

QUARTERLY PROGRESS SUMMARY: April – June 2017

New Zealand Avocados Go Global

Background

The New Zealand Avocados Go Global programme began in June 2014 with five key objectives: market entry and growth; consistent and sustainable supply; efficient supply chain; products from waste; and Information transfer and adoption. This is a five year programme with a vision that by 2023 an integrated New Zealand avocado industry will deliver NZ\$ 280m annually in net sales and have tripled productivity to 12 tonnes per hectare.

Summary of progress

Market entry and growth

- Two workshops with the AVEC promotions working group have helped progress the development of strong digital marketing programmes across our priority Asian markets, Japan, South Korea, Singapore and Thailand.
- New Zealand Avocado have presented to produce managers at Progressive Enterprises and Foodstuffs on avocado consumer insights, the NZ Avocado promotions programme and technical advice on handling, storage and presentation of avocados in New Zealand supermarkets.
- NZ Avocado, in collaboration with the NZ Market Group, has developed retail toolkits for produce managers along with retail training videos and a selection of resources to assist produce staff with receiving, storing, handling, and display of their avocados.
- The NZ Avocado online resource library has had great uptake from exporters with many research, promotion and training resources downloaded for use in market development programmes in priority markets.
- An animated video explaining the reasons behind early season avocado supply volumes in New Zealand was developed and viewed by 68,000 New Zealanders on facebook.
- Recently published 2017 Neilson Homescan research findings showed 13% growth for household penetration of avocados in New Zealand last season.



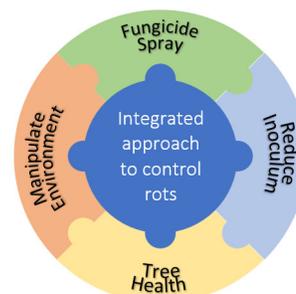
Animated video explaining early season avocado supply volumes

Consistent and sustainable supply

- A recent industry survey showed that 70% of growers have changed orchard practise over the past two years as a result of new information, evidenced by the record turn-outs to our field days.
- The first PGP working group inter-regional tour was held to bring the different PGP working groups into orchards of other regions to discuss canopy management, new cultivars and tree decline research, and trials being undertaken.
- A number of grower canopy management strategies have now been developed, they are currently under review from external parties to ensure they are capturing the strategy accurately.
- The use of animated videos are being investigated as a clearer way to describe the novel pruning methods being developed.
- 2017 Autumn tree assessments are complete and more information regarding orchard management practices/inputs as well physical and climatic conditions will now be included in the profiles.
- Phosphonate decay curve work is progressing towards a more reliable methodology for growers to protect against a significant industry root rot disease, Phytophthora.
- Orchards in different regions are being surveyed to investigate any variability or correlation between electrical conductivity values and areas of poor tree health.

Efficient supply chain

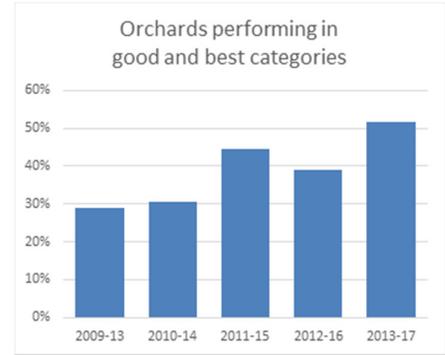
- The newly formed rot research working group composed of growers, postharvest reps and researchers are continuing their review of the most effective and successful preventative control measures for the fungal pests that result in postharvest fruit rot.



- Industry benchmarking data is providing a great measure of grower/orchard performance compared to previous high volume seasons. Further analysis highlights the critical need for consistency of data and data measurement.

Products from waste

- With a number of commercial and IP challenges still being worked through this project has stalled yet may be increasing in scope to look at the broader 'Value Add' opportunities across the processing/waste sector of the avocado industry.



Information transfer and adoption

- Meetings and conceptual design work is continuing with chosen IT developers as NZ Avocado develops a new Client Relationship Management system and data management software to provide an online solution for growers and the post-harvest sectors commercial interactions and compliance requirements.

Key highlights and achievements

- The industry reached a record breaking industry value of over \$200 million from 7.9 million trays in 2016-17 - well on track to delivering the 2023 targets of the New Zealand Avocados Go Global programme.
- Inter-regional research working group tours have proved very successful in helping the exchange of PGP project information.
- NZ Avocado was invited to present at the Horticulture Conference in July on digital marketing to showcase the achievements under the PGP programme.
- Our digital programmes in Asia have seen the development of local language websites and social media promotions, the creation of innovative and on-trend collateral and campaigns, resulting in a steady increase in our followers across Asian markets.

Collaboration with other PGP and industry programmes

- Numerous interactions with Fruit Fed (PGG Wrightsons), Assure Quality and on industry direction and areas of collaboration.
- NZ Avocado were interviewed by Ian Proudfoot, KPMG Global head of Agribusiness in regard the 2017 Agribusiness Agenda.
- NZ Avocado presented at the MPI event to open the NZ Field Days in Hamilton on the programmes helping to deliver industry growth, including PGP and SFF.
- NZ Avocado is part of the Technical Advisory Group on Smart Agriculture and has participated in 2 workshops.
- The industry attended a cross horticulture supply chain workshop in Auckland in May.
- Meeting with MPI on Maori economic development and avocados.

Upcoming

- Post-harvest rot/fruit quality project will bring together past research to develop best practice messaging in order to create a long term, industry wide, rot strategy alongside our supply chain partners.
- IT developers will finalise a direction, cost and scope for the build of the CRM and associated AvoHub applications.
- Continue with new cultivar, tree decline and canopy management analysis work with associated working groups in each region and develop case studies to highlight novel approaches to orchard management.
- Refinement of the digital promotions strategy to increase digital presence and ensure plans are in place to have all priority markets have a local website, social media and up to date consumer and market research.

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$212,779	\$212,779	\$425,577
Programme To Date	\$1,902,616	\$1,902,616	\$3,805,232