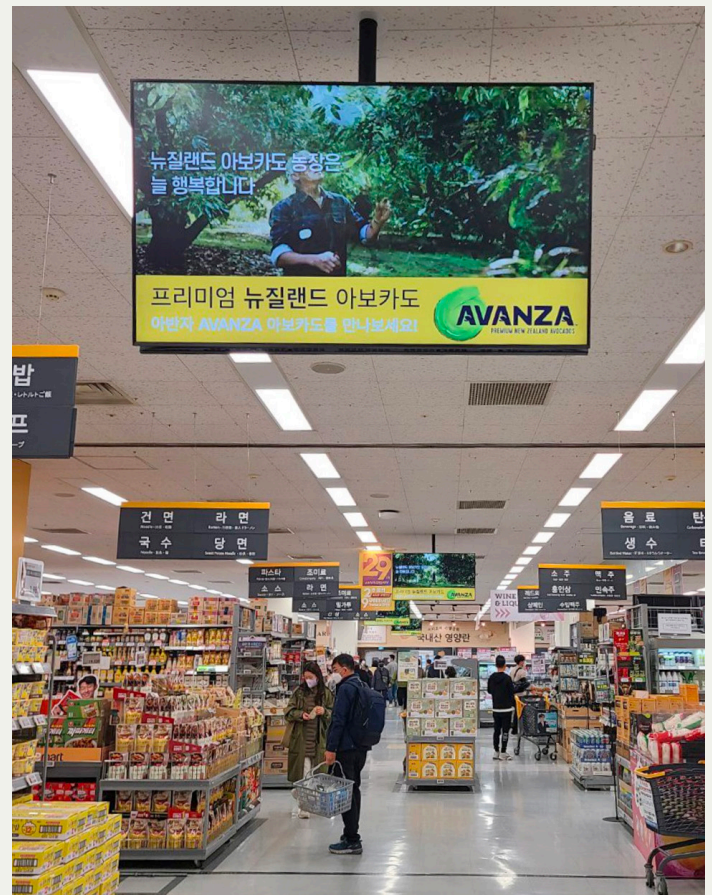
## SHOWCASING THIS IMPORTANT FUTURE MARKET

Through the three Covid years consumption in Korea has fluctuated 2.4m, 3m, and back to 2.4m trays, and may be on target this year to return to 3m trays. Unfortunately, with a preference by retailers for hard green fruit this restricts consumers' ability to self-ripen and limits repeat purchasing.

Since entering the market in 2020, Peru now dominates supply from April to October. Peru market share was 66% last season and with a 100m+ tray export crop can supply plenty of lower-priced fruit that has pushed further into the traditional supply window of New Zealand.

With a preference for hard-green fruit the higher dry matter NZ fruit can be problematic as storage times are reduced. NZ fruit suits ripening programmes and has a stronger taste profile. Advances made by the technical team have also seen AVANZA deliver increasingly better quality of fruit over these past seasons.

The rise of more exporters targeting Asian markets has seen an increase in the number of recalls for heavy metal and chemical excesses over the maximum permissible levels. Already in Korea this year, fruit



from Mexico, Colombia, and Peru has been recalled and each breach dents consumer confidence in the category. It is extremely important that New Zealand exporters maintain robust testing regimes for all grower lines destined for export markets. Korean retailers are now requesting evidence of third-party testing on all their purchased lines.

Last season we trialled shipping one container on the final Zespri charter vessel to Korea and this was successfully devanned and sold. If Zespri's schedule matches our supply window, then further containers will be sent on these charters. Opportunities for Japan and China deliveries also exist.

Richard Kok (our Technical Manager formally from Westfalia avocados in South Africa) and I will be travelling to Korea in mid-June to meet with all customers. We will be promoting the ripe message and setting our 2023 programme ready for a September start. We will again be using Latitude as our in-market promotions agency and will again undertake our avocado buy-back programme which involves the purchase and cutting of AVANZA and other brands' retail avocados for quality checking.

Last season we paid for a 30-sec video to play across several EMART stores for one month. This was a very cost-effective promotion and ensured that EMART exclusively stocked our avocados for this period. This is likely to be repeated.

Another key point as Asia becomes more of a focus, is that growers must aim to maintain crops that are all-market compliant so that we have more choice about where we can send their fruit. If a grower is Australian-compliant-only then this will become more problematic in the future. Countries are increasingly reducing their chemical tolerances, and this does create issues for our growers who have increasing challenges with the wet and humid conditions that they grow under (mites are particularly difficult to keep under control). ■

A REPORT FROM LATITUDE

# The growth story behind avocados in the Korean market

“There was a curiosity among health-conscious, trendy, open-minded young consumers.”  
A report from AVANZA’ Korean promotions agency Latitude.

**D**emand for avocados in the Korean market has gone from “zero to hero”, according to a company responsible for representing and building consumer brands in the country.

Managing Director of Latitude Fintan Cannon says supply went from nearly no volume in 2013 to 19,000 tonnes in 2021. While it was largely driven by cultural reasons and brand presence in the market, he explains that it was not without challenges.

“In 2013 we began working with AVANZA who were interested in looking at the opportunities for growing the avocado category in South Korea,” Mr Cannon said.

“The feedback at the time was not very positive. We were going into retail buyers who were telling us that it was going to be difficult because the consumption occasion is not there. It wasn’t going to be an easy fit to get avocado into a typical Korean diet. You’d have to make changes and they just didn’t see it being a viable option. However, we did some trialling and market research and ultimately what we found there was that there was a curiosity among health-conscious, trendy, open-minded young consumers. The barrier to overcome was consumption occasion. How can we get avocado into people’s hands in an easy and accessible way?”

Mr Cannon says they began with a simple smoothie recipe, which gained some traction and from there, they began a partnership with a big dairy conglomerate, and the access to consumers went from thousands to hundreds of thousands.

“As we increased tastings, popularity went up too,” he said. “The category started to hit this inflection point, where avocados became more mentally available for the Korean consumer. That meant the Korean consumer was interacting with avocados much more in their daily life; they were seeing on TV, as well as on social media feed and their curiosity was starting to grow. As mental availability increased, so did physical availability. So, food service operators have their ears to the ground and are looking at trends and seeing what is popular, and they started to focus on avocados. They thought that there was an opportunity, especially with consumers going out to restaurants and recipes that use avocados.”

There were different motivations for eating avocados based on demographics. Mr Cannon says that the older population were looking at the functional/nutritional side of the fruit and getting the health



benefits from simple recipes, while the younger consumers were doing it for a signalling effect. This meant that they were wanting to capitalise on the trendiness and taking part in the social media crowd noise around the product.

“By this stage, it was on TV, on social media and in food service - so momentum simply took off,” he said. “Generally, when you are trying to build a product, you are investing to get it or a brand to a certain point where you see it has an exponential effect and the sales and consumption, in this case of avocados goes through the roof.”

Another consumption option he mentioned was in baby food, as the fruit is digestible and easy to consume, while couples without children are after new culinary experiences and eating out, as well as cooking more using avocado as a new ingredient. He added that it often competes with fruits like bananas which have similar traits, or those used in savoury dishes, rather than the sweeter fruits like berries and cherries which are more dessert products.

But despite the major jump in demand and consumption across the country especially in recent times, Mr Cannon points out that there is still a way to go, as it is a maturing market, and there needs to be more work done on supply and public education.

“There are still more ways to develop approachable consumption options,” Mr Cannon said. “More marketing and consumer engagement would help to bring avocado consumption and the category to the next level in Korea. My colleague went to a popular salad bar not long ago and one of the additional options was avocado. After he ordered, the server came to him and said there is actually no ripe avocado available. That is currently a challenge for ensuring constant availability. When it is purchased in retail, it is purchased green. There is a hesitancy to bring out ripened fruit, so more ripening programs and education would definitely help with consumption.” ■



AVANZA Report

EAST ASIA

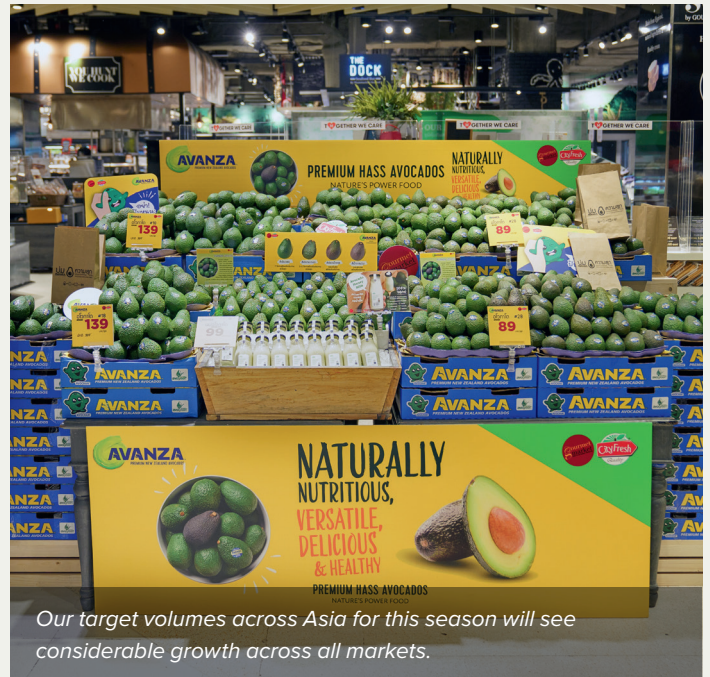
# Mother nature influences pace of market growth

We're working closely with customers to optimise the transition to New Zealand supply from other origins, says East Asia Market Manager Henry McIntosh.

**P**eru will once again push into the beginning of our supply window, putting pressure on market values in multiple countries. Some customers will switch to New Zealand supply as soon as possible and others choose to receive the cheaper alternatives for as long as possible.

Consumption continues to grow, but so does global supply. So, the challenge for us is to continue to build our brand reputation to command a premium in terms of market share and value. But also build on new opportunities to further increase demand. We have exciting new opportunities this year in Thailand, Indonesia, and India.

Australia is in the final stages of gaining access to the Indian market, which will add another level of competition within our season. Our



partners across India are keeping us up to date with developments with the intention to maintain a consistent supply programme where possible.

Our target volumes across Asia for this season will see considerable growth across all markets. We just need mother nature to give us a hand and global shipping to regain some stability! Our technical and shipping teams continue to develop new systems and strategies to get the best results possible.

Two of our largest customers in Asia have recently visited Tauranga, to discuss long term plans along with visiting orchards and getting to know the wider team. AVANZA's relationships with key retailers and importers across Asia remain strong and a key asset. ■

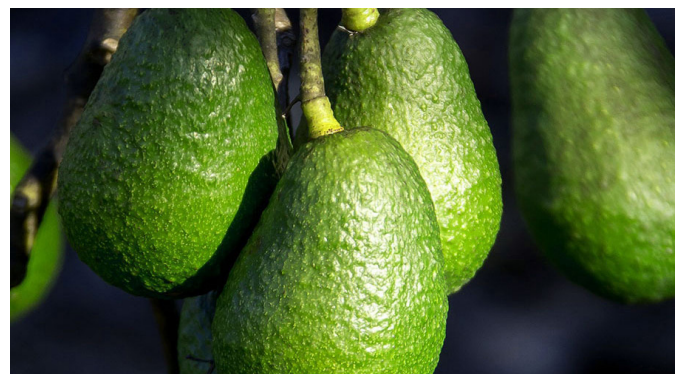
Domestic Market Update

# New Zealand market stirs back into life

The new season has started for the NZ Market with a handful of Eurofins maturity clearances.

**W**hile the majority were in the Far North, at the time of writing (end of May) there had also been a few Bay of Plenty orchards cleared, including some island blocks.

With a ripening timeframe of 5 to 7 days at this time of year, this fruit will be 7 to 10 days away from being in stores.



NZ Marketers and retail customers appear committed to having new season avocados at a value which balances an affordable piece of fruit for the consumers with a good OGR outcome for growers.

It is important that we get consumers back into the habit of buying and eating avocados after the recent hiatus that followed last season's relatively early finish. ■

Shipping Matters

# Shipping remains a challenge

Global schedule reliability during the pandemic was at an all-time low, on the back of huge demand, port congestion and delays through inland supply chain hubs due also to congestion and labour shortages. This is now starting to correct though hasn't directly flowed through to New Zealand due to our ongoing port labour issues, says Shipping & Logistics Manager Nicki Fitzgerald.

**G**lobally, demand for shipping space is suppressed, and carriers are starting to rationalise their services even as newbuild vessels come online. We see this in blank sailings, reducing the numbers of services they are running and a bit of normalising in the networks.

Carrier profits remain exceptionally high. Globally rates are decreasing from record highs and will continue this year with downward trends. Even with tools to limit the impact of decreasing demand, carriers will still find themselves with over capacity through 2023 and 2024.

This does not directly affect the NZ market. Our rates never got to the eye watering levels of the trans-Pacific and trans-Atlantic during the pandemic, and over capacity on carriers does not exist in this part of the world. While we see import rates for cargo to New Zealand at pre-pandemic record lows, export rates, especially for refrigerated cargo, remain high, with some lanes even demanding increases.

## FIXED BERTH WINDOWS

Four NZ ports have agreed to resume fixed berth windows – Auckland, Tauranga, Napier, and Lyttelton. These were implemented on 6 March this year. There is a lot of work to be done to ensure these windows generate the stability and reliability required to streamline supply chains both exporting and importing in NZ.

While this is a huge step in the right direction for New Zealand ports, our performance rates on port remain stubbornly short of pre-pandemic levels with labour again constraining the ability to maximise throughput.

So, while we see vessels relatively close to schedule without the days and weeks of delays we've seen in the last three years, vessels are likely unable to complete a full cargo exchange and we have seen challenges in accessing empty equipment to load export containers.

## AUSTRALIA

Shipping services to Australia remain largely unchanged in the first half of 2023. Brisbane with transits of 4-8 days will be one to watch with a regular weekly service switching between Auckland and Tauranga fortnightly, and an alternative service often omitting Brisbane.



Sydney and Melbourne are well served by several carriers with sailing times expected to be between 3-8 days.

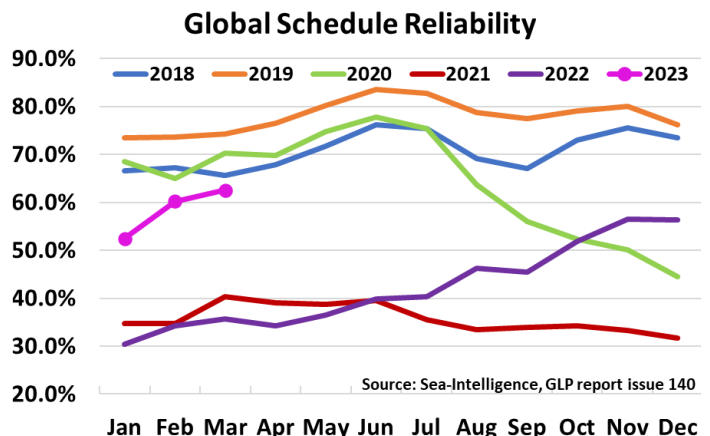
It should be noted that Australia is becoming more expensive to service with government policies triggering increased costs in employment benefits and climate change policies. A well-documented hole in Australia's biosecurity cost recovery will see further increases in costs associated with border clearance.

## SLOW STEAMING

This is not a new mechanism used in global shipping, but one that is easy to implement with carriers being required to meet specific carbon emissions reductions and targets.

New build vessels are being pushed into circulation while trans-Atlantic and trans-Pacific rates tumble through the floor. Rather than having those vessels under-utilised, carriers are being quite rational in blanking sailings (cancelling) and slowing steaming so the reduction in demand is adjusted to meet their capacity to supply.

This has had quite an impact on new transit times for the upcoming season with most AVANZA destinations now being an additional 4 days' sailing. ■



Technical & Quality Spotlight

# Quality update with Danni

**D**ue to the extended period of wet weather during the harvest of the 2022-23 season, quality issues were experienced in the Australian market, says Quality and Export Systems Manager Danni van der Heijden.

The extent of postharvest quality issues in the market (and the resultant cost of the response) is reduced through quality management practices throughout the supply chain.

Fruit quality begins on-orchard. In order to provide fruit with the best chance of performing well post-harvest, please follow the AVOCO Harvest Policy and the On-orchard Quality Guidelines.

[CLICK TO READ THE AVOCO HARVEST POLICY](#)

[CLICK TO READ THE ON-ORCHARD QUALITY GUIDELINES](#)

## TRIAL WORK CURRENTLY UNDERWAY ACROSS THE SUPPLY CHAIN

PROJECT	OVERVIEW	UPDATE
Advances Fertiliser PhD	This PhD is likely to provide further information on the nutrients impacting fruit quality and information on the impact of fertiliser applications on fruit nutrient content.	All of the samples have been collected from the trial orchard, awaiting further analysis and reporting.
Avocado MVP	The avocado MVP will create data depositories to enable operational and regulatory decision making.	Beginning work with Radfords, Rezare and NZ Avocado. This is externally funded.
Waterblaster development	To evaluate an experimental waterblaster unit and investigate alternative options to current commercial washing systems.	The next step is to compare fruit quality outcomes. We have drafted a plan, and are working through the logistics of bringing the trial unit to the BOP this season (2023-24) for quality trials.
Fruit size profile prediction tool	To determine a method for predicting the fruit size profile of a season through measurements of fruit earlier in the season.	Measurements were completed and the trial report is underway.
Fruit Quality - Uniconazole	Determine whether the application of PGRs such as Uniconazole-P are likely to be impacting fruit quality.	Three orchards have sprayed uniconazole. Two of the three have sufficient fruit for nutrient and quality analysis. The third has very limited set, potentially enough for nutrient analysis only.
Rootstocks and skin nutrients	To determine whether rootstock variety may influence avocado skin nutrient status, and whether further investigation into fruit postharvest quality performance by rootstock is warranted.	The results suggest that rootstock variety may influence avocado skin nutrient status and that further investigation into skin nutrient content and fruit quality differences by rootstock variety is warranted.
Pre-packing temperatures and time trial.	Evaluate alternative temperatures for holding fruit at prior to packing and evaluate pick to pack times at these different temperatures.	Report completed. In all orchards, lenticel damage and discrete patches were significantly higher (large difference) in Treatment 1 (picked and packed on same day) compared to Treatments 2-7.
Packaging design	Investigation of packaging options for improved airflow.	A new single-layer tray design is being pressure tested.

## ALL-MARKET COMPLIANCE

This season, fruit availability for export markets outside of Australia is essential. If your fruit does not meet the requirements for export to Asia, you may not be able to harvest until it does.

This season, there was one change to PHI's for nil detect markets – a reduction in the PHI to nil detect for Maldison from 180 days to 84 days. There was a change to the guidance for residue testing to confirm nil detect for Thiocloprid, from 35 days to 84 days.

Australian market access is currently a significant issue for the industry after a number of Leafroller finds at the border. We are

implementing an additional phytosanitary measure (waterblasters at 95% rate of leafroller egg raft removal), however we also need to improve on-orchard control of leafroller to minimize leafroller pressure coming into the packhouse. This will help to reduce the risk of finds at the Australian border which could put market access in jeopardy. Please ensure to monitor and control Leafroller on your orchard and keep aware of any updated guidance on Leafroller control. ■

Please refer to the [AVOCO Pest Control Options](#).

## Your Avoco Grower Services Team

TECHNICAL ENQUIRIES	Richard Kok	027 355 5247
	Danni van der Heijden	022 062 0602
	Jerome Hardy	027 233 4380

### BAY OF PLENTY

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APATA	Logan Whenuaroa	027 373 9859
	Peter Sneddon	027 205 7496
	Justin Shirtcliffe	027 859 6134
	Warwick Verry	027 405 7032
	Elizabeth Leonard	027 335 2201

DMS	Hamish McKain	027 220 2005
	Willie Herder	027 667 3849
	Warren Sargent	027 900 0292

KAURIPAK	Russell Dewey	021 243 8317
	Matt Royackers	027 200 0788
	Toni Morrison	027 265 4469

TREVELYANS	Daniel Birnie	0274 866 969
	Jonathan Cutting	027 973 3513
	Katherine Bell	027 211 9181
	Anne Partridge	027 612 6636
	Laura Schultz	027 362 9074

### GOLDENMILE FRUITPACKERS

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TEAM AVOCADO	Louise Hailes	021 506 775
	Greg Stansfield	021 486 519

### FAR NORTH PACKERS

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

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