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20 January 2017

The latest industry news at your fingertips...

'Guacamole' is the Australian avocado industry's fortnightly email newsletter delivering the latest news to the Australian avocado industry.

Due to layout changes prior to our new look being launched next year, please scroll down to view articles.



Asian export update

After a number of years of negotiation, Avocados Australia has finally received good news from the Federal Department of Agriculture and Water Resources regarding its applications for avocado market access to Japan and Thailand, according to CEO John Tyas.

Mr Tyas said Japan has confirmed it will be undertaking an audit of Western Australian avocado export packers in late February.

"This is a very positive sign and indicates that Japan market access for Australian Hass avocados from Western Australia may soon be a reality," Mr Tyas said.

"Thailand has recently provided a draft new protocol for Australian Hass avocado exports from Western Australia based on conditional non-host status for Mediterranean Fruit fly.

"Further review is required, but from an initial review the protocol appears to reflect our requests and will be workable for Australian exporters."

Mr Tyas said the Thai government has also proposed to undertake an audit of the Western Australian avocado exporters in August as the final step prior to granting market access for Australian Hass avocados from Western Australia.

"It is very likely that WA growers will have market access to Japan and Thailand for their next season," he said.

"Research is currently underway using the avocado R&D levy and matching Australian Government funds through Hort Innovation to develop data packages to support a Hass avocado conditional non-host protocol for Queensland Fruit fly.

"This research is expected to be completed by the end of 2017 and the data packages will be used to seek Hass market access to Japan, Thailand and other new markets for all Australian production regions."

Mr Tyas said other research which will be completed in 2020 hopes to develop data packages

for a short cold fruit fly disinfestation treatment for the Shepard variety.

Farmers urged to register for backpacker tax rate or risk having to withhold higher rate

By ABC's Kallee Buchanan, Marty McCarthy and Babs McHugh Farmers and labour contractors that employ backpackers are being urged to register with the Australian Tax Office (ATO) to take advantage of the new tax rate.

The new arrangements for tax and superannuation for working holiday visa holders, including a 15 per cent tax rate, started on January 1.

But Rachel Mackenzie, from horticulture lobby group Growcom, said while the Federal Government had resolved the politics of the issue, it still needed to do more to educate employers.

"I am a little concerned that there has been a lack of clear information coming out by government to growers," she said.

"Prior to Christmas, it was a complete mess with the ATO website being down and it was almost impossible to get a clear answer."

Farmers and labour hire contractors have until January 31 to register with the ATO to apply the new rate, otherwise they will have to withhold the full 32.5 per cent foreign resident tax rate.

Ms Mackenzie said while the registration form was now working, some farmers might not be aware of their obligations.

"I do think government needs to be a bit more proactive in this space and really push the information out through every possible channel," she said.

"Not just farmers, but labour hire companies and people who own cafes, anyone who employs a working holiday maker has to register."

"But I certainly don't think it is our sole responsibility to push that information out.

Ms Mackenzie said she hoped the registration process might go some way to helping address worker exploitation.

"It certainly means that we have an understanding of who is employing working holiday makers and they are a vulnerable sector of our employee workforce," she said.

"Unfortunately a lot of the dodgy labour hire companies, they're not really working in the tax system so it may not help in that regard but it does give some form of check."

Backpacker questions remain unanswered

Maree Loader, who manages Delta Backpackers in Ayr in north Queensland, said there had been little done to clear up confusion and little support through the transition.

"There's been a lot of misinformation so I've had backpackers telling me everything from that they're going to pay full tax, that they can't claim any tax back, that they can't get their superannuation back," she said.

"I've had people tell me 'oh, we don't need to do harvest work anymore [for a second year visa] ... I can just come to Australia for two years'.

"Some of these things were extremely concerning for us as a business but I'm sure as well for them [backpackers] extremely concerning because for a lot of them it's their major income while they're travelling in Australia.

"There's not a lot of information ... I've been Googling and I can't find certain information, I'm not able to understand how they're going to roll this out."

The hostel is also a labour hire contractor, and Ms Loader says it has been difficult to communicate with her guests about the changes.

"I was doing a lot of Googling and I just found it so incredibly difficult to find the information," she said.

"I've even printed some of the parliamentary extracts to try and understand what's happening and I couldn't."

But she said overall the resolution of the tax issue did bring her more confidence heading into the new year.

"[I'm] a lot more comfortable, I think 15 per cent is quite reasonable," she said.

"Honestly I was starting to really fear for this business ... I definitely need to get online to see what's happening.

"I'm hoping now that it's in there might be a bit clearer guidance available because there hasn't been up to this point."

The ABC contacted the federal agriculture and treasury departments for comment.

Impact of changes unknown

The National Farmers Federation (NFF) says it will not know until the end of this picking season how growers have fared under the new tax legislation.

The NFF's Sarah McKinnon said the lobby group would have to wait until federal government bodies release the information, which may not come until the middle of the year.

"In some places there hasn't been a problem while in other places they have.

"But because of the season itself, a lot people's labour needs have been pushed back to a later harvest.

"So that's actually quite useful in a way, and we hope that it means it will allow backpackers time to settle into the new regime and their alarm will subside."

Vale Bede Mackenzie

Avocados Australia is sad to report Maleny Avocado Oil identity Bede Mackenzie passed away this week following a heart operation.

Bede managed several Sunshine Coast avocado orchards, including his own50 acre block at Bellthorpe, and was well known for his Maleny Avocado Oil.

Originally from Roma, Bede spent 20 years in the army and the past 23 years in the avocado industry.

He purchased the Bellthorpe property in 1991 with his wife Marion and planted 2,500 avocado trees two years later.

He sold his reject fruit to a company that produced avocado oil until that company closed down in 2007.

From then on, Bede cold-pressed the oil himself using an olive oil press and marketed it locally, through independent stores and farmers' markets.



A regular stallholder at markets and field days, Bede tirelessly promoted the health benefits of avocados and the versatility of avocado oil.

Dry Matter Testing Service

By Kaila Ridgway, Mareeba DAF

The avocado dry matter testing service will again be offered by Mareeba DAF in 2017, carefully conducted by Anahita Mizani - Department of Agriculture and FisheriesPHD student from the University of Queensland.

DM standards for optimum avocado quality are 23% for Hass and 21% for Shepard and other varieties.

Each sample (5 fruit pieces) should be delivered to Mareeba DAF, 28 Peters Street on Wednesdays prior to12pm. DM results will then be sent to growers mid Thursday afternoon.



The cost is \$20/sample, with discounts for more than 2 samples.

For more information please contact Kaila Ridgway, Mareeba DAF, 4048 4623 or 0417335271.

Hort Innovation Marketing Update

No update is currently available.

Infocado and retail prices update

Past Infocado Reports and Retail Prices data are available for access from the Avocados Australia website. You can regularly access this information by going to the Avocados Australia website's <u>Infocado</u> and <u>Retail Pricing</u> pages.

Industry News

Australian News

Study predicts more rain for Australia as temperatures rise

According to new findings out of the ARC Centre of Excellence for Climate System Science, farmers can expect a wetter future for parts of the continent while predicting drought for others as air temperatures continue to rise. More

Indonesia situation still uncertain after WTO ruling, says Aussie industry rep While a final resolution on Indonesia is in limbo, the Australian Horticultural Exporters Association (AHEA) is focused on boosting supply chains with Asian countries to improve bilateral trade and relationships in the process. The Indonesian Government is challenging a ruling made by the World Trade Organization (WTO) last month, which claimed import rules - including for fresh produce - are in violation of global trade rules. More

Grants available for storm hit Sunraysia growers

Growers in Victoria's Sunraysia region are being urged to apply for a Clean Up and Restoration Grant if they were directly affected by the Remembrance Day storms in November 2016. Grants of up to \$25,000 are being provided through the jointly-funded Commonwealth-State Natural Disaster Relief and Recovery Arrangements (NDRRA). More

Aussie fresh produce marketeers to co-host Hort Connections 2017

Fresh Markets Australia (FMA) and the Central Markets Association of Australia (CMAA), which together represent Australia's fresh produce markets and their wholesalers, have been announced as official trade show sponsors and co-hosts of Hort Connections 2017. More

The Amazon grocery service posing a new threat to supermarkets has been hiring in Australia for a year

US online retail giant Amazon is recruiting highly skilled workers in Australia for fresh food delivery operations, in an apparent confirmation of its ambitious plans for the local retail

market. More

International News

Trump meets with Monsanto, Bayer execs over merger

As shareholders of pesticide and seed companies Monsanto and Bayer await regulatory approval of a US\$66 billion deal, the heads of both groups reportedly met with U.S. President-elect Donald Trump in early January this year. More

Trump presidency leaves fruit growers wary for 2017

2017 is looking to be a difficult year to predict with recent events including the election of Donald Trump in the general election in the United States. <u>More</u>

Mexico: "The change in the US presidency won't affect avocados"

The head of the Ministry of Economic Development, Antonio Soto Sanchez, denied that the change in the US presidency would affect avocado exports to that country. More

Are you eating smuggled avocados?

As climate change makes it harder for avocado growers to produce the fruits, the criminal underworld has seized on avocados' ever-growing popularity. In January 2015, the Washington Post demonstrated how this once rare, seasonal and regional treat has become a supermarket and fast-food mainstay, with American avocado consumption doubling in the past five years, to about 4.25 billion avocados consumed annually in 2015. More

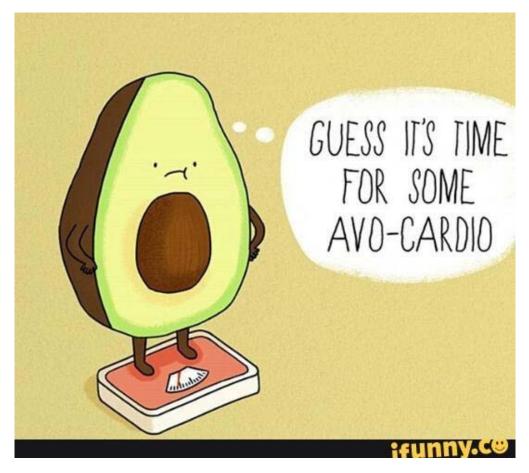
Pre-peeled, pre-halved avocados are the worst example of wasteful packaging yet Like bananas, avocados come direct from nature wrapped in their own durable protective packaging. So why is a California-based avocado grower and distributor selling the savoury fruits pre-peeled, pre-halved, sealed in plastic and then wrapped in a cardboard box? <u>More</u>

A restaurant dedicated to avocados is opening in Amsterdam

Avocados: everyone loves them, not just Aussies accused of spending all their cash on smashed avo for brunch. In Amsterdam, one person loves them so much that he's opening up a restaurant dedicated to serving the green creamy fruit up in as many ways as possible. Yum. The aptly named The Avocado Show is due to open in February in Amsterdam's De Pijp district, and is calling itself "Europe's first and finest avocado bar". Breakfast, brunch, lunch, dinner, late at night, anytime in between: if you've got a hankering for avo on bread, avo between two pieces of bread (aka avocado sandwiches), burgers made with avocado buns and more, you'll find it here. More

Nature & More replaces labels with laser mark

Dutch organic supplier Nature & More has partnered with Swedish retailer ICA in a large-scale trial of laser-branded fresh produce. Dubbed 'Natural Branding', the technique uses laser marking to replace sticky labels and reduce plastic packaging. It has been developed by Spanish firm Laser Food, which has beentrialling it on a small-scale across Europe for several years. More



Can't wait for Guacamole? You can read all the latest <u>Avocado News</u> and industry-related <u>National & International News</u> on the Avocados Australia industry website.

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