

## CHALLENGES TO THE AVOCADO PRODUCER

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### INTRODUCTION

With all the changes taking place in SA the avocado producer will certainly be affected. We will have to address present and future problems as opportunities to improve profitability.

I would like to compare SAAGA with a fully loaded aeroplane. Taking off, the runway behind you does not count; only the runway ahead of you is of importance. When landing, the air above you cannot help you, it is the distance to the ground that determines your well being. Let us look at our navigational instruments and see where we are going. We need to know how much runway we have ahead of us to take off.

For 1994 we look at a crop of 8 million cartons for export and at 20 million in the year 2000. The trees have already been planted and we look at a reality of huge crops within 6 years at the turn of the century.

The gross selling price of avocados decreased over the past 10 years. This happened in spite of addressing many problems successfully over the years. If we want to turn the decreasing trend in foreign income we have to do strategic planning. Here we have to determine our height above ground level. How much lower can we fly before we crash due to low prices of the market. Our future market returns will depend on how much we are prepared to do now.

### WE HAVE ALREADY ADDRESSED:

- *Phytophthora* as a factor by planting better rootstocks, better nurseries, improved cultural practices and very effective control by injection.
- Solved most pre-and postharvest diseases.
- Standardised cartons and quality control and ventilation.
- Developed the temperature regimes for top quality fruit in Europe.
- Reached consensus and cooperation between SAAGA, PPECB and the shipping lines to manage the fruit quality enroute on a daily basis by temperature monitoring.
- We co-ordinate shipment volumes for the season through agent participation and co-operation through PPECB.
- Communication with the producers, packers, PPECB and agents is done with a

newsletter.

- Information on world production and consumption has become available through international contact and co-operation. We created an amazingly successful co-ordinated research operation and initiated the First World Avocado Congress.

All these factors did not succeed in creating the demand for our fruit or increasing the price of our product.

### **WE HAVE NOT ADDRESSED:**

1. A successful advertising programme for:
  - 1.1. Promoting the nutritional value of the avocado.
  - 1.2. Promoting the health advantages of the avocado.
  - 1.3. Promoting the avocado as a salad fruit.
  - 1.4. Promoting the avocado as a baby food.
  - 1.5. Launching a meaningful ready to eat programme.
2. We do not have sufficient consensus to get into a joint generic advertising campaign with a country like Israel for instance.
3. Succeeded in orientating our exporters and importers to act as a group in the interest of the producer. The major problems that are reported between importers are failure of communication/co-operation on the European markets. The result is that prices are cut and the market as a whole is affected. Imagine what you will do if you are a supermarket buyer and 10 importers offer you SA avocados. We see it in our returns.

The perception is that the total market is depressed by R3-50 which outweighs the R1/carton difference between agents. This is a major factor that will have to be addressed before the big crops come and the rest is no more runway left for our avocado plane to get airborne.

### **THE CHALLENGE FOR THE FUTURE**

1. The producer will have to be increasingly productive and implement the research results. High yielding orchards with 20 to 30 tonnes/ha should become the norm.
2. Our research will stay the basis of our industry for stability and addressing our economically important problems. The support to the researchers who do the work is very necessary and a critical success factor.
3. SAAGA will have to continue to play a communication and coordination role as our industry mouthpiece. The involvement of members in the industry affairs is very important. We can not hold area meetings with 3 members in Tzaneen. The Menlyn operation was carried out by a handful of members only.
4. To ensure greater industry orientation amongst exporting and importing agents. The visible co-operation overseas will be more evident if the spirit of the old London Committee can be revived. This will only become a reality if the producers are serious about the future and show that they care what happens to their fruit.

5. SAAGA should develop an effective advertising system to promote the sale of avocados on a much larger scale than the present ad Hoc promotions in Europe. This will only be achieved when we as producers are in a situation where we need the R3.50 to survive instead of being impressed with R1.00 difference between agents.

We have to be sure that our SAAGA producer plane is navigated well through the stormy weather conditions of our major markets.