

CUTTING Edge

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Information – The New War



The Cutting Edge is a regular article written by Dr Jonathan Cutting for the New Zealand avocado industry magazine, AvoScene.

Orchardists and farmers continually rely on information which they use to assist themselves when making decisions about their business. In doing this they are no different to any other business person seeking to base good decision making on the best available information. What is different is the way growers, including avocado growers, access their information. This is the new virtual grower battleground! Every aspect of information that is freely provided or easily accessed has had some form of spin placed on it. This in itself is not wrong or immoral but it does challenge growers as they have to 'interpret' the information, neutralize the "spin" and then come to a position. I follow the James McCormac "An eclectic's notebook" in the California Avocado Society *Newsline*. The point that James McCormac makes quite frequently is that perfect marketing decisions are only made when information is perfect. He usually provides a specific example where information was less than perfect and the marketing of avocados in California (and therefore grower returns) has suffered.

So how do growers access good

information? There are many sources of information in the "information age" available from a plethora of information providers. This is equally applicable whether its marketing, industry, technical or political information that is being sought. The important issue is the "quality" of information. It is most important to understand what is meant by information "quality". Most information fed to the population at large is provided in such a way that there is an inherent bias in it. That detracts from the quality of the information. By way of an example consider certain news items on television or in news magazines. In many situations the reporters are provided opportunities to provide their "spin" onto the information, in this case news, and package it in a way that that is designed to influence your view or perception of a particular issue. This becomes a much bigger issue when reporters become commentators and "celebrities" in the process. What suffers is the quality of the information and our ability to discriminate based on what we have been informed on or more importantly what has been omitted. Under such conditions it becomes very hard, if not impossible, to make good decisions.

To me the most important issue is that growers must take responsibility for the quality of the information that they access. I think it is important to note that we live in the information age rather than the knowledge age. Information is not knowledge unless it is of high quality, is understood and can be appropriately

used. It is important for growers to determine where in their business vital decision making is based on external information. Information overload is an issue and it is very easy to defer information gathering and screening to individuals or organizations. The risk to all growers is that there is, by their own actions, a tendency to build information gatekeepers. Depending on what type of information the gatekeepers collect, and flow on to others, determines how powerful a gatekeeper they can become. More importantly what information flows, and when it flows, can influence your decision making down a particular path. Sometimes this may not be in your best interests. I know that all I have raised is probably not new to you and to some even a bit “ho hum” but I do have a point to make. The point is: don’t assume that your present information pathways are good enough. There are two instances where very imperfect information has cost New Zealand avocado growers dollars.

The first one deals with the unfortunate situation in relation to flowing the export crop this past season. It was never going to be an easy season anyway and with a difficult USA and a smaller crop than anticipated it was important that growers and exporters have sound information on which to base their harvesting decisions to maximize their returns. January did not go well. The Australian market was considerably undersupplied, prices rose to high levels and situation became unsustainable as demand was throttled back using price. The high pricing messages quickly flowed back to New Zealand and considerable fruit was harvested in late January and early February. In fact more than 77,000 trays were packed in the second last week in January. The resultant oversupply and

price correction was inevitable. By some industry estimates growers “lost” somewhere between \$1-1.5 Million as a result of lost sales opportunities in January and the market situation in February. So what went wrong? It all had to do with information versus perception. The crop estimate of 1.325 million was viewed as too high in December by some exporters, based on their own supply, and resulted in exporters talking the crop down “to less than 1.2 million trays”. In addition growers steadfastly refused to harvest from the 20th December till 10th January with only about 70,000 trays being packed during this 3 week period. In some cases growers were encouraged or encouraged themselves to delay harvesting. The end result is that at the end of February there is still export crop to be harvested, the Australian market is less that spectacular, with good supplies of domestic Shepard and a portion of the export crop (50-75,000) may now not be exported. Growers, and others, made decisions on imperfect information and everyone paid some of the price.

The second deals with technical issues; in particular, the importance of understanding the difference between information and knowledge. In many cases technical information is presented as a data set, often research or development data. Data by itself is generally quite useless until it has been analysed and, more importantly, interpreted so that it can be used commercially. This is one of the reasons why peer review is so important in the scientific community. It provides a necessary series of checks and balances in terms of the way experiments or trials are laid out, the way data is collected and analysed and the interpretations reached in an objective and dispassionate way.

Only when these disciplines have been applied to the work do we have “confidence” in the results.

Unfortunately an increasing amount of horticultural research is no longer published in peer reviewed journals. This places an increased burden on those people who are required to access information and interpret it for commercial use. People in this group are leading growers, consultants, technicians, service providers and other researchers. These are people who generally ensure wealth creation through innovation and the application of new knowledge. Why am I labouring this? It was because I heard that some growers are unhappy with the “waste of resource” that has gone into the Annual Research Report. I differ in my opinion. This provides all industry participants (as well as a few overseas academics) with the opportunity to see raw data, understand the empirical environment which was used to generate the data and provides an opportunity to reanalyze the data and sometimes come to differing conclusions. This becomes all the more important when peer review is less common. It also makes it increasingly important to listen to a range of informed opinions on all technical matters.

So what can growers do to improve their flow of quality information? First, avoid or treat with some suspicion, information that has flowed through an information gatekeeper. Sometimes this is unavoidable but growers need to realize that this information is “soft” rather than robust. Where possible try to develop a second or third route to similar information and use a process of corroboration to improve the overall quality of information. Second, try to set up an information

pathway sourced from some dispassionate or independent source. The more transparent this information, particularly when obtained from multiple sources, the more robust the information. As an industry we also need good information. Growers can help making this information of high quality by providing accuracy in areas such as crop estimation (a bit of a stuck record I know!) Perhaps then industry information such as crop estimation will be viewed as of high quality (as is the **Weekly Packing Report**) and use it more for quality decision making.