



NZ Industry Status

- Retrospect & Future Viewpoints



NZ Industry - Development History

- 1920 First Recorded Avocado Gisborne Charles Grey*
- 1926 NZ Dept Agriculture release of avocado seeds*
- 1939 First Avocado marketed in Auckland*
- 1940 Grey's import 20 varieties, 1st commercial orchard establish
600 trees Mexicola, Fuerte, Nabal, Hass*
- 1960 Initial avocado promotions recipes, posters leaflets*
- 1972 6 Te Puke avocado growers meet Walter Bayliss' packing shed*
- 1979 210 avocado growers from Te Puke, Tauranga & Katikati
Fruitgrowers' Assn. meet and form Avocado Committee*
- 1979 Voluntary Levy 25 cents per tree 25 cents per box agreed
to fund Promotions, Quality, ASBVd indexing*
- 1979 First exported fruit*



Development History

- 1980 Avocado Promotions Committee meets February
- 1982 Promotion leaflets
- 1983 APC incorporated
- 1984 Robyn MacDonald contracted as promotions officer
30 minute promotions film & TV promotions aired
- 1989 Avocado Growers Association formed
- 1991 Health benefit promotions , more TV ads
- 1992 Avocado Export Council Inc - HEA Product Group Recongnised
- 1995 Commodity Levy application approved
- 1997 Avocado Industry Council Inc
- 1999 Exports to USA
- 2003 AGA and AAL sign MOU
- 2005 AIC becomes wholly owned subsidiary



Vision

Through outstanding leadership achieve
12 million trays with an industry value of
\$250 million, by 2015.

*"The Growers' Executive has reviewed its strategic direction
and refocused on the absolute commitment to develop
an inclusive industry wide entity by 2009."*



Key Strategic Platforms

To **sustain profitability** for New Zealand avocado growers by maximising orchard gate returns.

To enhance the **competitive advantage** of the New Zealand avocado industry by consistently attaining a premium over competing product.

To **communicate knowledge** and **transfer technologies** to the industry which promote investment and **growth with value**.

To **position the New Zealand avocado industry for the future** through maximising opportunities and anticipating threats through innovation and application of new knowledge.

Set **strategic framework** and governance platform to encourage **investment and growth**.



Governance

Grower/Exporter Directorship

- Political
- Strategic
- Financial

Increasing Pan Industry Integration

Industry Advisory Group - of Recognised Industry Partners

- Avocado Exporters Council
- New Zealand Avocado Packers Forum Inc.
- Avocado Nursery Association
- New Zealand Organic Avocado Growers Inc.
- Local Marketers



Governance and Management Structure

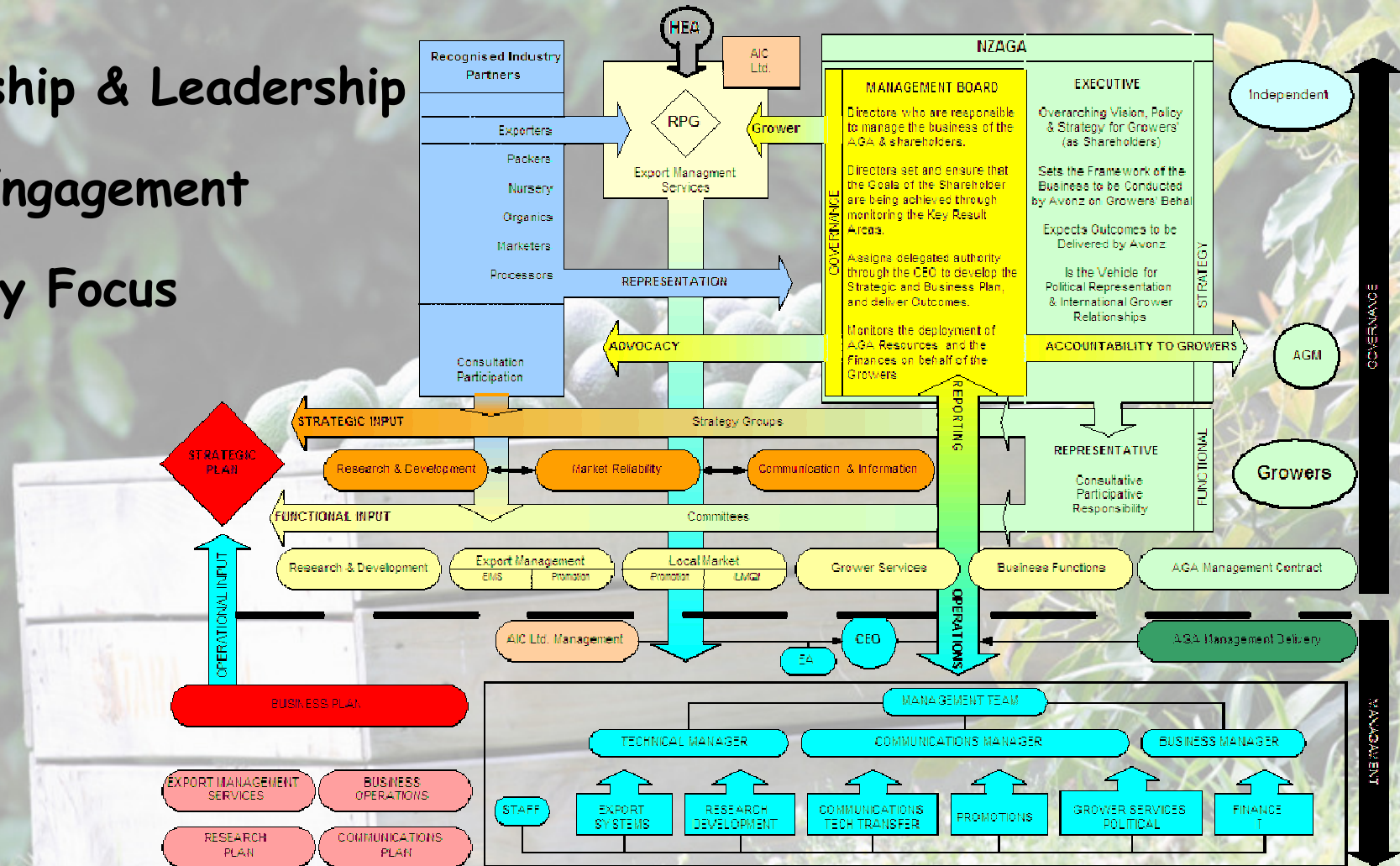
Grower Ownership & Leadership

Pan Industry Engagement

Premium Quality Focus

Market Lead

Profit Driven



Organisational Environment

New Zealand Avocado Growers Association Inc. (1983)

Grower political and management entity which collaborates closely with industry stakeholders for the mutual benefit of all parties

Commodity Levies Act 1990

Voluntary levy 1978 5c/tray, later 3% of sale price

Legislated levy collection since 1995 enabling activities in:

Governance

Political

Promotion

Grower Education & Communications

Research & Development

Production & Quality

Market Access & Development

Information Systems



Stakeholders

1637 AGA member growers

20 Registered packers

13 Registered exporters

10 Industry Staff - Avocado Industry Council

Chief Executive

Communications Manager

Business Manager + 2 Business Team

Technical Manager + Quality Co-ordinator + 4 Researchers



Horticultural Export Authority Model



Free Market
anyone can export



No legislation specifically
controlling who can export



Single Desk Seller
one exporter controls
all exported product



Require specific legislation
controlling who can export



Examples
Australian Wheat Board
Zespri



Horticultural Export Authority Act

Horticultural Export Authority Act 1987

The HEA Act provides an enabling framework for enforcement across the industry



Recognised Product Groups have legislative basis enabling

- Development of an industry structure
- Implement an industry specific EMS
- Set, maintain, and enforce grade and quality standards
- Develop and mandate comprehensive food safety programmes
- Deliver market access assurances, remove trade barriers
- Collect industry statistics to enable informed decisions
- Political Lobby with Government



Avocado Industry Council

Avocado Industry Council Ltd.

- recognised product group under HEA since 1992

Horticultural Export Authority Act 1987

Export Marketing Strategy sets Direction

Quality Manual sets Export Parameters

Quality Program / Grade Standards / Audit

Food Safety

Market Access / Biosecurity

Market Monitoring



2009 Status

4073 ha in production

200-300+ ha per year planting

Production 6.8 t/ha average last 10 years

Domestic Consumption 1.77 kg per capita

Exported Volume 56% average last 10 years

Orchard investment estimate \$ 1,045,403,333

Mature Post Harvest Sector

Industry Value \$ 51,000,000 per annum



Vision Status Growth with Value

5010 +ha in production

200-300+ ha per year planting

Production 9 to 12 t/ha average

Impact of Hi Density production

Domestic Consumption 2.5 kg per capita (incl. processed product)

Export Volume 7+ million trays

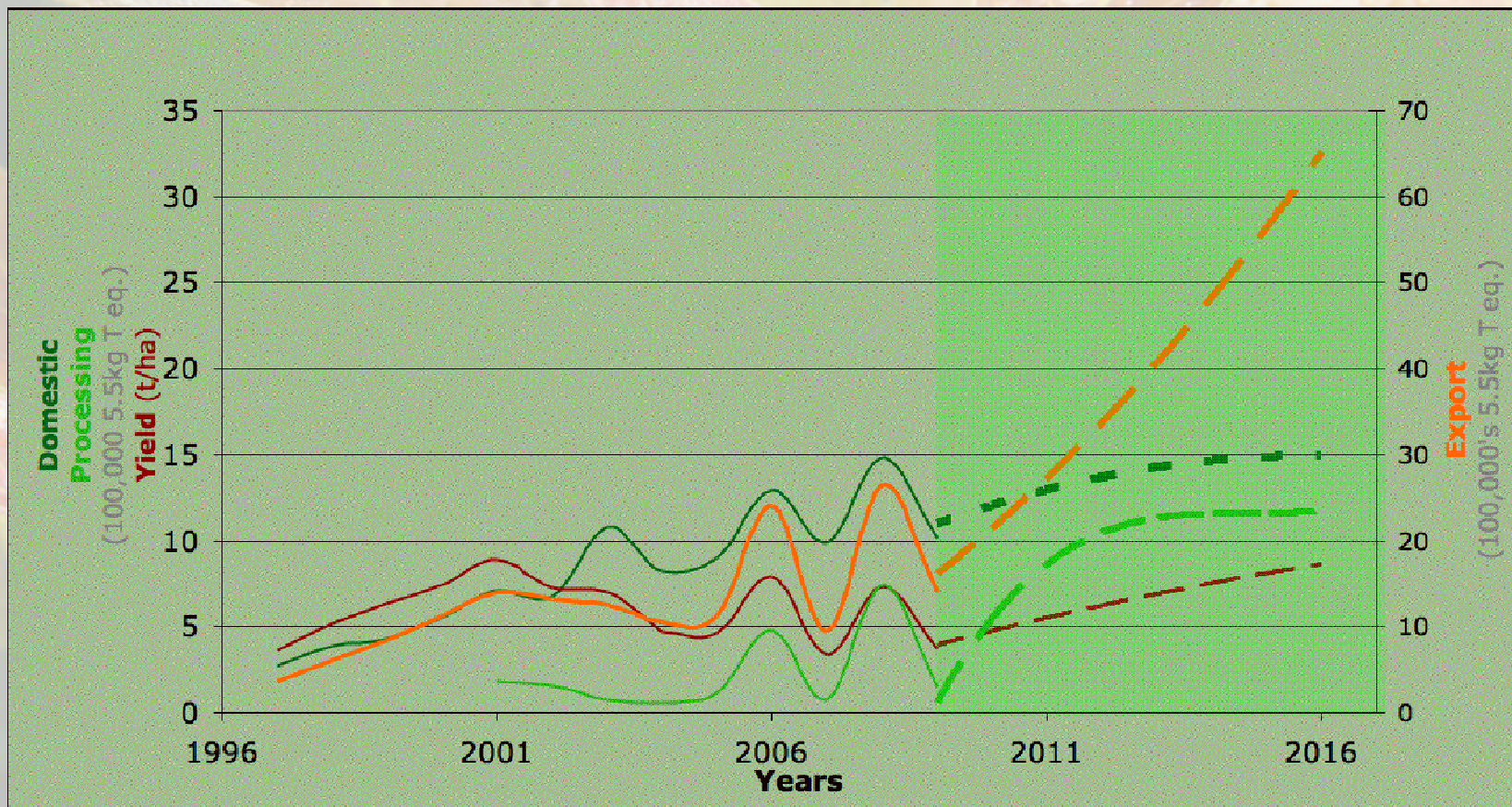
Maintain Australian volumes development USA and Japanese markets

Expansion into China and SE Asian markets

Predicted Industry Earning within 5 yrs \$250,000,000



Production & Projections



Production Influences

Strong Initial Growth 1996 - 2004

Biennial Bearing Impacts 2004 - 2009 - active management focus

Production Dilution / Planting Expansion - effect diminishing

Improving Orchard Management Practices

Export Focus Improving Export Packout - target 70%

Cohesion of Post Harvest Operations

Critical Mass driving Market Expansion

Processing Oil/UHP Options in play



Predicted Trends

By 2015 in ground trees will deliver:

Yield 9 t/ha
6.5 million export
2.6 million local & processing

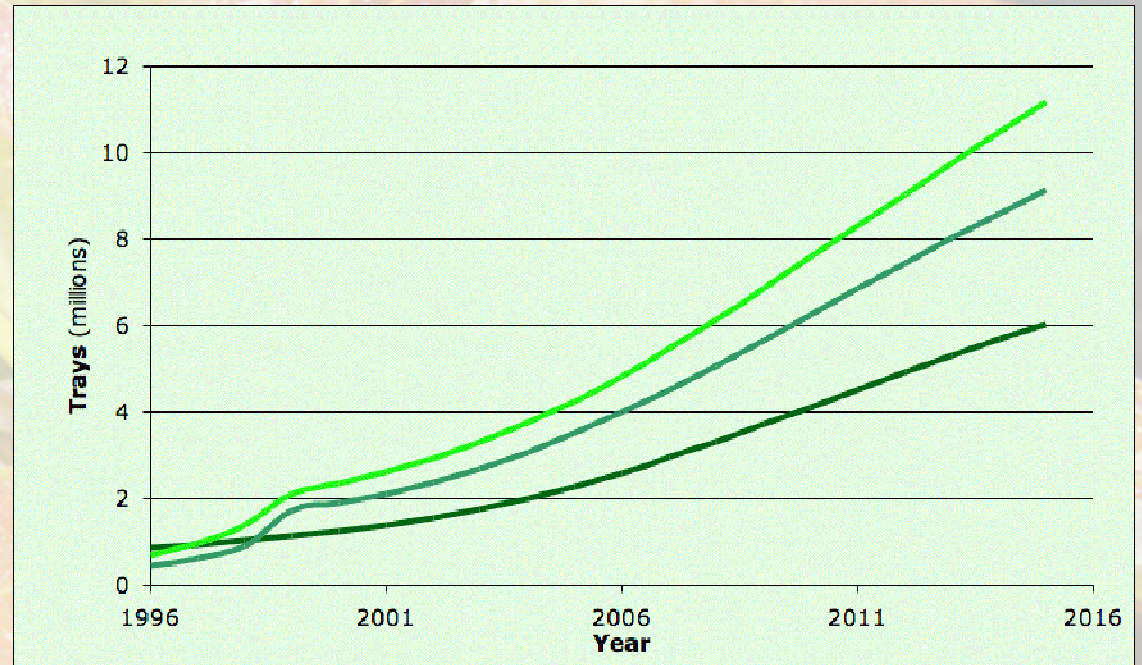
Yield 12t/ha
7.8 million export
3.4 local & processing

Biennial influence amelioration

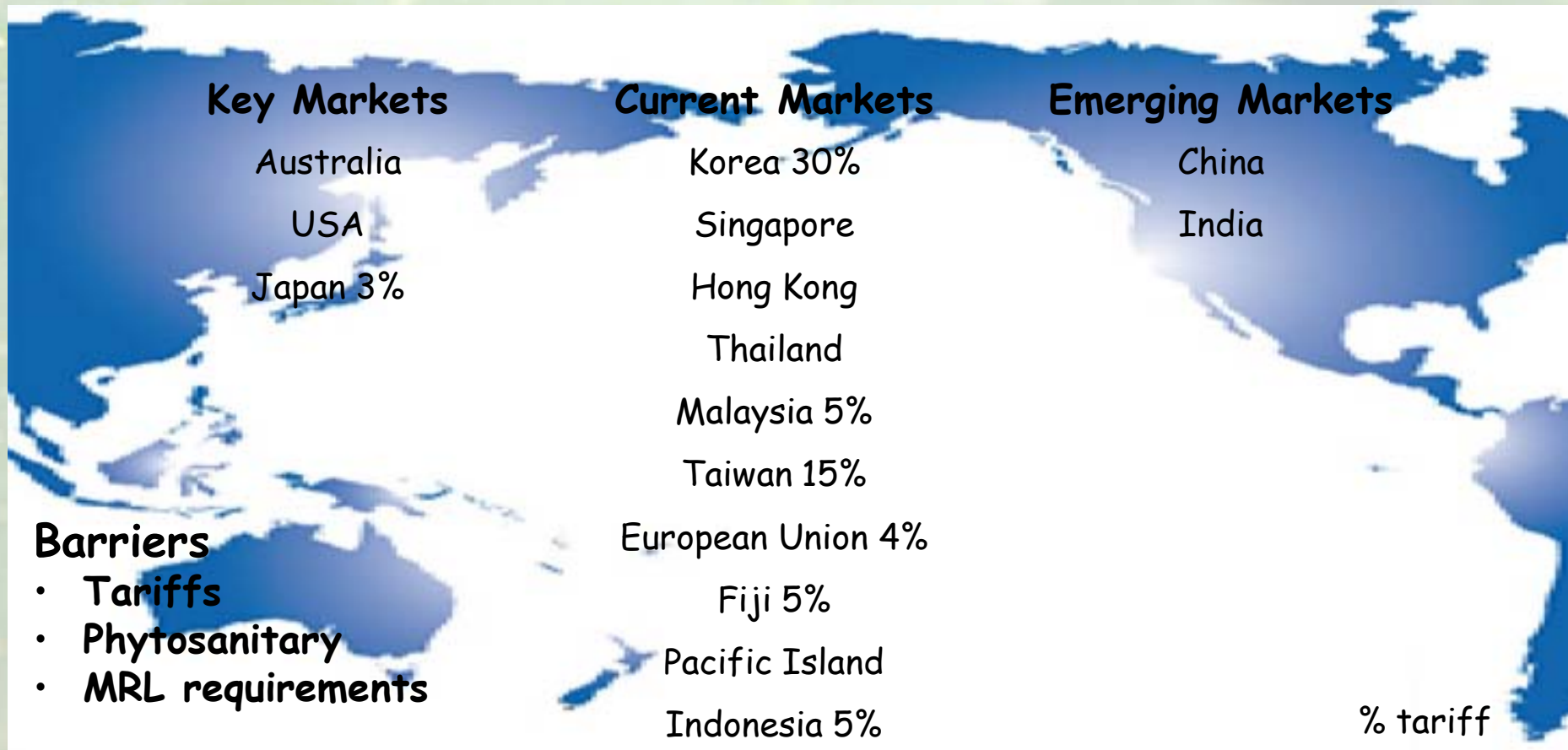
High Density planting

Introduction of new rootstocks and fruiting scions

Production growth as orchard estate expands and matures



Pacific Rim Market Focus

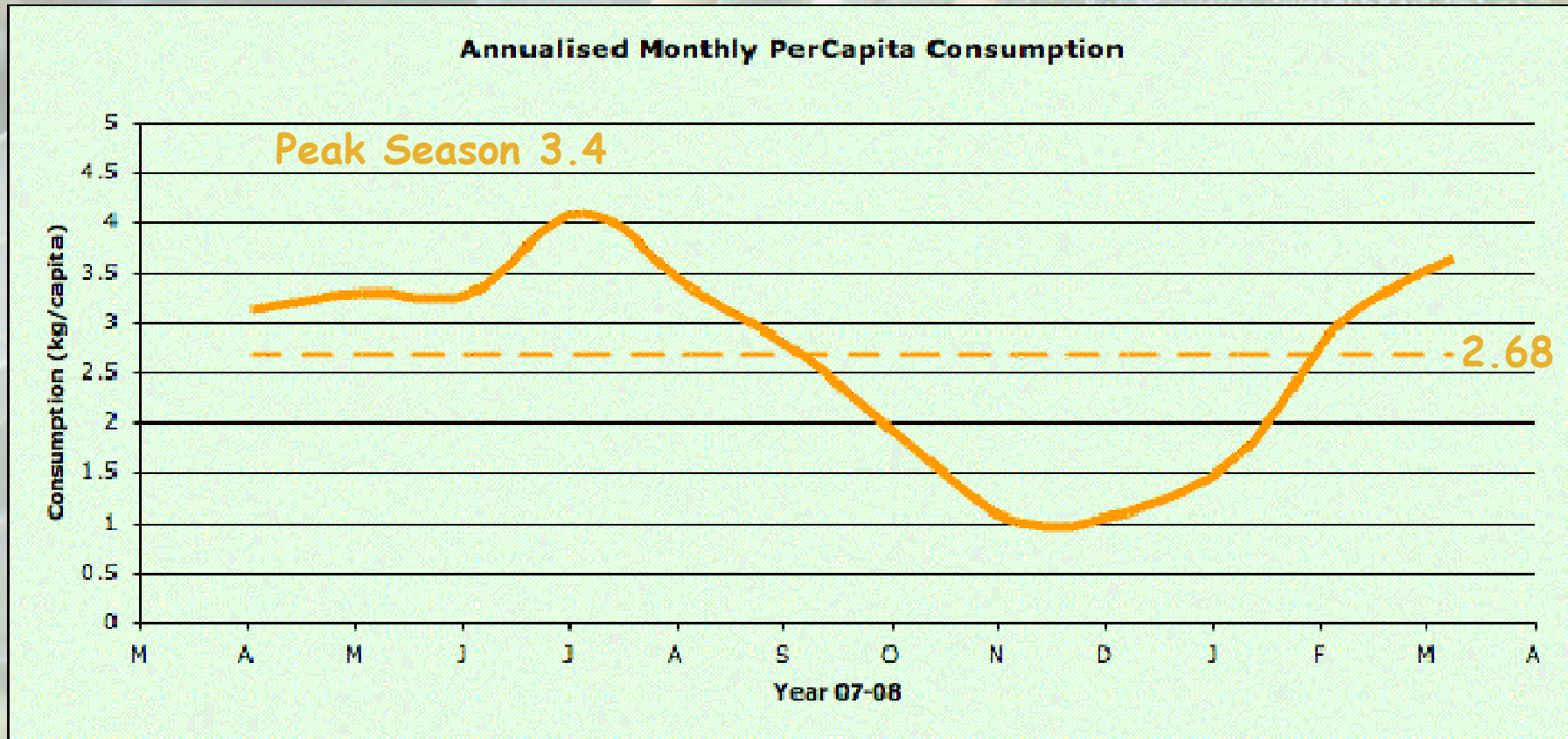


Barriers

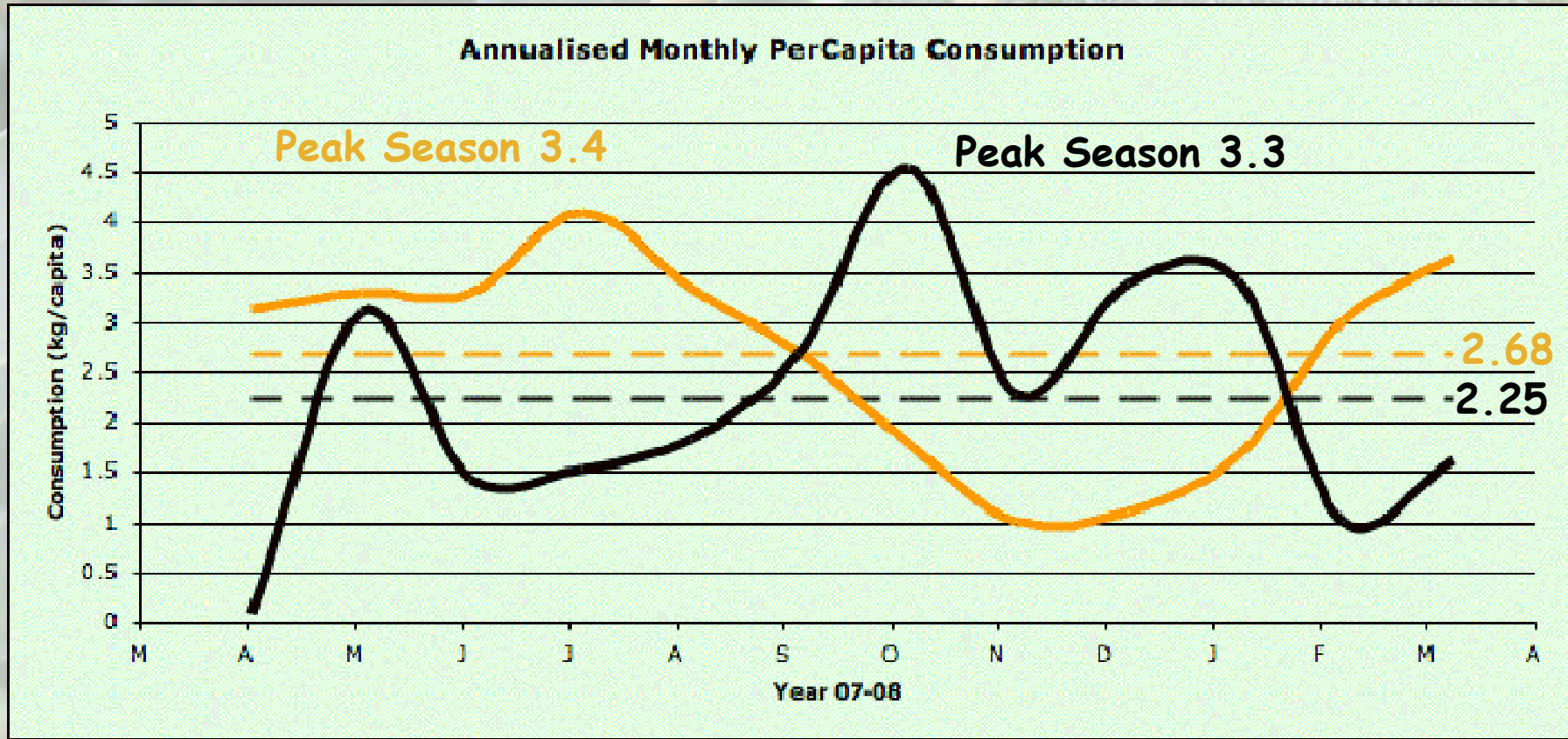
- Tariffs
- Phytosanitary
- MRL requirements



Australian Consumption



Australian & NZ Consumption Comparison



Mexico 10 kg/capita

Israel 5 kg/capita

Chile 4.7 kg/capita



Competitive Advantages

Optimised Post Harvest Infrastructure

Summer window Australia

Phytosanitary Access to multiple market

Quality Assurance

Food Safety Assurance

Promotions Commitment

'Bio-safe' Future - Premium Market Demands

- Water blasting 2009
- AvoGreen™ 2011
- Cu reduction via alternatives



Market Perspective

AVEC

Avocado Exporters Council

Environment to develop global market potential

NZ trades <1% global Hass commodity

13 Global Markets - Pacific Rim focus

AVANZA - a unique co-operative venture

- 4 Exporters
- Represent 90% supply base
- USA & Japan collaborative approach
- Australian Market competitive entities



Domestic Market

Promotion Focus

Consumption - 1.77 kg/capita average

- 3.3 kg/capita over export season

Development of Ripe Fruit Options

Established Cold Pressed Oil Production

Emerging UHP Processing Options

Promotions



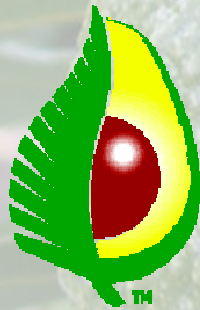
New Zealand
Avocado
Growers' Association



Avocado
beautiful inside



AVOCADOSFORLIFE



New Zealand
Avocado
Growers' Association



Avocados
Australia