

TALKING AVOCADOS

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**Overview of the Avocado Supply Chain
Improvement Program**

**New Avocado Websites Launch
Consumers and Industry:
*www.avocado.org.au***

Avocado co-op promotion program report

SPRING 2009

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Chairman's Perspective

Opportunity and partnerships

Over the last few years, I have been pushing the theme of seeking, finding and then exploiting opportunities for every aspect of our industry. I have maintained the position that change is inevitable and we each have a choice about whether we ignore it or embrace it. If we don't exploit the opportunities as they appear, I believe we will be left in a business vacuum. One can go forward, mark time, but one can't go back.

I recently read an article in Outback Magazine (Issue 67, Oct/Nov 2009) relating to the company philosophy of R.M. Williams Agricultural Holdings (RMWAH), and found many parallels with that industry and the Australian avocado industry. What I read reinforces my belief in a cooperative and collaborative approach to business.

Here are some of the points raised:

- There was a clear description of world food needs, including the reality that the world has 6 billion people and is currently producing food for only 5 billion. As population in places such as China and India increases, along with the standard of living, so does the demand for quality food.
- The world needs food and Australia is in a great position to provide that food. RMWAH owner and chairman, Ken Cowley AO, believes it is important that our land is managed sustainably and effectively. He says this company has the opportunity and the responsibility to do so, and so they are.
- Company investments are backed by the truism that land is the only thing that you can't make more of and this is particularly true of healthy agricultural land, virtually guaranteed to grow safe, high quality produce with ready access to burgeoning markets.

Ken Cowley says "Getting the right people together is half the battle. I am confident that we've got the mix of people right to sensibly grow the business and take advantage of the opportunities out there".

Let's consider these concepts in relation to our industry. Two points are important to me.

Firstly, in regard to population growth and the growing demand for food. Strategic planners predict that by 2019, Australia's population will have increased by another Melbourne, and the world population will have risen by 600 Melbourne equivalents. The demand for fresh healthy products continues to grow in Australia and throughout the world, and we need to position ourselves to exploit resultant opportunities. It is imperative that we develop and hold new domestic and international markets, keeping focus on Australia's avocados being recognized as 'quality food'.

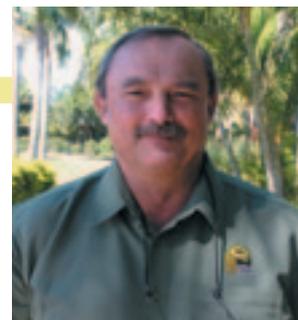
Secondly, we need to continue to think about right people, right companies, and right joint ventures. Ken Cowley's words equally

apply to the establishment of appropriate partnerships. It is imperative that the major players in our industry seriously consider and embrace a collaborative approach to business opportunities. Competition is always seen to be healthy, but dumping product and undercutting your competitors (read that as 'your colleagues') is not the smartest business decision in the long term. I saw an instance of this in South East Asia recently and the result was the Australian industry being the 'loser' and the Asian market/ consumer being the 'winner'. How smart is that?

With greater collaboration comes greater payoff, greater incentive and capacity to be innovative.

Henry Kwaczynski

Henry Kwaczynski
Chairman, Avocados Australia



WARNING

Avocados Australia has for a number of years paid a large amount of money for the industry's right to use the **Heart Foundation "Heart Tick"** on avocados.

If you are using a "Heart Tick" logo from anyone other than the label companies Label Press, Spicer Labels, Sinclair International and Warehouse Packaging and Design you are acting illegally.

No other label printers are able to legally print the "Heart Tick" for use on avocados. Avocados Australia is undertaking a clean up of the "Heart Tick" printing. We will lose access to the "Heart Tick" logo if it is used illegally.

Avocados Australia, AUF and the Heart Foundation will enforce their Registered Trademark rights to the fullest extent.

If you have non-genuine labels do not use them. If you know of label companies offering to print non-genuine "**Heart Tick**" labels for you please let us know on **1300 303 971**, so we can all help keep this valuable tool.

All growers could lose access to the "Heart Tick" logo if you don't act now.



CERT TM

Industry Matters

Written, edited and compiled by

Antony Allen, CEO of Avocados Australia

Avocados Australia Board Elections

The 2009 Board elections are complete. Board directors each serve a three year term, with nine directors currently on the board. Each year, three directors must stand down, the incumbent directors may re-stand for another term. This year the three Growing Areas that had directors that had completed their three years all re-nominated and each Growing Area received one other nomination, resulting in all three Growing Areas have an election for the seat on the board.

The Growing Area candidates were:

1. Central Queensland: James Henry Carney and John Patrick Walsh
2. Tristate: Colin Franklin Fechner and Nicholas Graham Hobbs
3. Western Australia: Russell Andrew Delroy and Jennifer Anne Franceschi

The successful candidates were:

1. Central Queensland: **John Patrick Walsh**
2. Tristate: **Nicholas Graham Hobbs**
3. Western Australia: **Russell Andrew Delroy**

The voting in the elections was voluntary, but the voting participation percentage was high for all regions.

Percentage of members in each Growing Area who voted:

1. Central Queensland: 94%
2. Tristate: 42%
3. Western Australia: 80%

Thank you to all candidates and those members who participated in the election, it is great to see strong interest in the Avocados Australia Board.

Sunfresh UK export success

Fresh Aussie avocados have arrived in the UK straight from the trees around Childers, Queensland as part of a ground breaking exercise in fresh fruit export by innovative Sunshine Coast

marketers Sunfresh Marketing Cooperative.

More than 20 tonnes of avocados from five local growers were packed at the new SuperPak facility at Childers before embarking on a 36-day sea journey to Felixstowe in the UK. Sunfresh Chairman Tom French was 'excited and optimistic' when the container doors were opened.

'This is an absolute triumph, not only for Sunfresh, but for the Australian avocado industry,' he said. 'We're delighted with the condition of the fruit and we have every confidence the quality will meet the stringent demands of the EU consumers,' he added. 'It has taken us more than two years and a major resource investment to establish our entry into the EU and UK markets. 'Despite it being a long journey, it is well worth the effort as it has created history for the Australian avocado industry.'

Sunfresh is well known as a pioneer in the development of avocado exports and have been successfully air-freighting fruit to Asia for more than 10 years, however they felt more could be achieved. 'We believed it was time to take on a bigger challenge and accept the risks of European export in an effort to take surplus product off the domestic market to ensure prices remain sustainable for growers in periods of oversupply,' French said.

'UK and European consumers will be enjoying our clean and green fruit while Australian growers get the benefit of a stable income and the confidence to continue to invest in and expand the industry,' he said. 'We learned a lot from our 2008 static trial and were confident it could be recreated successfully when it came time for the 'real' journey,' French said.

Once the container was opened in Felixstowe the fruit was carefully assessed by the importers, Halls International, surveyors from the shipping company, Maersk, and officers from Queensland Primary Industries and Fisheries. It was then ripened carefully under controlled conditions and distributed to major chains throughout the UK and Europe. Halls International Director, Paul Devlin said, 'The wholly natural process to keep the fruit clean and green and sound on arrival has been an outstanding success.' Source: Sunfresh

ANVAS ACCREDITED NURSERIES

ANVAS accredited trees can be purchased from the following nurseries:

<p>Anderson's Nursery Graham & Vivienne Anderson Duranbah Road Duranbah NSW Ph: 02 6677 7229</p>	<p>Avocado Coast Nursery Greg Hopper Schulz Road, Woombye Qld Ph: 07 5442 2424</p>	<p>Birdwood Nursery Peter and Sandra Young 71-83 Blackall Range Rd Nambour Qld Ph: 07 5442 1611</p>	<p>Turkinje Nursery Peter & Pam Lavers 100 Henry Hannam Drive Walkamin Qld Ph: 0419 781 723</p>
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Avocado Export Company off to a flying start

The Australian avocado industry has seen a new export focused company formed by the seven largest avocado marketers. The Avocado Export Company (AEC) was established in May 2009 by a group of avocado growers to export avocados into international markets. AEC is trading as AvoZ Exports and has already shipped their first sea container of avocados and has been shipping air freighted avocados into Asian markets for the last few months.

Australia has a strong and growing avocado industry and the drive to export avocados has become essential. The newly formed AEC represents about 60% of all the avocados produced in Australia. Australian avocados are a sought after commodity and a number of importers in various Asian countries expressed their delight with the fact that Australian avocados can now become a regular product supplied to their markets.

The company recently appointed Mr Louis Grey as General Manager. Mr Grey who hails from South Africa has extensive experience in the fresh fruit export markets and sees the Australian avocado industry becoming one of the major role players in the international market.

The advantage of the AEC is that it is owned by and for the sole

benefit of its shareholders who are all the major producers and packers of avocados in Australia. They realised the huge potential that Australia has as a brand and the quality associated with Australian horticultural produce. The result was the formation of the AEC to exploit the opportunities that present itself in the market.

The AEC has positioned itself to be the market leader in quality and volume of avocado exported to major international destinations. Source: Fresh Plaza



Aussie \$ to reach parity with US\$ mid 2010

The Australian dollar continues to scale new heights, but just how long can it last?

As long as the US keeps interest rates at zero according to currency analyst with the CBA, Joseph Capurso. The Australian dollar is currently worth 91 US cents and Mr Capurso believes it's headed for parity by the middle of next year. Joseph Capurso says the three main drivers of the Australian dollar are: commodity

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Avocado Export Company Pty Ltd

Trading as **AVOZ Exports**

Ph: +61 7 3844 6882

Fax: +61 7 3844 6889

www.avozexports.com

Industry Matters continued

prices, trading trends of the US dollar and interest rates.

“We think interest rates in Australia have a lot further to rise” he says. “We think the Aussie dollar will get up to 98 cents US by the end of June next year, it will spend some time above \$US1. “But eventually the Aussie dollar will fall, and the catalyst will be the US Federal Reserve pushing up rates in America.” Source: ABC

NZ avocado growers to spend \$250,000 on Aussie marketing

They might be bitter rivals on the rugby field, but Australian and New Zealand avocado growers tackle their problems together. With annual avocado production worldwide forecast to grow by over half a million tonnes in the next three year, growers on both sides of the Tasman realise they need to work together to remain viable. Australian and New Zealand growers will re-sign a unique Memorandum of Understanding which sees them share research and crop information, while working on joint marketing.

Two men signing the important document are Henry Kwaczynski, the chairman of Avocados Australia, and John Schnackenberg, the chairman of the New Zealand Avocado Growers Association.

Mr Schnackenberg says this year his industry will spend 20 cents from each tray it exports to Australia on marketing and promotions. But it won't be using its own campaigns - New Zealand's money will be spent on marketing and promotions developed by the Australian industry. They'll end up spending around \$250,000 in the next nine months. He says it will be good to keep avocado promotions going through the year. Of the 2.6 million trays produced in New Zealand this year, up to 1.5 million will be exported to Australia. Source: ABC

Laurel Wilt closes in on Florida avocado crop

A devastating new disease is wiping out backyard avocado trees in the south-east of the United States of America. In 2002, laurel wilt seemingly appeared out of no-where in the state of Georgia. It's carried by an Asian beetle which is thought to have hitchhiked

over in wooden shipping material.

To date, laurel wilt hasn't been found anywhere else in the world, but Professor Randy Ploetz from the University of Florida says that could soon change. He says laurel wilt is only 150 kilometres from reaching the major production area of Florida. The disease has been killing avocado trees and scientist say they are powerless to stop it at present.

If you think you've seen the symptoms of Laurel Wilt, call the national Exotic Plant Pest Hotline on 1800 084 881 Source: ABC

HAL Announces new CEO

Horticulture Australia Limited (HAL) announced the appointment of Mr John Lloyd as its new chief executive officer. Mr Lloyd has, up until recently, run a management consultancy specialising in operational and strategic advice to agricultural clients. He has previously been the CEO/vice president of CNH Australia/NZL, general manager commercial at Incitec Pivot, and general manager marketing at Wesfarmers Dalgety. Mr Lloyd will take up the role on 2 November 2009.

HAL chair, Dr Nigel Steele Scott, said the Board was extremely pleased Mr Lloyd had accepted the position. “John has extensive experience in agriculture with practical farmers as well as experience in business management in agriculture and marketing. We are delighted with his appointment,” Dr Steele Scott said.

Mr Lloyd is looking forward to starting in the role. “I'm really excited about taking up the position with HAL and working in an industry that shows such exciting growth prospects over the next five to 10 years.” Mr Lloyd's appointment comes just as HAL is about to embark on a strategic planning process to set the direction for the company to 2015. “The strategic planning work gives me the opportunity to get involved with all the stakeholders in the industry and work to coordinate common objectives,” Mr Lloyd said.

The announcement comes after an extensive search process. “The Board was very pleased with the high calibre of applicants

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Vale Dr Henry Drew

The avocado industry has lost a great person who was committed to growers. Most of us could learn lessons from how Henry Drew lived his life. Money wasn't important to the 53 year old father of three. Family was. He valued laughter over financial gain, friends over "being seen" and experience over ambition.

Henry died in a car crash on the Bruce Highway at Curra. He had left his Palmwoods home to visit farms in Gympie on Thursday and when he did not return home as scheduled, his worried family reported him missing.

There was nothing which could be done for the man who had brought so much joy to so many lives but he had not been alone – his beloved dog Moja, which means "one" in Swahili, had not left his side.

Mrs Drew said she has drawn comfort from knowing her husband died knowing he had loved and was loved. "He died a happy man," she said. "He loved his family, loved life, loved his work and he loved a lot of people.

"Henry and I had just returned from a trip to Europe which we did because friends of ours recently lost a partner and Henry said we need to do these things while we can. He was like that. Money was not important. He spent a lot of time with his mum in England, helping with her house and garden. Doing little things. He was happy."

Born in Kenya, Henry grew up with a love for the outdoors. Mrs Drew said her husband loved Africa and while he moved to England for his schooling, he returned to the continent of his birth and helped with handicapped children in Botswana before university.



Dr Henry Drew with dog Moja

It was at Sussex University that Jenny and Henry would meet in 1975. The next year they became a couple and in 1978, they were joined as man and wife. After graduating, the couple returned to Africa, this time Nigeria where they worked in schools in very remote areas as volunteers.

They returned to England where Henry achieved his masters in crop protection before heading to Vanuatu where he worked in horticulture. Their eldest son was born soon after in 1985 soon followed by a second child in 1988 and two years later the couple decided to emigrate to Australia to give their young family a better life.

"Henry loved Australia. He thought it was like winning the lotto when he was made a citizen."

The Drew family was complete in 1991 with Pip's arrival and Henry quickly established himself in the agricultural industry, spending the past 19 years working with macadamia farmers. To help expand his knowledge, Henry completed a PhD in management and horticulture in 2000.

"He loved being on the farms and working with the farmers. He was a real people person, able to get on with anyone and loved the relationships he had with the people he met." He touched a lot of people," Mrs Drew said.

we had for the position," Dr Steele Scott said. "It's a positive reflection of the strength and attractiveness of horticulture as one of Australia's leading agricultural industries."

Mr Lloyd will take up the position on 2 November from Ms Vanessa Goss who has been acting CEO since April. "The Board wishes to both thank and congratulate Vanessa for the skill and dedication she has displayed while acting in the role," Dr Steele Scott said. Horticulture Australia Limited (HAL) is a not-for-profit, industry-owned company. It works in partnership with Australia's horticulture industries to invest almost \$90 million annually in research, development and marketing programs that provide benefit to industry and the wider community. Source: HAL

Award Modernisation

What is Award Modernisation?

As part of the Federal Government's new Fair Work Australia industrial relations framework, the Australian Industrial Relations

Commission (AIRC) is currently undertaking the process of 'award modernisation'. The process involves reviewing and simplifying awards, with the key objective of reducing the number of awards in the system by creating awards with national coverage across industry and occupational lines. Around 5000 awards will be replaced by 150 new national awards, which will operate in tandem with the new National Employment Standards (NES) to create a new minimum set of conditions applicable to the majority of employers in Australia. At this stage, the process covers federal awards and employers only – ie those businesses which are 'constitutional corporations' – Pty Ltd or Ltd companies.

What is the process intended to achieve?

The Ministerial Request required that the new 'modern awards' should:

- minimise the number of awards applying to an individual business;
- be simple to understand and easy to apply and reduce the

Industry Matters continued

regulatory burden on business;

- be economically sustainable and promote flexible work practices.

Significantly, the Ministerial request also requires that *“the creation of modern awards is not intended to disadvantage employees or increase costs for employers”*

When will it take effect?

On 3 April 2009, the AIRC issued the new ‘modern’ Horticulture Industry Award (HIA) 2010 which will replace around 15 horticulture-related awards.

From 1 January 2010, modern awards will replace the existing awards, including all Notional Agreements Preserving State Awards (NAPSAs) and Pre-Reform Federal Awards.

What affect will it have on businesses?

The implementation of the modern Award will not simply be a process of swapping one award for the new HIA - businesses may still be covered by more than one award. While the impact of the award modernisation process will differ depending on the industry, some modern awards will offer terms and conditions that only have a marginal effect on wage costs, whereas others may result in significant cost increases. Unfortunately, this latter scenario is the case with the new Horticulture Industry Award 2010 for many.

What do businesses need to do?

We strongly encourage employers to assess their existing arrangements and compare this with the terms of the new award to identify what impact the award will have on their business. To assist with this an award comparison table has been developed which will allow individual industries to compare their current award provisions with the new HIA conditions. Growers should contact Avocados Australia for further information. Costs are not the only consideration, the implementation of the new award may need a review of administrative arrangements.

For example:

- payroll and administration systems may need to be updated, due to the introduction of new job classifications (and wages);
- contracts of employment will need to be reviewed (to reflect new wage rates, penalty rates, allowances and the classification structure).
- Workplace rosters and the arrangement of work should be reviewed in light of the new provisions.

Is there an alternative to Modern Awards?

Avocados Australia recommends that businesses consider

making collective workplace agreements before 1 January 2010.

The following web sites will take you to the most relevant information, including the new award and submissions:

WEB SITES for Further Information:

Ministerial Request Award Modernisation:
www.airc.gov.au/awardmod/download/amrequest_consolidatedo81218.doc

National Employment Standards – effective 1 January 2010:
www.airc.gov.au/awardmod/download/hes.pdf

‘Modern’ Horticulture Industry Award:
www.airc.gov.au/awardmod/awards/horticulture.pdf

AIRC – Award Modernisation Stage 2 Industries – Agriculture – All Submissions
www.airc.gov.au/awardmod/fullbench/industries/awardmodindustry.cfm?award=agriculture

The ‘modern’ Horticulture Industry Award 2010 (HIA)

The new ‘modern’ Horticulture Industry Award was released on 3rd April this year by the AIRC.

The award modernization process was designed to deliver simple, flexible, and economically sustainable employment arrangements with the specific request from the Minister that the making of a modern award should not increase costs for employers nor disadvantage employees.

The Key Elements

The new Horticulture Industry Award (HIA) will come into force on **1 January 2010**.

While the impact of the new HIA will differ depending on current award (eg current HIA or NAPSA) provisions, and under which existing state award an employer operates, the key elements of the new award are:

- A casual loading of 25%. This represents an increase to the casual rate of between 3% and 15% for most employers.
- Those employed in a new category of casual piecework arrangements will be subject to both the 25% casual loading and the piecework loading of 15% resulting in increases of up to 40%, bringing the minimum casual pieceworker rate to \$20.24 per hour.
- All Sunday work (even if part of the 38 ‘ordinary’ hours) must be paid for at the rate of 200% with a minimum of 4 hours payment.
- The introduction of a span of hours for packing houses of Monday to Friday 6.00am to 6.00pm requires that overtime rates of 150% and 200% will be payable outside of these

hours, even if part of the 38 'ordinary' hours.

- A 5 level classification structure sets base wage rates between \$14.31 per hour and \$16.78 per hour dependent on qualifications, skill level and duties undertaken. Casual employees must be paid the 25% loading on top of the base rate.
- Leading Hands Allowance (over 4 levels of responsibility) provides from \$16.96 to \$35.40 per week. In some instances this represents an increase of up to \$20.70 per week per Leading Hand employee for employers.

Where to from here?

The next formal phase in the award modernisation process will be industries and other interested parties presenting submissions about the transition to the new Award. The AIRC has indicated that new Award provisions may be implemented over a period of up to 5 years.

What Growers Can do?

We also **strongly encourage** employers to assess their existing arrangements, and compare this with the terms of the new Award,

to identify what impact the Award will have on their business.

Avocados Australia also recommends that businesses consider making Enterprise Agreement. An Enterprise Agreement can be tailored to the specific needs of the enterprise, can provide more flexibility, and can agree on conditions more suitable to the business and its employees. While an agreement may also reduce the impact of the proposed higher costs flowing on from the new Award, it is important to remember that wages or conditions must meet the minimum standards set by the NES.

Avocados Australia and Australian Mango Industry Association have partnered with the Chamber of Commerce and Industry which is experienced in developing Enterprise Agreements and is offering an 'on-line' system to assist growers obtain Agreements for their businesses to develop the templates for business to utilise implementing Enterprise Agreement.

Go to this website for more information:

<http://industry.avocado.org.au/Growers/Notices.aspx>

For further information contact:

Antony Allen, CEO, Avocados Australia
at ceo@avocado.org.au or on 07 3846 6566



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Industry Matters continued

Enterprise Agreements

What is an Enterprise Agreement?

An Enterprise Agreement is a legally approved arrangement between all employees and the employer that sets out terms and conditions of employment.

An Enterprise Agreement replaces any award that would otherwise apply to the employee. Moving forward with the implementation of an Agreement would remove workplaces from the provisions of the new Federal Horticultural Award.

An Enterprise Agreement may:

- provide four years of certainty
- provide an opportunity for ‘voluntary hours’
- provide an opportunity for employees to bank time
- provide greater workplace flexibility
- minimise labour costs
- legalize existing arrangements
- provide a safeguard against wage claims

The Agreement Making Process

Notice and information to employees

As with the current legislation, the new legislation requires certain steps to be taken in order to make an agreement. Notably, the new legislation places substantial responsibility upon the employer to provide information to employees and to ensure compliance with the required steps.

For instance, the employer will be required to take all reasonable steps to notify each employee of the right to be represented in the bargaining process. If the employer initiates the bargaining, the employer must give this notice to employees as soon as practicable but not later than 14 days after the employer initiates the bargaining or agrees to bargain.

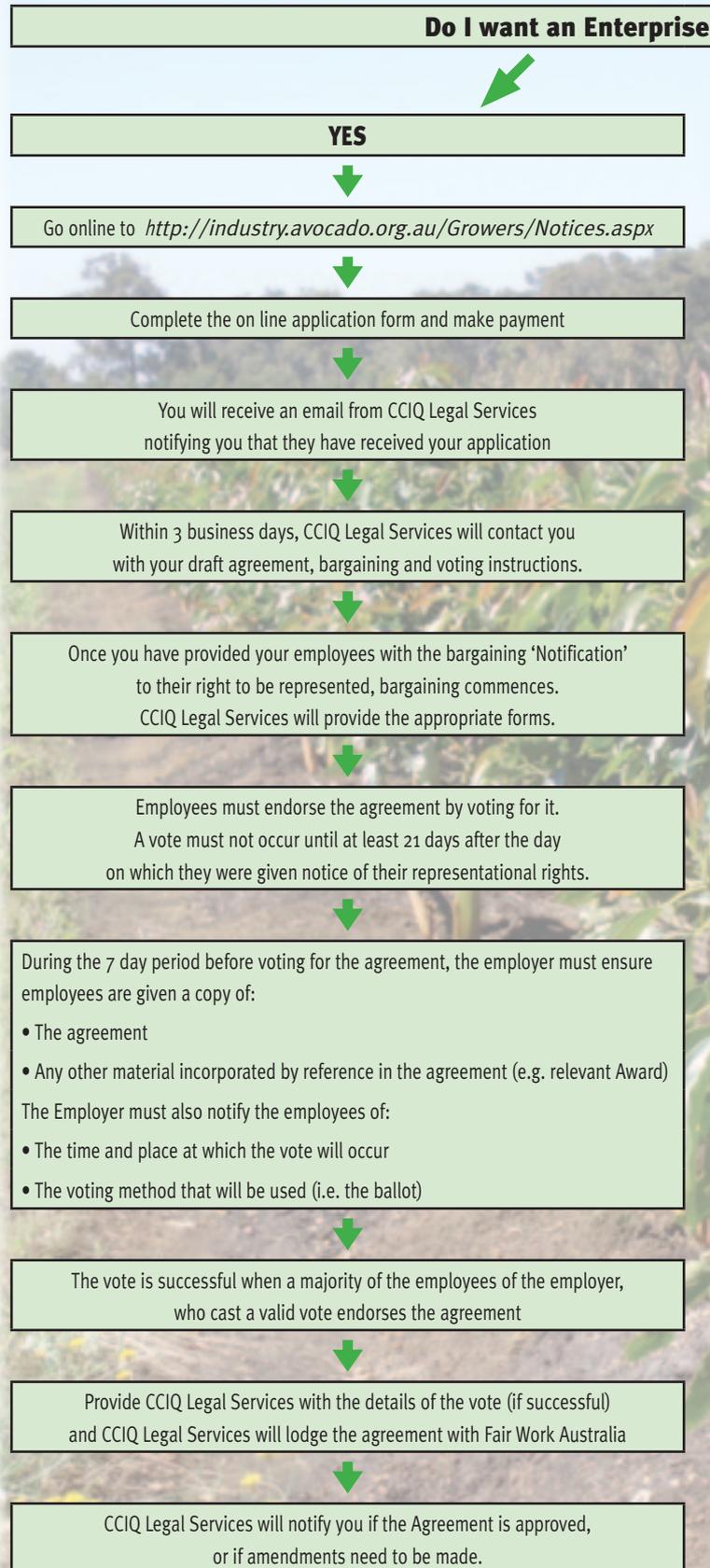
An employer must ensure that the content of the notice complies with the requirements set out in the new legislation and the supporting regulations.

Access to proposed agreement and other information

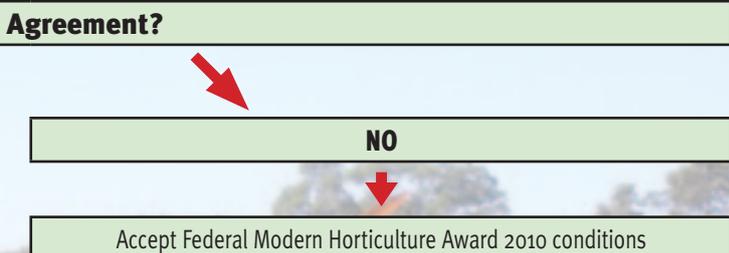
Employees must be notified of the time and place, as well as the voting method that will be used to determine whether or not employees support the agreement. The employer will be required to take all reasonable steps to ensure that this notification is given to employees, taking into account that **at least 21 days** must pass between the date on which the employer gave employees the notice of representation rights and the date on which employees are asked to vote upon the agreement.

Employees must have sufficient access to the written text of any

Enterprise Agreement



Flow Chart



proposed agreement. If there is any other material incorporated by reference in the agreement, employees must also have sufficient access to that material. The employer is responsible to ensure that this occurs **at least seven days** before the voting process takes place. The employer will be required to take all reasonable steps to ensure that the terms of the agreement are explained to employees before it is put to the vote. That explanation must take place in an appropriate manner having regard to the particular needs and circumstances of the employees (eg. age, language skills).

Approval by majority of voting employees

With respect to the vote, an agreement will be made when it is approved by a majority of employees who cast a valid vote. This means that it is unnecessary for the agreement to gain majority support from all employees, but it is necessary to gain majority support from those employees who participate in the voting process and have cast a valid vote.

Even if made in accordance with these required steps, an agreement will not have any legal effect until it is approved by Fair Work Australia. In view of this, it will be necessary to lodge the agreement with Fair Work Australia within 14 days of the vote.

Approval by Fair Work Australia

Fair Work Australia will be responsible for the assessment and formal approval of agreements. In carrying out its work, Fair Work Australia will assess whether the agreement passes ‘the no-disadvantage test’ (NDT), whether the agreement has been validly made in accordance with the required steps, and whether the agreement is generally compliant with the new legislation.

Among the matters that it can take into account, Fair Work Australia must be satisfied that approving the agreement would not be inconsistent with, or undermine, good-faith bargaining by one or more bargaining representatives.

Fair Work Australia will also be able to seek out further information if it has concerns about an agreement. For example they may have concerns about whether an agreement passes the no-disadvantage test.

There is no time period in which Fair Work Australia must approve an agreement. However, the Federal Government has indicated that it expects that Fair Work Australia will work speedily and informally to approve agreements, and that most agreements will be approved on the papers within seven days.

Please note that this information should be used as a guide only



Industry Matters continued

Timbercorp directors targets of legal action

Three former directors of collapsed managed investment scheme spruiker Timbercorp will be targeted in a class action by lawyers acting for 1600 out-of-pocket Timbercorp investors.

Gary Lidell, Robert Hance and Sol Rabinowicz will be named as defendants in the legal action, which involves Timbercorp investors who borrowed to buy into the company's investment schemes in 2007 and 2008. The investors, who now face ongoing repayments on their jeopardised investments, say the true state of the company's finances was not fully disclosed in those years, and if it had been, they would not have borrowed to invest.

The class action, the work of Dandenong law firm Macpherson Kelley, includes several big Timbercorp investors who are being pursued by the company's liquidator, KordaMentha, for failing to repay debts to a Timbercorp subsidiary. They include financial adviser Peter Holt who, it emerged in the Supreme Court on Thursday, had more than 40 loans with a Timbercorp subsidiary. Mr Holt's Kew-based firm, Holt Norman Ashman, is believed to have been the biggest distributor of Timbercorp investments before the group's collapse in late April. His partner, William Norman, has also been named by KordaMentha, but, as of late last week, was yet to be served.

In a further legal twist, other investors being sued by KordaMentha, who were also clients of Mr Holt's financial advisory firm, are preparing legal action against Holt Norman Ashman over their Timbercorp investments.

Solicitor John Dunne warned Justice Ross Robson that there could be a conflict within the group of investors being sued by KordaMentha, as several clients may be taking action against the financial advisers who sold them the Timbercorp products, including Holt Norman Ashman.

In the meantime, however, Macpherson Kelley said it was poised to launch its class action. Macpherson Kelley lawyer Ron Williamson said Mr Lidell, Mr Hance and Mr Rabinowicz would have known since 2007 that the company was struggling and investors who put money into the company after 2007 could sue for "non-disclosure of material information about the financial viability of Timbercorp Group of companies". "And misleading or deceptive conduct by maintaining silence about the company being on the verge of collapse," Mr Williamson said. "And all of this was happening while Timbercorp was still collecting money from investors," he said. "They should have informed investors that the future of the company looked most uncertain, instead of taking money from investors."

Mr Rabinowicz declined comment when contacted by BusinessDay yesterday, but Mr Hance said he was aware of the threat and it would be "very strenuously defended" when it went to court. "Really, we were not aware [of the financial problems] pretty much until we had to pull the plug," Mr Hance said. Timbercorp went into voluntary administration on April 23 this year with debts of

\$903 million. Many investors were given loans by the company to invest in their almond, avocado, olive or mango plantations. They were allegedly told by their financial planners that the harvest and sale of these fruits would cover the cost of the loan and provide a profit, according to documents lodged with the court. However, the company collapsed before it was able to harvest the fruit, and the liquidators are trying to sell the olive and almond trees and fruit. Source: Business Day

Avocados and league fighting fit together

With around one in four Australian children overweight or obese, Australian avocado growers have joined forces with rugby league's One Community program to help footy heroes teach families about healthy eating. What's more, it's showing a more culinary side to one of the North Queensland Cowboys players.

The Cowboys' health ambassador Ashley Graham says obesity in children is emerging as one of Australia's most serious health issues, and because overweight children become overweight adults, it is important to address this problem early.

"It's not just NRL players who need to lead a healthy and active lifestyle - it's important for everyone," he said. "That's why in 2009 we've launched our 'Eat Well, Play Well, Stay Well' program. "Through One Community, the NRL is focused on using the profile of the game to reduce the incidence of childhood obesity."

To celebrate the partnership between avocado growers and the NRL, and to encourage healthy eating, each NRL club's health ambassador has nominated their favourite avocado recipe.

Cowboys' footy fans could win tickets to the 2009 NRL grand final and a signed jersey from the winning team, and much-needed cash for their NRL club's healthy living program by voting for the club's favourite recipe. Visit www.rloc.com.au and follow the links to vote.

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"The footy season is the perfect time to train hard and eat well, and to enjoy everything in between which equal friends and nights in," Mr Graham said. "My favourite recipe for avocados this season is 'lasso chicken' - chicken quesadillas with tomato and avocado. "It is quick, easy and very enjoyable - perfect for entertaining at home while watching the footy on TV."

Avocados Australia's involvement with the NRL was inspired by the American avocado industry's partnership with the Super Bowl.

On Super Bowl Sunday alone, more than 10 million kilos of avocados are consumed as Americans swap fatty snacks for healthy guacamole. In Australia, avocados and football share the same 'season'. Source: Farm Online

Politicians get message on MIS

Growers are telling politicians "I told you so" as the impacts of agribusiness managed investment schemes (MIS) are exposed in two separate Canberra inquiries.

The first inquiry is looking at the consequences for food production from the surge in tax-driven schemes being established following the collapse of MIS giants Timbercorp and Great Southern.

That inquiry, chaired by Liberal Senator Bill Heffernan, took its first evidence in Perth last week, which included allegations of exorbitant fees, insider trading, and the distortion of land, water and commodity values.

A joint parliamentary committee on corporations and financial services, chaired by Labor MP Bernie Ripoll, will begin hearings in Canberra next Wednesday, and has also been swamped with submissions outlining the perverse impact the schemes have had on rural communities and agricultural production.

George Ipsen, a large-scale avocado grower from the Manjimup-Pemberton area in the south-west of Western Australia, told last week's hearing in Perth that he wrote to parliamentarians in 2005 warning them of the dangers of managed investment schemes, their impacts on food production and the viability of family farmers.

He said at the time he was "a lone voice" speaking out against the schemes, which were supported at the time by the Western Australia Farmers Federation and the WA Nationals, the latter of whom he alleged were beneficiaries of massive donations from the now failed Great Southern.

In 2005 Mr Ipsen told politicians that MIS promoters were entering the avocado industry and enjoyed a large commercial advantage over family farming businesses. He said he was at last week's

hearing to say "I told you so". Mr Ipsen questioned whether it was reasonable for the Australian taxpayer to fund tax minimisation schemes in agriculture for high-income earners "at the expense of rural communities". Source: Queensland Country Life

Long term tourists or short term migrants?

This is a question that Dr Jeff Jarvis and Dr Vicki Peel from the Graduate Tourism Program at the National Centre for Australian Studies tried to answer when looking at what impact Working Holiday Makers had on the tourism economy of Mildura in north west Victoria.

The pilot study, which is a joint initiative with Tourism Victoria, found that Working Holiday Makers (WHMs) are one of the fastest growing international visitor sectors in Australia. Between 2004/05 and 2008/09 the market has increased by over 79%, with just under 188,000 young internationals arriving in Australia last year. This makes Working Holiday Makers the 'boom segment' for Australia's tourism industry. The market has been estimated to be worth over \$1.8 billion per year to Australia in 2007/08.

The Working Holiday Maker visa permits young international travellers aged between 18 and 30, from nineteen countries the right to work and travel in Australia for up to 12 months. It is a popular visa for young backpackers to take up.

In 2005 and 2006, the Howard Government changed the requirements for Working Holiday Maker Visas. The changes allow these backpackers to apply for an additional WHM visa, if they spend three months working in agriculture. It was aimed at generating wealth for regional economies, while providing farmers with a reliable and mobile workforce.

Dr Jarvis and Dr Peel found that Working Holiday Makers had a substantial impact on the tourism economy of Mildura. On average, they stayed in town for two months while they worked, and spent \$3200 during their stay. Dr Jarvis and Dr Peel also found that farmers were benefiting, with Working Holiday Makers interested in staying in jobs for the full 3 months.

The researchers found there is scope for the Federal Government to extend the upper age limit of the working holiday visa from 30 to 35. This would cater to the booming international tourism market for career breakers or 'flash packers' as they are now known. Dr Jarvis and Dr Peel are in the process of applying for funding via an ARC-Linkage grant to roll their study out across more regions around Australia.

The NHLIS welcomes feedback from the users of our service. We invite your input at Harvest Trail website, <http://jobsearch.gov.au/harvesttrail/default.aspx>



Around Australia

Central New South Wales Report

By Chris Nelson, Avocados Australia Director for the Central New South Wales Growing Area



NSW has enjoyed one of its mildest winters which was a pleasant reprieve after the extremely wet and stormy autumn. The last two months have been exceptionally dry which on balance is probably a good thing leading into flowering. Most growers are reporting an excellent showing and above average bee activity so on the face of it we are set for a positive outcome. There are however a couple of downsides that may in the end take the edge off an otherwise perfect spring. Firstly there have been two cold fronts bringing night temperatures below 10C and secondly we have seen the very unusual circumstance of two dust storms rolling in from the west within a week. At a meeting of tree crop growers from around the state a couple of weeks after the dust, concerns were expressed that the dust has had a significant adverse impact on pollination.

The light crop this season has meant for most that harvest has finished earlier than usual, allowing them to catch up on orchard management. Returns for the second year in a row have again been above average, in some ways making up for the low yields. The fact that this industry has again added value to an increasing volume of fruit is remarkable. It was also good to see so many of our growers make the effort to get to Cairns. I have not heard a single negative comment about the conference, so congratulations and many thanks to Antony and his team, for a job very well done.

Finally, I close on a sad note. The loss of Henry Drew in August was a huge shock for all of us, his contribution to our industry will be greatly missed and his generous efforts will be fondly remembered by many.

Central Queensland Report

By Lachlan Donovan and John Walsh Avocados Australia Directors for Central Queensland Growing Area



Congratulations to all who have contested and have won the recent elections, and commiserations to those who unfortunately have lost. Interestingly this is the first time that there has been an election in each of the three regions that has been up, very refreshing to see people are keen on standing and representing there industry.

2009 was certainly the biggest season Central Queensland has ever had but saying that we still had less fruit than was expected. With all the promotional activities, the Supermarkets and the Wholesalers working together we have consumed huge amounts of fruit and generally at very good prices. The export groups have also been a major factor in the success of the season with huge amounts of small fruit been removed from the market. Also with the prepackers taking even the smaller fruit there has been a home for just about everything and at good money too.

Talking about export, it was great to see Sunfresh export their first container into Europe, from my knowledge this hasn't happened since the Courtice's exported a number of container to Europe around 20 years ago. Hopefully Sunfresh has had success with this venture and we will see more containers heading that way.

Asia is certainly the big opportunity for Australian Avocados, with sea and air freight relatively cheap, the time to market quite short and the huge population right on our doorstep this is the perfect market that the Australian exporters can not only supply but develop. Only recently has there been the opportunity to develop these markets, sure exporters have been supplying these markets for a long time but with uncertain supply they have been reluctant to invest in the development of these markets. Industry needs to support both Avoz Exports and Sunfresh in the export development of these markets, every tray that is taken off the domestic market has a positive effect on our net return. My thanks to all who have helped with export, whether it is supplying avocados, developing the markets or whatever, this is a crucial part of our industries future.

The ex Timbercorp operations and what is to happen to is a talking point for all, no doubt there are major changes that will happen but what will pan out in the end is anyone's guess.

At this early stage everything is looking good for next season, the trees have set very well, the dams have plenty of water so fingers crossed we look forward to another season with plenty of avocados.

North Queensland Report

By Jim Kochi Avocados Australia Director for the North Queensland Growing Area



At the risk of boring the loyal readers of the region reports it is difficult not to mention weather considering that this land of constant drenching rain, cyclones, floods has now experienced a week of dust from South Australia and 10 weeks of dry, fine weather.

Correct, no rain. I wish we could send water to South Australia as easily as they send dust to us. There is one sure thing up here, it will rain again and we will complain about it. I'll save that for the summer edition.

With all this sunshine and warm fine days you'd think that the flowering and set on Shepards would be the best ever. **Wrong!** The set is all over the place. Some early set, some mid flowerings looked great and failed to set and some late small stumpy flowers emerged deep in the canopy some nodes back from the terminals. Who knows what this means. My best estimate at this time is to say "same as last year" with an update in November when the olive sized fruit begins to come out from the canopy and show itself. Shepards are shy bearers and take their time to show fruit. The Hass crop is more out front. Great display of flowers on the canopy's edge and fruit set looks good and better than last year.

Most of the Mareeba growers have taken some time off and are

now bracing themselves for the coming mango season. Expect a large supply of mango to the southern markets so do your bit for NQ and buy up big and enjoy mangoes at a reasonable price.

As we head into the summer I wish all growers safe passage through the summer fires, rains, floods, crazy drivers, and all those things that risk life and limb. Best wishes for a safe and enjoyable festive season.

And, if you are not a paid up member of Avocados Australia ask yourself, why not. Application forms are on page 49 or on the website, www.avocado.org.au. It's that easy.

South Queensland Report

By Daryl Boardman Avocados Australia Director for the South Queensland Growing Area

Southern Qld, well I guess I will start with congratulating the successful candidates that are running for the CQ, Tri State and WA seats. I look forward to working with you in Avocados Australia on all issues that arise in this great industry.

For those that don't make it you can be assured that the Board will still be working hard for both you and the industry of a whole.



I would like to make the point that the directors of Avocados Australia from the time I have been involved have always been there for the best intentions for their region and the industry as a whole and please if anyone ever thinks that myself or any director can take forward ideas, suggestions or concerns don't hesitate to get in contact with us. That's what you elect us for.

As for local issues by the time you read this we will have had the industry AGM and this was held in the SQ town of Crows Nest. I thank everyone for attending and hope that it was an informative and useful meeting with an opportunity to meet all of the current Avocados Australia directors and staff.

On the crop front, well let's talk about next season as this one for most has finished nearly before it began. Some have been luckier than others but overall I think most yields have been well down.

Next season is shaping up well with flowering all but over and fruit seems to be setting well. A drop of rain would be handy after all the dry weather, wind and dust storms of the past month or so.

If the trees hold their current set we should have a reasonable season next year with what I believe could be the biggest flowering that I have seen on my farm anyway.

It amazes me each week to see the volumes of avocados going



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Around Australia continued

through the system and the returns that we are all receiving. A couple of years ago this would have been trouble and returns would have been low. I believe that avocados are basically now on most people's shopping lists and probably fall into the category of a staple food item rather than a luxury item. This is great news for us all.

A few other things that have helped the industry in addition to more regular buying which means fresher product for consumers is the addition of pre packs and the increase in exports, all of which are still growing which is great news for us all.

Overall I believe we are all working in a great industry and as by the latest elections it shows how interested people are to get involved in such a progressive and successful industry.

While I am on the industry I would like to pass on a big thank you from the Southern Qld region to our dedicated CEO and staff because without you guys we would not be in the shape we are and would not have had things like the Joint Aust/NZ conference in Cairns so well organised, it is a credit to you all.

Sunshine Coast Report

By Henry Kwaczynski Avocados Australia Director for the Sunshine Coast Growing Area



The 2009 growing season is coming to an end in our region and there has been mixed results in quantity, returns to growers and the overall health of our orchards. Let's start with orchard health. From all accounts, there is a substantial amount of phytophthora, no doubt caused by wet summer and autumn, with rainfall returning to 'normal' levels (though some people may have forgotten what is 'normal'). Returns to growers have been reasonable, due to a number of factors including substantial promotion run by Avocados Australia on behalf of all growers – and made possible by our promotion levies.

In 2005, the consumption of avocados in Australia was around 2.0 kgs per head, with the aim to increase this figure by 2010 to 4.5kgs per head. Consumption has increased each year and the next consumer survey will take place within the next few months - this will give us an idea of the level of consumption, consumer needs, generally how the industry is travelling and it will inform our direction for the next few years. Since 2005, total Australian production has increased from around 34,500 tons to around 47,500 tons, so it is important for us to keep our finger on the pulse. My question is "Does the increase in both production and consumption bring comparable increases in returns to the grower?"

An important part of the promotion of avocados for SE Queensland is the avocado stand at the EKKA (Brisbane Rural and Agricultural Exhibition) in August each year. This is coordinated by the Sunshine Coast Avocado Growers' Association (SCAGA). This year, due to circumstances well beyond our control, timeframe for

planning and staffing the EKKA display was hugely compressed. We owe a debt of gratitude to Ian Goodall and Beris England, who 'picked up the ball' and the display happened and was again successful. Great work Ian and Beris. The future of the horticulture pavilion at the EKKA is somewhat uncertain as there are plans for redevelopment of some parts of the grounds and it is almost impossible to get a clear picture of the way forward. It will be disappointing if this successful and long running promotional activity has to cease. Will keep you posted.

Tri State Report

By Colin Fechner Avocados Australia Director for the Tri State Growing Area



The weather in spring is always very changeable, but this year it has been more so. We have had a lot of strong winds and we have had rain, which was very welcome. We have had above average rainfall for September, over 40mm in most areas, average is 26mm.

After a mild winter, flowering on a lot of crops is up to 3 weeks earlier than normal. Generally the avocados are starting to flower and it looks heavy and should have a good fruit set for this coming season.

Water is still a major problem again this year, with large restrictions. In South Australia we are on 16% allocation at the time of writing this report. There is talk that it could get to 25% soon with the rain fall in the catchment areas. Most growers are looking at leasing in the extra water needed to get their crop to set and carry it through to harvest.

It is at this time of the year that elections are held for the Avocados Australia Board. There are 9 board members and we are elected for a 3 year term. We have not had an election before in this region, and by the time you read this report you will know if I will still be your member on the board or that Nick Hobbs will be.

Western Australia Report

By Jennie Franceschi Avocados Australia Director for the Western Australia Growing Area



Spring is finally upon us and we are finally seeing some warmer weather and a bit of sunshine.

Once the season broke in May it seems we have been lucky to go a couple of days without rain and it has certainly been cold. The cold weather has delayed flowering although I expect it will move quickly now as the weather warms up. So far it is looking like we will have a good spring and I expect WA will see a very large increase in volume next season compared to this season.

As this goes to print everyone will be aware of the current prices which are on the high side. It should be a good season for the WA growers who have crops. All in all this season has been good for all avocado growers in the market place. I feel the combination of

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- provide greater workplace flexibility
- minimise labour costs
- legalize existing arrangements
- provide a safeguard against wage claims

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\$1595 (inc GST)*

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If you require amendments to the standard agreement, to suit your business, additional consultation fees will apply.

For further information, or to commence the application process online, go to

www.mangoes.net.au/enterpriseagreements.aspx

or

industry.avocado.org.au/Growers/Notices.aspx

For further information, contact Trevor Dunmall at AMIA on 0400 808 689 or Antony Allen at Avocados Australia on 0438 132 477

This service is for growers in all Australian States and Territories

Around Australia continued

an excellent marketing program by Avocados Australia, growers waiting until the dry matter was a bit higher than previous before picking, support from our retail partners and the big increase in export has seen prices that haven't been reached on the eastern seaboard for years.

I would have expected the East Coast growers to have a big fruit set this season, so it will be interesting to see how it pans out after the huge dust storms that descended on growing regions during flowering and if the big wet affected tree health significantly.

This will be my last report for Talking Avocados so I would like to take this opportunity to thank the WA growers for their support over the past 4 years and also extend a big thank you to my fellow board directors and staff at Avocados Australia. I have enjoyed my time working with you all and feel a great sense of accomplishment for all we have achieved over my time with you. I leave knowing that all the concerns of WA growers have been addressed and are progressing in a positive fashion and appreciate everyone's support in those issues, especially the extension of the marketing program, irrigation management and of course the biennial bearing problems we experience here in

the west. Working around the lack of research capacity in some areas in Australia is difficult but I am certainly grateful for the way our CEO and board can think outside the square to get issues addressed and across the line. We are all very fortunate to have Antony Allen at the helm and I would like to say a special thank you to Antony. We do not always articulate our appreciation for what a good job you do, so I am taking this opportunity on behalf of myself and all WA growers to let you know you and your team are appreciated for all that you do for our industry and your dedicationand no, he did not pay me to say that. ☺

I would also like to take this opportunity to congratulate Russell Delroy on his appointment to the board and wish you all the best. In a short period of time you will soon realise the extent of the workload you have just taken on, but you are in good company.

After so many years on the national body between Wayne and me, we are now going to take a bit of time doing things for us, that we have not had time for and I am really looking forward to that.

I wish you all a good harvest and flowering season and hope you all stay safe over the festive season which is soon to be upon us



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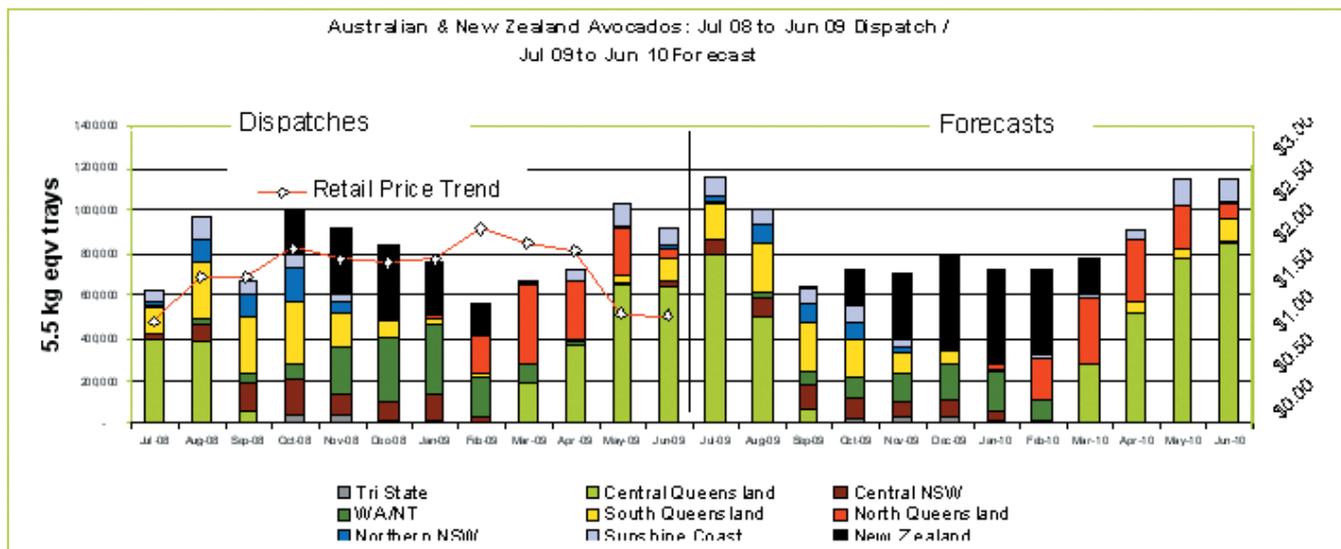
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Infocado Update

Below are extracts from the July 2009 Infocado Quarterly Report. More recent data has indicated that July and August dispatches were lower than was forecast and did not get to

a million trays in either month. The forecasts over summer remain as below although to date, New Zealand imports have been less than expected.



Jul 08 to Jun 09 Dispatches and Jul 09 to Jun 10 Australian Avocado Production Estimates 5.5kg eqv trays		
Region	Jul 08 to Jun 09	Jul 09 to Jun 10
North Queensland	1,132,170	1,107,118
Central Queensland	2,687,747	3,800,181
Sunshine Coast	574,509	638,278
Southern Queensland	1,355,557	1,188,918
Northern NSW	466,788	325,454
Central NSW	813,706	585,000
Tri State	129,016	120,529
WA	1,285,273	749,765
Total	8,444,766	8,515,242



More “Take Home Messages” from Avocado Study Group

Peter Rigden and Simon Newett

Primary Industries and Fisheries, Department of Employment, Economic Development and Innovation, Nambour, Queensland

Our last article featured 3 sets of “take home messages” regarding nutrition, disease control and integrated pest management. These messages are intended to capture the most critical issues to be aware of on the subject and to act as a quick reference. Here are 4 more sets of “take home messages” on other subjects that have been addressed in recent workshops.

Soil health (Central Coast NSW)

- Soil health can be assessed easily and cheaply
- In the past we have tended to focus on the pests and diseases in the soil and have forgotten that there are many beneficial soil organisms which we should be doing more to encourage



Growers at the Central Coast NSW meeting examine topsoil samples to assess soil flora and fauna populations

Workplace health and safety (West Moreton)

- Horticulture is no longer exempt from WH&S laws e.g. for Elevated Work Platforms (EWPs) or confined spaces (e.g. wells)
- It is essential to document WH&S related instructions given to employees, a note in a pocket diary is better than nothing! As far as a court of law is concerned “Unless it is written down it didn’t happen”!
- Develop and implement a formal employee induction process now!
- New legislation has been introduced for cherry pickers (EWPs) which you need to be aware of. N.B. If you decide to modify your old equipment it will then need to comply with the new standards!
- An investment in Workplace Health and Safety might well save you your farm one day!

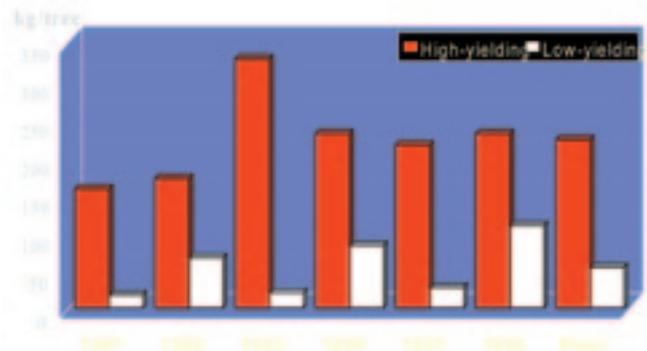
- Before hiring a contractor check they are qualified, registered



Richard Otto (Farmsafe Queensland) explains the new legislation for cherry pickers to the West Moreton growers group

Biennial bearing (West Moreton)

- Things that can trigger biennial bearing are: poor tree health, incompatible rootstocks, late harvests and natural events (e.g. frost, cold temps at flowering) that significantly reduce the yield one year
- Flower initiation requires cool temperatures and potential bearing wood that contains sufficient carbohydrate levels and receives sufficient sunlight
- To help reduce biennial bearing – choose rootstocks carefully, do everything you can to achieve good tree health, pay absolute attention to detail to achieve excellent *Phytophthora* control, soil moisture, nutrition (fertilising to the crop load) and pick at least some of the crop early (e.g. conduct a size pick).
- Consider the judicious use of cincturing
- What you need to see every season is “Significant vegetative growth over the fruit”
- Manage your trees by following the phenological (growth) cycle of your trees



Yields of high yielding trees vs. low yielding trees on the same orchard measured over 6 successive years that show how the low yielding trees (white bars) have a marked biennial bearing pattern compared with the high yielding trees (red bars) (graph courtesy of Graeme Thomas)

p meetings

Irrigation (Sunshine Coast)

- First attend to *Phytophthora* root rot control
- Ensure that your irrigation system is well designed (delivers water evenly to every tree across the farm) and is capable of keeping up with demand during the period of highest demand.
- “Scheduling irrigation without monitoring soil moisture is guess work”
- Be sure to locate moisture monitoring equipment under representative trees and to install carefully – remember that you will be basing your orchard irrigation scheduling decisions on just a few small sites
- Tensiometers are a popular soil moisture monitoring tool & effective if maintained
- Pay attention to detail
- Avocados are very inefficient at sourcing and using water
- Fruit size is determined within the first 12 weeks after fruitset – so ensure that (a) you have a healthy root system and (b) soil moisture levels are optimal during this period
- Water stress has a long term negative effect on the tree’s vascular system
- Adequate soil moisture is vital for the uptake of nutrients - calcium & boron especially
- Get your irrigation pump efficiency checked – electricity accounts for 87% of irrigation costs. In Queensland, Growcom offers a pump efficiency check.



Peter Rigden demonstrates the installation of a tensiometer at the Sunshine Coast meeting on irrigation

Next meetings

Workshops are now complete for NNSW, Mid North Coast NSW, Central Coast NSW and Tristate. Another 7 meetings will be held before the project finishes at the end of May 2010. The next 5 meetings are detailed below.

Study group	Time of year	Topic to be addressed
North Queensland - 5th meeting	21 October 2009	Avocado diseases including <i>Phytophthora</i> root rot
Central Queensland - 6th meeting	November 2009	Soil and orchard floor management including weed control
Sunshine Coast - 6th meeting	November 2009	Brisbane market trip
West Moreton - 6th meeting	Early December 2009	Canopy management
West Australia - 5th meeting	March 2010	Nutrition (especially nitrogen fertilisation)

Acknowledgements

These workshops are a team effort between our hosts, guest speakers, group co-ordinators, board members, Avocados Australia and growers. Thanks to everyone for making them successful and to the funding bodies for providing the means - Queensland Primary Industries and Fisheries (Department of Employment, Economic Development and Innovation), Avocados Australia and Horticulture Australia Ltd, plus the support of the Department of Agriculture & Food WA, NSW Department of Industry and Investment, and EE Muir & Sons.

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Highly Successful Avocado Conference: ANZAGCo9

The Conference in Cairns proved highly successful, with over 400 delegates from, Australia and New Zealand, Argentina, Chile, Mexico, South Africa and USA.

Delegates were privileged to have a range of concurrent sessions allowing delegates to select the topics they most wanted to attend. The Australian marketing program was a key session showcasing the team of agencies that are at the centre of the

industries highly successful promotion strategies.

The Conference was also an important venue for meetings of the avocado industry. The Avocados Australia Board had extensive meetings over the week. A joint meeting of the Australian and New Zealand Boards was held. Thank you to all the speakers and sponsors for their strong support for making the conference a success.





Overview of the Avocado Supply Chain Improvement Pr

Introduction

It is recognised that a wide variety of factors affecting fruit quality, productivity and supply chain efficiency are interrelated.

As a result, a project was developed to manage a Supply Chain Improvement Program aimed at specifically addressing these issues.

There are three distinct activities which make up the overall project. They are:

- A. The full implementation and management of a data collection system providing members of industry with timely and relevant market information to assist in making short term marketing decisions and collection of production statistics to assist the industry as a whole in making long term marketing and promotions decisions.
- B. The completion of a comprehensive review of quality standards/accreditation systems in other countries and other industries and recommendation for the Australian avocado industry with a view to implement an appropriate system for the Australian avocado industry in the future.
- C. Development, management and coordination of a suite of supply chain projects aimed at addressing avocado quality along the supply chain.

In implementing these activities all relevant past research was reviewed. The projects immediately relevant were:

- AV99007: Reducing Avocado defects at Retail Level – Avocare
- AV02015: Bruising of Hass Avocado from Harvest to the Packhouse.
- AV05003: Support to the Australian Avocado Industry: Infocado (Crop Flow) volume data collection
- AV01013: Development of a crop prediction system for avocados.

A project officer (Joanna Embry) was appointed by Avocados Australia in a full time capacity to take on the management role required by this project.

The diagram below illustrates the intended outcomes of the three sectors of the project and an outline of the proposed methodology to achieve those outcomes.

Each component of the project required a separate and distinct methodology to ensure it delivered on the required outputs and outcomes.

Project Results

1.1 The management of Infocado and rollout of new modules.

Infocado was a system set up in 2005 to collect data from and report back to Australian Avocado packhouses including the volume of avocados dispatched in the previous week, weekly forecasts for the next four weeks and monthly forecasts for the coming 15 month period. Both packhouses and wholesalers now contribute their data to the system by accessing the Avocados Australia website, logging on to the Infocado section, entering their unique username and password and completing the forms that are available from the site.

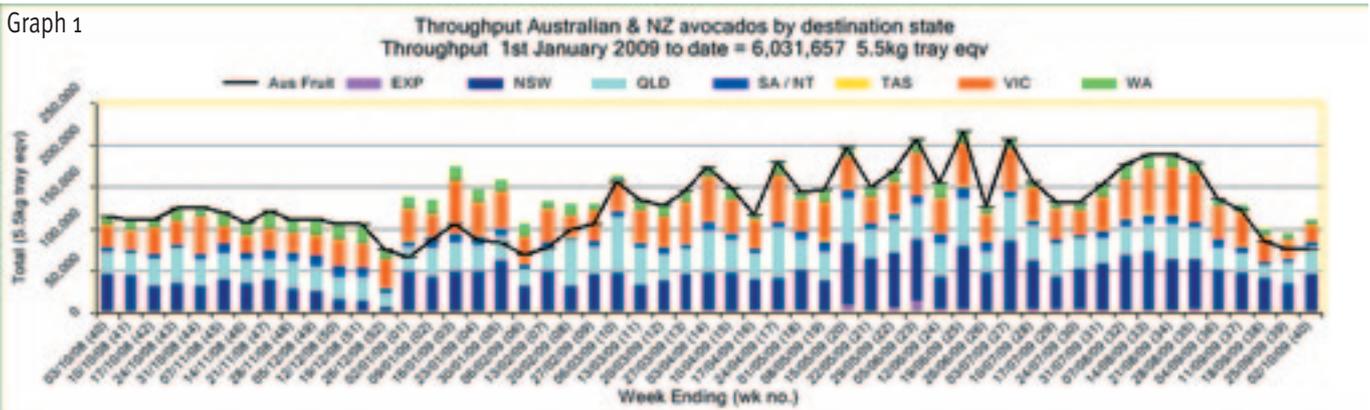
Participation

There are 150 packhouses who contribute data to the infocado system including growers, grower packers and packhouses from all Australian growing regions and New Zealand. This information includes their weekly dispatches (by variety, size and pack type), forecasts of how much they will dispatch over the coming four weeks (by variety and pack type) and monthly forecasts on how much they forecast they will produce in the next 15 months by month and variety.

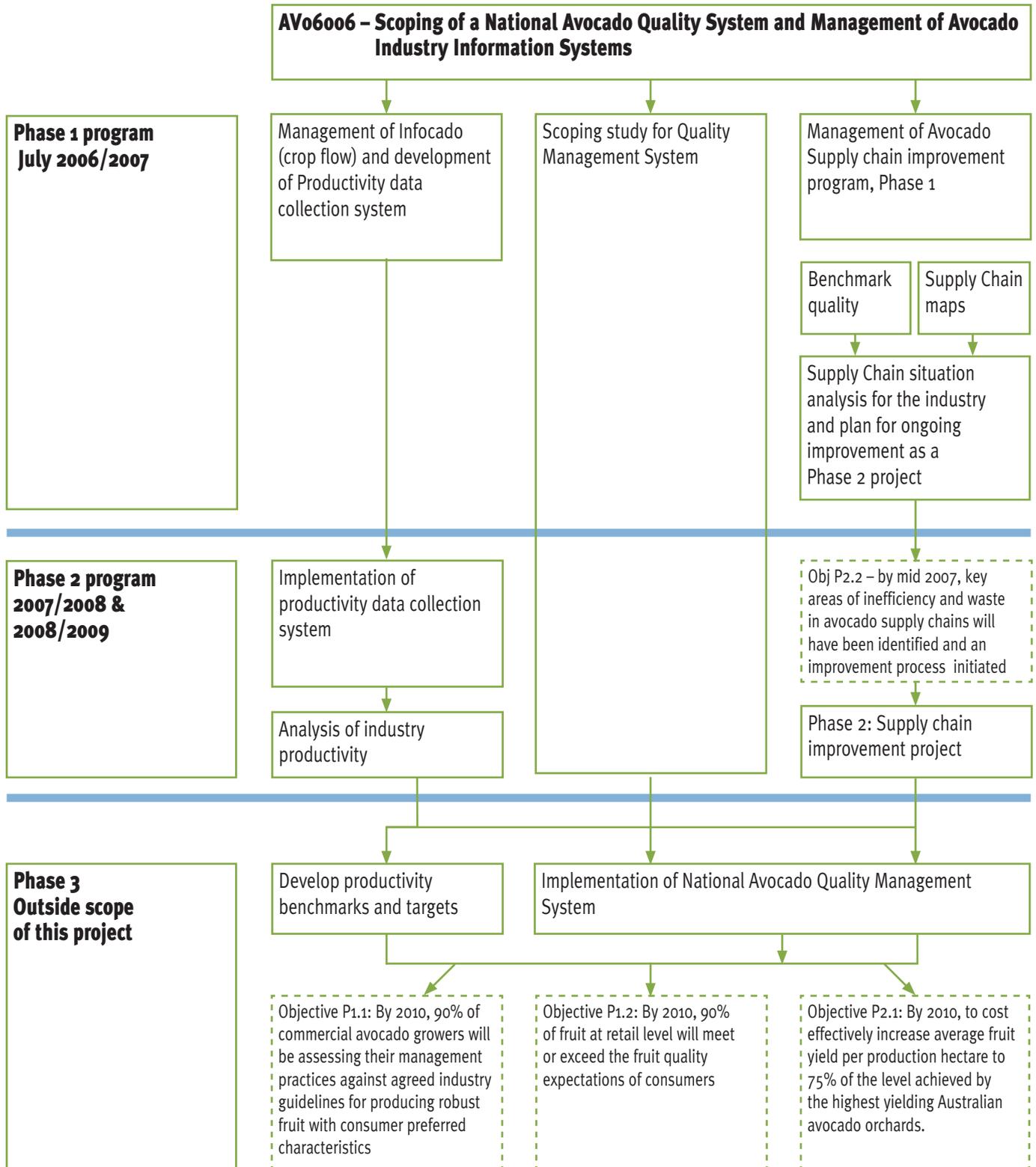
85% of total Australian production is collected by the Infocado system. This has been verified by comparing Infocado data with levy revenue data

Thirty-two wholesalers are registered on the system including all significant avocado contributors in all capital cities. They

Graph 1



Program: Project AVO6006



contribute their opening stock, receivals, sales and closing stock on hand information by variety and pack type on a weekly basis.

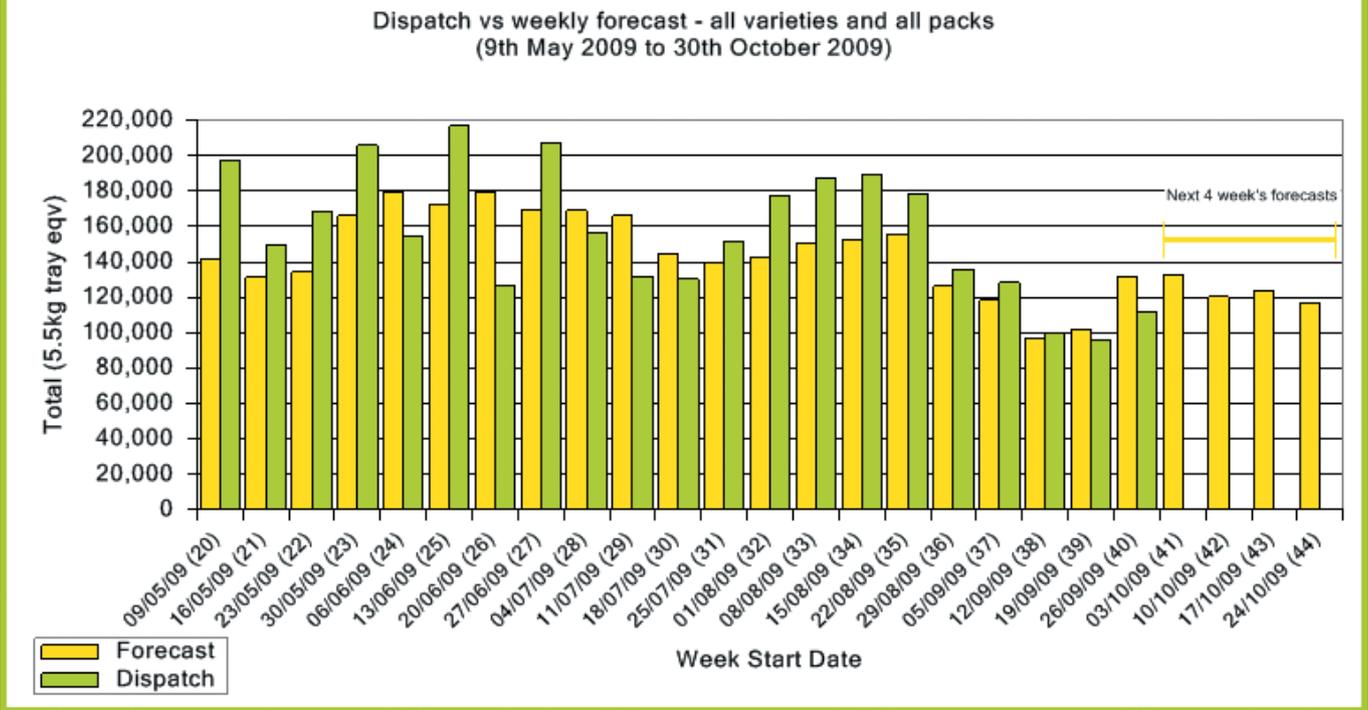
Communication

Weekly reports are produced and emailed to all contributors. These weekly reports include summaries of how much fruit was dispatched in the last week by size, a summary of total dispatches

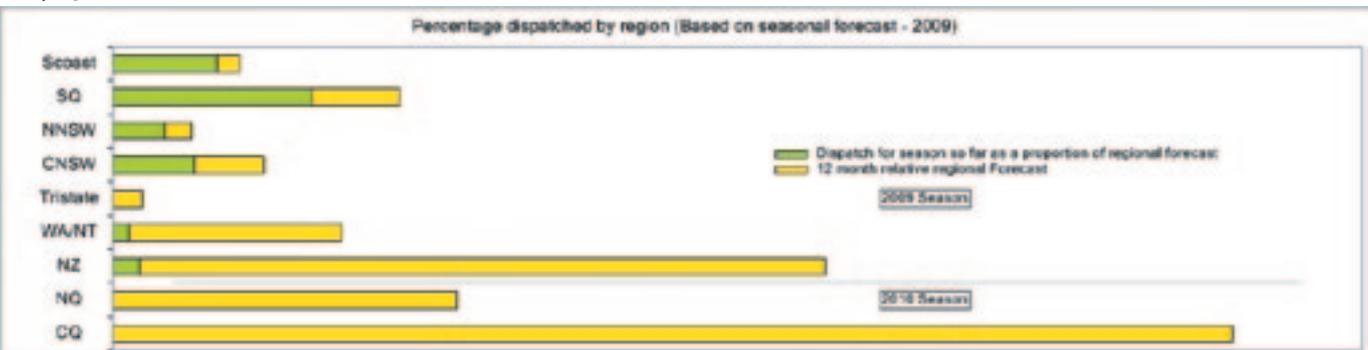
by week for the last 12 months by destination state (see graph 1), forecasts for the coming four weeks by variety and pack type, a comparison of last week's dispatches against what was forecast (see graph 2), a progress report by growing region on how much fruit has been produced as compared with what is forecast for the season (see graph 3), a sales report incorporating how much fruit has been sold directly to supermarkets, how much has been sold

Overview of the Avocado Supply Chain Improvement Program: Project AVO6006 - continued

Graph 2



Graph 3



by wholesalers, and how much stock is on hand at the wholesale level at the end of the week and also a summary of average retail prices for the week.

Quarterly reports are also produced and emailed to all contributors. Quarterly reports include production forecasts for the next 12 months by month and variety, production for the last 12 months by month marketed and variety, retail price trends over the last 12 months, a 12 month forecast for the coming year by growing region, a summary of forecast imports vs. actual imports and a comparison of forecast production vs. actual production.

Individual reports are produced and emailed to each contributing packhouse on an annual basis once their respective season is finished. These reports are one page and include weekly forecast vs. dispatch comparisons for that enterprise over their whole season including percentage differences and charts comparing that enterprise's production with their growing region and the Industry as a whole by month. The purpose of these reports is

to show contributors how well they have done in terms of the accuracy of their forecasts and illustrate to them where they sit compared with the rest of the industry in their region and Australia as a whole.

An Infocado summit is held on a biennial basis. The first of these summits was held just prior to the outset of this project in 2006, the second and most recent was held in Sydney in April 2008. The infocado summit is used as a conduit to pass on the developments in the Infocado system, to get feedback on the system itself, discuss potential updates and present to packhouses information to help them improve their individual businesses. All contributors to the Infocado system are invited to attend each summit.

Developments and Expansion of Infocado

At the outset of the AVO6006 project the Infocado system included only the weekly forecast and dispatch module and the seasonal forecast module had only recently been implemented.

The Infocado system as it stood initially, provided information on the crop flow data from the packhouses to the wholesale market or direct to supermarkets but there was no capture of data showing the crop flow from the wholesale market to the retail sector which accounts for approximately 60% of fruit. To address this gap, a wholesale module was developed. This module was designed to capture information from wholesalers including opening stock, receipts from growers/packhouses, sales and closing stock.

1.2 Development and roll out of a crop production and productivity data collection system (OrchardInfo).

This part of the project has been progressed in recognition of the recommendations of AVo1013 "Development of a crop prediction system for avocados".

147 growers from across all Australian avocado growing regions are now contributing their annual Orchard Information including block name, variety, rootstock, year planted, tree spacing, row spacing, no. trees, area planted and marketable yield data to OrchardInfo, the industry's crop production and productivity data collection system.

A series of reports have been developed to report on this data by grower, region, state and total industry. These can be further broken down by variety and year planted.

To date the results of this part of the project have mainly been in the set up of the system and the process of gathering information.

Although some analysis of crop productivity is possible, the full system including all growing regions has only been in place for one full growing season and the system will need at least one more full season to gain momentum and produce meaningful data that can confidently be used to make predictions regarding productivity and production on a regional or industry scale.

2 The management/coordination of Avocado Supply Chain Improvement Project

The first phase of the supply chain project was aimed at identifying where the industry currently sits in terms of quality and efficiency and identification of points in the supply chain where further work was required to make improvements in this area.

Three outputs were required from Phase 1

- Targets for industry performance in eating quality (primarily maturity and freedom from rots or bruising)
- Supply chain maps for the industry
- Supply Chain situation analysis for the industry and plan for

ongoing improvement as a Phase 2 project

Phase 2 projects would consequently be developed based on the recommendations from phase 1 projects.

2.1 Targets for industry performance in eating quality

From a combination of past consumer research and anecdotal evidence, 3 areas of quality were identified as significant in terms of lack of currently available information and importance in terms of consumer satisfaction. They were internal quality, maturity and ripeness.

2.1.1 Internal Quality

The Avocados Australia consumer sensory project (AVo6025) was completed in 2007 by HortResearch (now Plant and Food Research). One of its 3 main objectives was to determine the maximum acceptable level of internal defects at different price points above which future consumer purchasing decisions are negatively influenced. To understand this, the consumer survey that was presented to consumers in a panel situation provided the panel members with a picture of avocados with different levels of severity of internal damage caused by bruising and presented



The Online Consumer Quality Survey (AVo7019) was conducted in 2008 by HortResearch. The project involved the development of an online survey whose main objective was to extend the findings of the 2007 study to determine the impact of price, incidence and severity of defect on consumer intention to purchase avocados using three of the most commercially significant quality defects i.e. bruising, stem end rot and vascular browning.

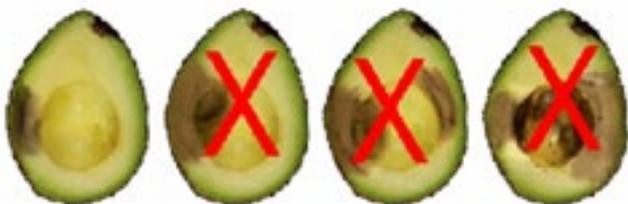
The results from both studies indicated that severity of defect had the largest impact on future purchase intentions

The results from the first sensory panels indicated that the levels and incidences of defect (bruising) that will reduce consumers' purchase intent below 'probably buy' (i.e. 70% to 89% probability of purchase) varied depending on price: However for any price above \$1.29 if more than 10% of flesh was damaged this would put purchase intent below "probably buy" even though there were

Overview of the Avocado Supply Chain Improvement Program: Project AVO6006 - continued

some slight variations depending on incidence levels.

For all three defects subsequently tested in the online survey the pattern of responses was consistent with the relative importance discussed above, which showed that severity of defect was of primary importance. For all the defects, respondents reported a higher likelihood of purchase for a slightly affected fruit (10% unusable flesh) even if experienced every time (five out of five occasions), compared with a severely affected fruit (50% unusable flesh) experienced very infrequently (one out of 10 occasions), and this occurred at all price points. It was also found that increases in price will decrease tolerance to defective fruit, particularly at lower levels (\$0.89 to \$1.39) and higher levels (\$1.99 to \$2.49). This effect was not so significant when price changed from \$1.39 to \$1.99 which suggests that there is a subconscious affect when the price changes from within one dollar value to another i.e. from one dollar something to 2 dollars something even if the actual price rise is the same amount.



Based on the research it was recommended that because increases in severity of defect will have the greatest negative impact on future purchase intentions of avocado consumers steps should be taken at all steps in the chain to ensure that damage to fruit is at an absolute minimum.

2.1.2 Maturity

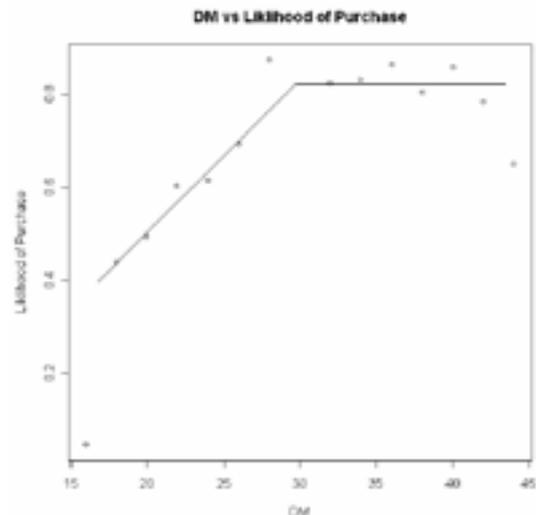
Based on anecdotal evidence at the initiation of the Supply Chain suite of projects the industry was aware that avocado maturity was an issue in terms of internal quality and although there was an industry standard of 21% dry matter which was loosely adhered to by industry there was very little evidence available to support a link between that standard and consumer acceptability. Consequently a review of harvest indices and how they relate to postharvest quality (AVO6014) was initiated.

It was recommended, based on the results of this project that the industry review of the minimum maturity standard (21%) should be carried out in the light of the significantly higher standards in other countries, and in particular the suggested move of California from 20.8% to 23%.

One of the main objectives of the Consumer sensory project (AVO6025) was to determine the minimum maturity measurement as measured by % Dry Matter that produces 'Hass' avocados which are of acceptable eating quality to Australian consumers. The testing was conducted using consumer sensory panels.

Based on the results of this project (see graph 4) it was

recommended that a minimum DM% for Hass avocados be set at 23% to ensure an appropriate competitive advantage in the market place. With support from industry a new standard of 23% at time of harvesting has therefore been set.



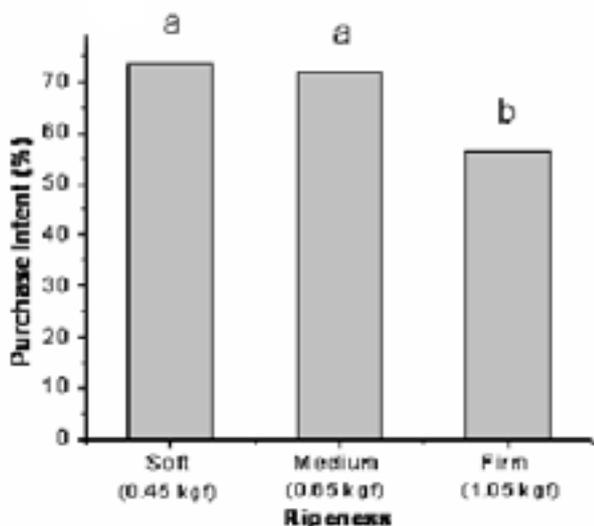
Graph 4

2.1.3 Ripeness

Consumer sensory research (AVO6025) was conducted in 2007 to determine the level of ripeness (firmness) that is preferred by consumers at the time of consumption.

Avocado firmness (ripeness) can be measured using a range of tools including penetrometers (an invasive tool that measures flesh firmness) and firmometers (a non invasive tool which measures the firmness of the whole fruit through the skin). Hand firmness ratings are also used (although this is only a reliable measure if trained staff conduct the tests and even then regular calibration is needed).

Consumers who tasted avocados indicated that on average the fruit that were about 1.05 kgf (using penetrometer with 11 mm probe) firmness were significantly less liked, less likely to be purchased and less acceptable than fruit that were 0.65 kgf or 0.45 kgf. Avocados from these two softer firmness categories were not significantly different from each other according to any of the consumer responses measured (see graph 5). This firmness level usually relates to Firmometer value of about 80 and a hand firmness of about 5 (i.e. whole fruit deforms with moderate hand pressure).



Graph 5

This result was important in providing the industry with information regarding what state of ripeness fruit should be displayed at and also at what level of ripeness it is most relevant to measure for quality.

2.1.4 Resulting targets in eating quality

After consideration of the results and recommendations of these projects and taking into account industry knowledge of what the industry will bear in terms of quality benchmarks it has been determined that a premium grade Hass avocado must be

- 23% dry matter or above (a maximum may be determined at some point in the future)
- Be of ripeness level somewhere between 0.65 kgf and 0.45 kgf
- Have no more than 10% damage to flesh.

2.2 Supply chain maps for the industry

The project AV06026 was instigated to, as one of its objectives develop up a set of Supply Chain Maps to assist the industry in understanding all the linkages within the industry ensuring all sectors would be included in the future in the development of Phase II projects and ultimately in their involvement in a Quality Management System.

A summary of the Phase 1 Supply Chain projects completed is listed below in table 1.

Table 1: Phase I Supply Chain Improvement Projects

Project	Project Development	Service Providers	Time frame
Avocado Maturity: A review of harvest indices and the relationship with postharvest quality (AV06014)	Avocados Australia	Hort Research	Completed October 2006
Avocados Australia Consumer Sensory project (AV06025)	Avocados Australia	Hort Research	Completed July 2007
Avocado Supply Chain Mapping and Resource Audit (AV06026)	Avocados Australia	Avocados Australia	Completed July 2007
Online Consumer Quality Survey (AV07019)	Avocados Australia	Hort Research	Completed March 2008
Retail Quality Surveys (AV07018)	Avocados Australia	Avocados Australia, Food Circus, QPI, AHR	Completed November 2008



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Overview of the Avocado Supply Chain Improvement Program: Project AV06006 - continued

2.3 Supply Chain situation analysis for the industry and plan for ongoing improvement as a Phase 2 project

As a part of the Avocado Supply Chain Mapping and Resource Audit Project (AV06026), feedback was sought from members across the avocado supply chain in terms of how the avocado industry and supply chain was placed and what was needed to make improvements.

A number of recommendations made in this report formed the basis of a situation analysis for the industry and a plan for phase II of the Supply Chain Improvement Program.

It was recommended that Avocados Australia:

- Develop a knowledge portal for industry stakeholders using database content developed through the supply chain mapping and resource audit project.
- Educate growers, grower packers and packers in regard to customers requirements (fruit maturity, fruit quality and grading) and the impact of inferior fruit on the market performance,
- Assist growers to develop improved processes and skills in forecasting and reporting supply to assist packers and marketing coordinators with planning,
- Considers the development of a fruit quality tray library system for the avocado industry,
- Engage more consistently with supply chain partners (wholesalers, secondary wholesalers, retailers and food service businesses) to improve the flow of communication related to supply, promotion and other industry development activities.
- Recognise the skills, processes, capability and resources of individual enterprises in the production, packing and wholesaling sectors through an accreditation process. This will assist supply chain partners (supplier and customers) identify 'best practice' operations in the industry,
- Develop suitable printed material on avocado varieties, product selection, handling, storage and for use in the food service sector,
- Establish a project to collect, aggregate and report key production, harvesting and packing costs across enterprises as the basis for an industry benchmarking system to assist with improving supply chain efficiency.

A range of phase II projects have subsequently been identified and actioned. These projects are listed below in order of their start dates.

Table 2: Phase II Supply Chain Improvement projects

Project	Project Development	Service Providers	Timeframe
Retail Quality Monitoring (AV07018)	Avocados Australia	Avocados Australia	September 2007 to September 2008
Avocado Weekly Retail Price Survey (AV07023)	Avocados Australia	Avocados Australia	June 2008 to August 2012
Supply Chain Education Materials (AV08017)	Avocados Australia	Avocados Australia/ QPIF	March 2009 to May 2010
Resource Audit Web Database (AV08025)	Avocados Australia	Avocados Australia	May 2009 to December 2011
Development of best practice guidelines for avocado ripening (AV08018)	QPIF & Avocados Australia	QPIF (part VC funded by Fresh Exchange)	June 2009 to February 2011
Avocado quality monitoring via library tray (AV08022)	Avocados Australia	Plant and Food Research	Completed July 2009

2.3.1 Retail Quality Monitoring (AV07018)

In Phase I the targets set for industry performance in eating quality were set at:

- Maturity – 23% DM for Hass
- Ripeness – using 11mm tip 0.45 to 0.65 kgf
- Internal damage – no more than 10% damage

The retail quality surveys project (AV07018) was developed to measure how much fruit at the retail level currently fulfils consumers' quality demands and where there are significant differences in quality, between store types, growing regions and/or seasons. This would provide the second part of the equation needed to benchmark the industry against consumer expectations.

The quality surveys involved testing for internal quality at the retail level and testing for Dry Matter percentage (as a measure of maturity) at the wholesale level.

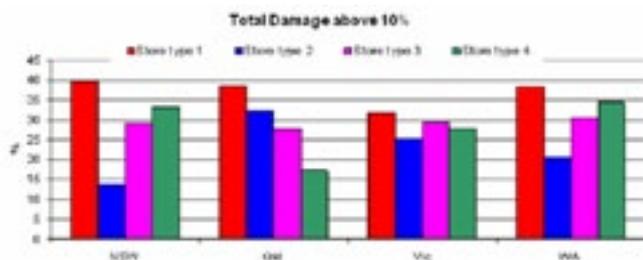
The quality surveys were conducted over a 12 month period in four capital cities including Sydney, Brisbane, Melbourne and Perth. In each city 16 stores were surveyed on a monthly basis. 15 pieces of fruit (including both Hass and Shepard when available) were sampled from each store and tested for percentage of overall damage and then proportions attributable to specific types of damage.

The Dry Matter surveys were conducted monthly over a 12 month

period with fruit collected from the Sydney Wholesale Markets and tested for Dry Matter percentage in Maroochydore, Queensland.

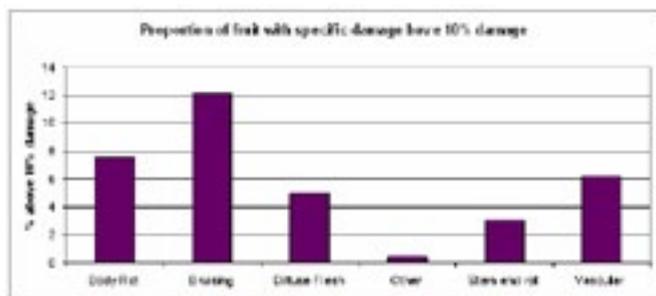
The key findings of the surveys were that:

- Incidences of internal defects had a significant association with sampling month, state, and store type of purchase. Graph 6 below illustrates the effect of state and store type on the results.



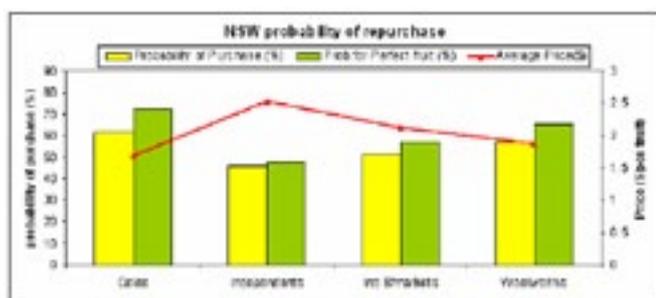
Graph 6

- Bruising was the most common defect type in both 'Hass' and 'Shepard' varieties (see graph 7 below) although Shepard tended to have lower incidences of defects than 'Hass', especially in the more severe defect categories.



Graph 7

When the results were analysed in conjunction with the consumer sensory research (AV07019), it could be determined that the cheaper fruit have a higher predicted probability of purchase. However the cheaper fruit also had the larger estimated reduction in purchase probability due to defects. Graph 8 illustrates relationship in NSW stores.



Graph 8

There were clear monthly trends in Dry Matter % (DM) with March 2008 to June 2008 having more low DM Hass fruit and there

was also some evidence of a regional effect. These results are reported as part of the Infocado weekly report (see Appendix 2)

In combination with the previous consumer research this work has provided the industry with objective data with which to go to specific supply chain partners and measure the bottom line impact of maintaining the status quo in terms of quality versus implementing practices to improve quality.

2.3.2 Avocado Weekly Retail Price Survey (AV07023)

Retail price plays a very important role in determining the efficiency of the supply chain. Price has a direct impact on how well fruit flows through the system and consequently on fruit quality. If prices are at a level that impact negatively on consumption then at high production times of the year this can cause a back log of fruit which consequently causes quality issues. Price transparency is therefore of vital importance in order to monitor trends and predict the impact of current retail prices on stocks of fruit.

Based on this knowledge the avocado retail price surveys project (AV07023) was initiated. From September 2008, retail prices were collected weekly from 16 stores in each capital city (Brisbane, Sydney, Melbourne and Perth). The stores surveyed included Coles, Woolworths, Independent Supermarkets and Independent Fruit and Vegetable stores. These prices were reported on a weekly basis to packhouses as a section in the weekly Infocado reports and were also made available online.

2.3.3 Supply Chain Education Materials (AV08017)

All currently available avocado production and handling education materials were identified in the supply chain mapping and resource audit project (AV06026) and subsequently included in a comprehensive, searchable database. This database has been used to determine where there are gaps in terms of currently available education materials for different sectors of the supply chain, with specific regard to post harvest handling.

To determine the specific messages that need to be delivered through education materials, feedback was sought from each sector of the supply chain as to where their priorities lie and specific needs are. The feedback from this process combined with input from members of the Post harvest team at Queensland Primary Industries and Fisheries, results from the supply chain mapping and resource audit project, the results from the consumer sensory work (AV06025 and AV07019) and retail quality surveys (AV07018) were all used to decide the focus for educational materials being produced.

The results from the retail quality surveys indicated that bruising is the main internal quality issue followed by rots and diffuse flesh

Overview of the Avocado Supply Chain Improvement Program: Project AVo6006 - continued

discolouration. Best practice handling guides are being developed for each of 3 loosely grouped supply chain sectors (packhouse, wholesaler/transport, and retailer). Each will focus on those internal quality issues that are impacted most on in the relevant supply chain sector.

The first piece of material to be produced and rolled out will be a ripeness and colour guide which will be distributed to all members of the supply chain including growers, packhouses, wholesalers and retailers. This will be in the format of a poster (either A4 or A3) and will also be available online. It will include a colour guide for Hass and Shepard representing different levels of ripeness. This information is pivotal for all sectors in the Supply Chain because how the fruit must be handled to maintain quality is directly related to its level of ripeness. The roll out of the other 3 pieces of collateral (aimed at each of the 3 loosely grouped post harvest supply chain sectors) will depend on the format of the material. This will be determined in consultation with an instructional designer who was employed at the project's inception. All material will be available and distributed to relevant parties for the 2010 avocado season.

2.3.4 Resource Audit Web Database (AVo8025)

Another of the outputs from the Supply Chain Mapping and Resource Audit project (AVo6026) was the development of 2 databases, one detailing all avocado production, handling and marketing resource materials that are available in a hard copy including references and locations and the other detailing all local and international journal articles including their references. These databases have now been linked to the Avocados Australia website and there is a search facility which allows all members of industry to access those references. This is an important tool for ensuring access to all necessary material in all aspects of pre and post harvest avocado production and it will be very useful in maintaining a Quality Management System in the future..

2.3.5 Avocado quality monitoring via library tray (AVo8022)

Plant and Food Research (formerly Hort Research) were contracted to conduct a literature review into Library Tray systems used in both avocado and other industries throughout the world with a view to the Australian Avocado Industry using some sort of library tray system in the future as a quality monitoring tool for a potential Quality Management System. This project has provided useful information specifically in terms of the library tray framework used in New Zealand and its potential application (in part at least) in Australia.

2.3.6 Development of best practice guidelines for avocado ripening (AVo8018)

This project has a voluntary contribution attached to it as well as levy funds. Although not due to finish until the end of 2010 the project team have already made significant discoveries with regards to different ripening and storage practices and the subsequent affect on quality. Some of the future results of this project will be used in the development of education materials (where appropriate and in keeping with the confidentiality agreement between HAL and the external company providing the voluntary contribution). These best practice guidelines will also form a part of the quality management system.

Although all tools necessary for maintenance of the Quality Management System are not yet complete this is in keeping with the stepped approach being taken in the implementation of the System.

3 Scoping study for avocado quality standard/accreditation system.

A literature review of quality standards in place around the world in avocados and other relevant industries was conducted to provide a reference guide in the development of an Australian System.

Quality specifications that are currently adhered to by Australian avocado growers were also included in the literature review.

The information from the literature review was combined with the results from the supply chain project to develop a framework for the implementation of a future quality management system.

There are a number of sets of standards and specifications that are currently relevant to the avocado industry both internationally and domestically. Copies of each of the standards (listed below) are available from Avocados Australia:

- Codex standard for avocado - Codex Stan 197-1995, AMD. 1-2005
- United Nations Economic Commission for Europe Avocado Standards
- Woolworths quality specifications for Hass avocados
- Coles quality specifications for Hass avocados
- Fresh Specs – wholesaler quality specification for Hass avocados
- United States Standards for Grades of Florida Avocados Australia
- Chilean Maturity Control system
- New Zealand Export Quality Standards for Hass Avocados

The above standards are relevant in terms of specifications required in different markets and provide good benchmarks for the level of quality required at an international level. None of these standards however describe a quality management system which specifically addresses a small number of key quality attributes and provides a specific guarantee of quality to the consumer with regard to those attributes. The Standard Program that was implemented by the Queensland table grape group “Grape Connect” to monitor and control grape maturity provides an example of a successful structure which illustrates how a Quality Management system could operate, at least in part and in relation to maturity.

Based on all that has been learnt from the supply chain suite of projects and from investigating other systems and specifications implemented in Australia and overseas it is envisaged that the Australian Avocado Quality Management System will be based on a system of accreditations for members of the supply chain. The aim of the system will be to guarantee consumers that a piece of fruit bought under the system will be mature (at least 23% DM), be ripe for tonight or tomorrow and no more than 10% of the flesh will have any type of damage.

Where to from Here?

Over the life of this project the results from the three integrated components have come together to create a very clear path forward in terms of maintaining and further developing crop flow data systems from the orchard right through to the retail floor and in making clear improvements in the quality of fruit received by consumers.

Throughout the project it has become apparent that the most effective means of implementing new systems and technologies is to take an incremental approach, expanding systems as stakeholders develop a thirst for more information or more system functionality. This approach has been very successful with the implementation of Infocado and it has also been successful in the progression of the supply chain improvement program. At the initiation of this overall project it was hoped that a complete Quality Management System could be launched soon after the completion of the project however based on the results from the supply chain improvement project it has been agreed that a more effective method is to embed the system over time into each relevant sector of the supply chain.

All the necessary tools have now been or are in the process of being developed for the measured implementation of a Quality

Management System. A scoping study identifying all relevant specifications and quality management systems around the world has provided information in terms of where our proposed quality targets sit in comparison with the quality levels required around the world. The proposed QMS would be based on the three key quality parameters that have been identified through the supply chain suite of projects i.e. Maturity (23%), internal damage (no more than 10%) and providing a level of ripeness of medium to soft ripe. The standards program implemented by the “Grape Connect” group to enforce a minimum maturity standard has provided some useful insights into how a quality management system might operate when enforcing a small number of key quality parameters.

The next steps in the process will be the setting up of an accreditation system for specific supply chain partners, development of a library tray system for monitoring quality along the chain and the completion of the supply chain education materials and ripening manual to provide tools to assist supply chain partners in maintaining the required level of quality for their accreditation.

Acknowledgements

The success of this project is completely reliant on the service providers who have conducted the research and activities which have come together to produce meaningful results and recommendations to move the industry forward in terms of fruit quality and industry viability and profitability. Those service providers are:

- Queensland Primary Industries & Fisheries (QPIF)
- Plant and Food Research (formerly Hort Research) NZ
- P2P Business Solutions
- Produce Pathways
- Food Circus
- Applied Horticulture Research (AHR)
- Graeme Forsythe & Associates (GFA)
- My Workspace

This project was funded through the use of Australian avocado grower levies that were matched by the Australian Government through HAL.

A full copy of this report is available through the login section of the Avocados Australia website www.avocado.org.au



National avocado industry awards service and excellence

The Chair of Avocados Australia, Mr Henry Kwaczynski during the recent Australian-New Zealand Avocado Growers Conference had great pleasure in awarding on behalf of all members of Avocados Australia “Life Membership of Avocados Australia” to Mr Rod Dalton and Mr Ron Simpson.

At the same time Mr Kwaczynski awarded Mr Gary Poole, Mr Robert Gray and Mr Wayne Franceschi the Australian industry, the “Avocados Australia Order of Merit”.

The five award recipients have worked in various roles for the betterment of their local industry and the national avocado industry for over 30 years and they continue to do so.

Mr Rod Dalton

- Life Membership of Avocados Australia

The Australian Avocado industry has awarded the “Avocados Australia Life Membership” to Rod Dalton for an outstanding and exceptional contribution to the development of the industry in Australia.

Life Membership is the highest award possible for service to the avocado industry

Rod was president of Australian Avocado Growers’ Federation (AAGF) then Australian Avocados from 1995, until his resignation in September 2006. He had been a Board member of AAGF from 1991.

Rod had a vision for the avocado industry – he was determined to transform the peak body into a viable organisation. He saw that the time was right for the industry to move forward and to securely position itself at the head of the queue in the ever changing horticulture industry.

At the core of moving the industry forward, Rod successfully led the transformation of its peak body - from the original federation (AAGF) to a company structure that is the current Avocados Australia. He has repositioned the organisation and set it on a path forward. Under Rod’s leadership, Avocados Australia has become a body well positioned to successfully deal with both government and commercial entities.

Rod had such an amazing grasp of our industry – whether he was liaising with growers and talking about the challenges of weather or phytophthora, or dealing with politicians determinedly seeking their support and understanding. Rod’s influence has spread in all directions and he guided and led many significant changes in the avocado industry.

Rod managed to pull the industry together. He made significant progress with levies and promotion campaigns – clearly visible in the current multi-million dollar campaign which is making its mark in so many directions.

During Rod’s tenure with Avocados Australia, strong links were forged with New Zealand. Australia and New Zealand now have a

much better understanding of each other’s industries, issues and challenges.

He worked tirelessly and often unrecompensed, and was always ready to expend time, energy and passion – and we have all reaped the benefits.

Mr Ron Simpson

- Life Membership of Avocados Australia

The Australian Avocado industry has awarded the “Avocados Australia Life Membership” to Ron Simpson for an outstanding and exceptional contribution to the development of the industry in Australia.

The teenage Ron Simpson, growing tomatoes on a quarter acre plot, may not have imagined the significant long term influence he would have on the avocado industry.

Ron has been a major grower of a range of crops, particularly tomatoes, mangoes, sugar cane, rock melons – and finally moving into avocados, with major plantings at his properties in the Bundaberg region.

In the early 80’s, when Ron first decided to diversify into avocados, he approached this new venture with considerable research into growing, harvesting, packing and marketing.

Ron’s vision included the realization of the huge importance of research and crop trials. In the early years, when there was no horticulture research station, Ron’s farm was often used for research work at no cost. His commitment to research became a fundamental part of his farming philosophy and Simpson farms are still used for research projects today.

In 1998, Ron was the first Australian avocado grower to supply the New Zealand market through a joint venture involving a New Zealand grower based marketing group. This initiative led to a partnership with QDPI, resulting in the development of cold disinfestation protocols for avocado export to New Zealand - an important building block for future bio security protocol requirements.

Realising the pivotal importance of marketing, Ron was an enthusiastic member of the AAGF/AAL Marketing Sub Committee for 10 years.

Ron has held a range of positions in a number of horticulture bodies, on a regional and national scale. These include Bundaberg Fruit and Vegetable Growers, Queensland Fruit and Vegetable Growers, AAGF, then the Avocados Australia Board.



Mr Gary Poole - Avocados Australia Order of Merit

The "Avocados Australia Order of Merit" has been awarded to Gary Poole for valuable and significant contribution to the avocado industry.

Gary has, for the last 20 years, been involved in the fruit and vegetable industry, and has built a strong wholesale business with a specific focus on avocados. He has played a significant role in our industry, working towards the development of more effective marketing strategies and actively encouraging producers and marketers to move to a coordinated, industry approach to marketing.

Gary has always put 110% effort into everything he has undertaken. He was an active and enthusiastic member of the AAGF Marketing Forum for ten years until 2005 and has always been very involved in avocado conferences. He wholeheartedly contributed to industry discussions and always worked towards collaborative outcomes. Gary played a mentoring role for both growers and marketing groups, and engaged very positively with people right across the industry.

Mr Robert Gray - Avocados Australia Order of Merit

The "Avocados Australia Order of Merit" has been awarded to Robert Gray for valuable and significant contribution to the avocado industry.

In 1992, a number of growers on the Atherton Tableland formed a group to improve the marketing of Shepard avocados. This early season green skin had been grown for a number of years and, despite some limited marketing success, it suffered in competition with NZ Hass and sales were unreliable.

The Harvest Company was selected as the preferred marketer for this variety and a young graduate Robert Gray was appointed to lead the Harvest team in exploring the market, securing the interest of major retailers and developing a seasonal marketing program. Robert worked with the grower group to ensure that crop volume, quality and reliability of supply would meet expected demand. He created strong and enduring partnerships between grower, wholesaler and retailer.

Results were quickly evident and in 1993, the Harvest team and the Shepard group received the prestigious Marketing Excellence Award from the US publication "Produce Business". A further indicator of success was the establishment in 1995 of the Food Quality Program, initiated by Queensland DPI, the Harvest Company, the Shepherd growers group and Commonwealth Department of Industry Science & Technology, and supported by Woolworths.

Backed by his enthusiastic Harvest team, Robert has converted a

little known avocado variety into a well known and reliable green skin, now grown widely in the warmer growing areas.

Robert's vision, including the creation of a network of growers, marketers, retailers and consumers, showed a clear understanding of the importance of a coordinated and reliable supply chain.

Robert has been the single, most effective promoter of the Shepherd variety to major retailers, wholesalers and growers for the past 17 years, and his work continues.

Mr Wayne Franceschi - Avocados Australia Order of Merit

The "Avocados Australia Order of Merit" has been awarded to Wayne Franceschi for valuable and significant contribution to the avocado industry.

Wayne's involvement in the world of avocados started in 1987, when he established an orchard in the south western corner of Western Australia.

He has always been actively involved with research and development projects, working and liaising with project researchers, to provide valuable data, particularly relating to the South West of WA. He has hosted many field days and workshops to help increase grower knowledge and standards.

Wayne has held many positions in the horticulture industry:

- Committee member of the Avocado Growers Association of Western Australia (AGAWA) and Chairman of AGAWA 1996 – 2001 and 2008 – 2009
- Committee for the Agricultural Produce Commission (Avocado category) from 1995 to the present day
- Board member of AAGF/ then Avocados Australia for 9 years from 1996 to 2005

Wayne approaches everything he does with a high standard of ethics and integrity. He is always willing to share his experience and knowledge with others and over years has assisted many new growers to set up and establish their orchards. He has played a major part in the development and growth of the avocado industry in Western Australia and significantly contributed to the Australian industry during his years on the Avocados Australia Board.



Awards of Merit and Life Members

It is the Avocados Australia's policy to recognise growers and persons associated with the industry

"Avocados Australia Life Membership" is for an outstanding and exceptional contribution to the development of the industry in Australia.

"Avocados Australia Order of Merit" has is for valuable and significant contribution to the avocado industry.

To date the following Awards have been given:



Avocados Australia (AAGF) Order of Merit

- 1983 Jim Wilson.
- 1986 John Anderson, Keith Anderson, Pat Chambers, Alex Kidd, Sam McLean, Matt Walsh.
- 1988 Ken Pegg, Tony Whiley, Don Alexander.
- 1990 Don Lavers, Peter Molenaar (Snr), John Dexter.
- 1992 Peter Young.
- 1995 David Duncan, Scott Ledger.
- 1997 Orf Bartrop
- 2001 Ross Richards
- 2005 George Green, Graham Anderson, Mary Ravenello.

Avocados Australia Life Members

- 2005 Don Lavers, David Duncan

You're much more than avocado growers to us ..



At **Natures Fruit Company** our growers:

- ★ Own the **Company** 100%
- ★ Benefit from the prosperity of the **Company**
- ★ Have their voice on the running of the **Company**
- ★ Help determine the future direction of the **Company**



That's why our avocado growers are not just growers

.. isn't it time you came on board ?



HEAD OFFICE
242a Coonowrin Rd
Glass House Mountains QLD 4518

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www.naturesfruit.com.au
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FAX/PHONE
Fax: (07) 5493 0911
Phone: (07) 5496 9922

New Avocado Websites Launch

Consumers and Industry: *www.avocado.org.au*

An important component of our promotion and communications strategy is the delivery of information and recipes through our websites. The industry has had a website for number of years. Both the Consumer and Industry sites have been upgraded. Have a look and tell us what you think *www.avocado.org.au* The consumer site has been designed for broadband access which is the access the vast majority of consumer website users will have when at work and searching for recipe ideas and information.

There are currently four sections to the total website mix:

- Consumers
- Industry
- Media
- Supply Chain

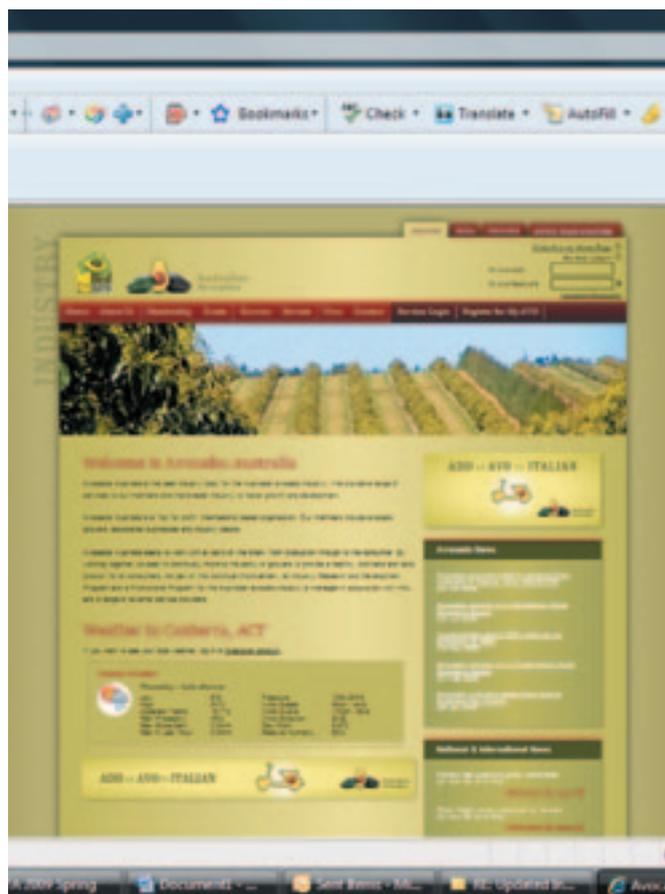
Consumers

The consumer section continues to offer key information and recipe and usage ideas to consumers, talk to experts, videos on preparing meals, kids meals and activities.



Industry

The Industry section now includes, a personalisation options for your local weather and news along with two new databases of materials and research for easy access.



Making avocado information more accessible

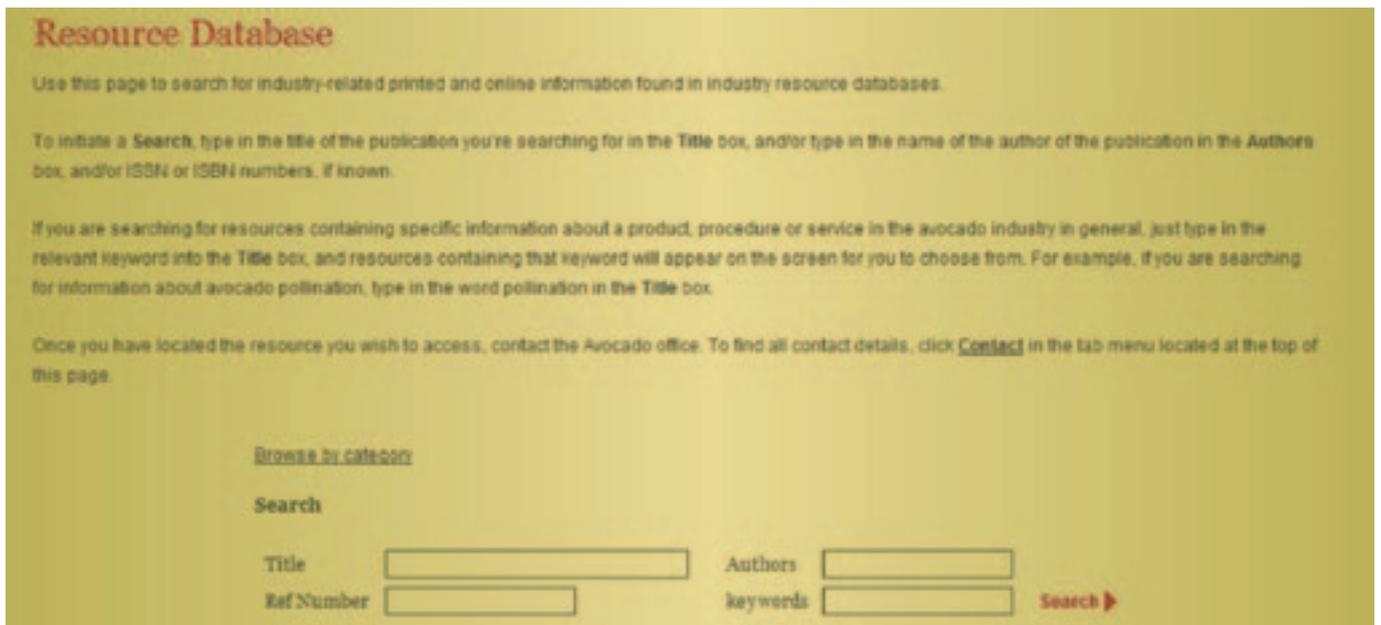
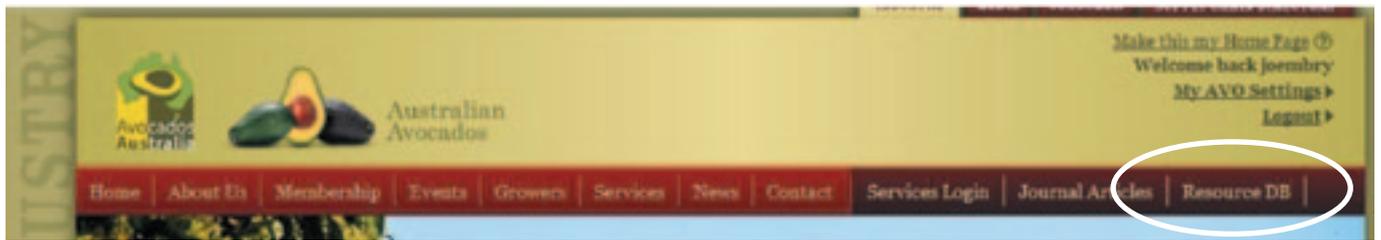
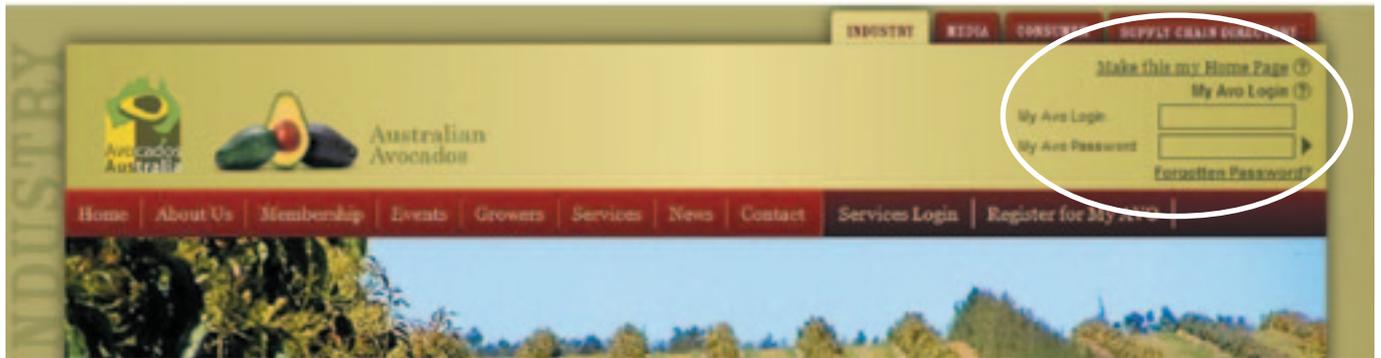
The first phase of the Supply Chain improvement program is now coming to an end.

Over the life of this project the results have, in partnership with other projects (managed by Avocados Australia and other service providers) provided the information and tools which will greatly assist industry in making clear improvements in both the quality of fruit received by consumers and the efficiency of the supply chain in general.

The project has produced an array of tools which are hugely beneficial to the industry.

One of those tools includes the web based database which now houses references and locations of all avocado resource materials including research, communication and education materials. This database has been made available on the Avocados Australia website. Go to *www.avocado.org.au*, click on the "Industry" tab

New Avocado Websites Launch: Consumers and Industry: www.avocado.org.au - continued



at the top of the page and then register for My AVO. If you already have a username and password from Avocados Australia you should be able to use this to login without registering again. Once you are registered click on the “Resources DB” tab in the top right hand corner of your screen. If you have any problems contact the Avocados Australia office.

Media

The media section allows easy and quick access to photos, videos, recipes and industry logos. It is a huge library of material for industry and media to access and use to promote avocados.

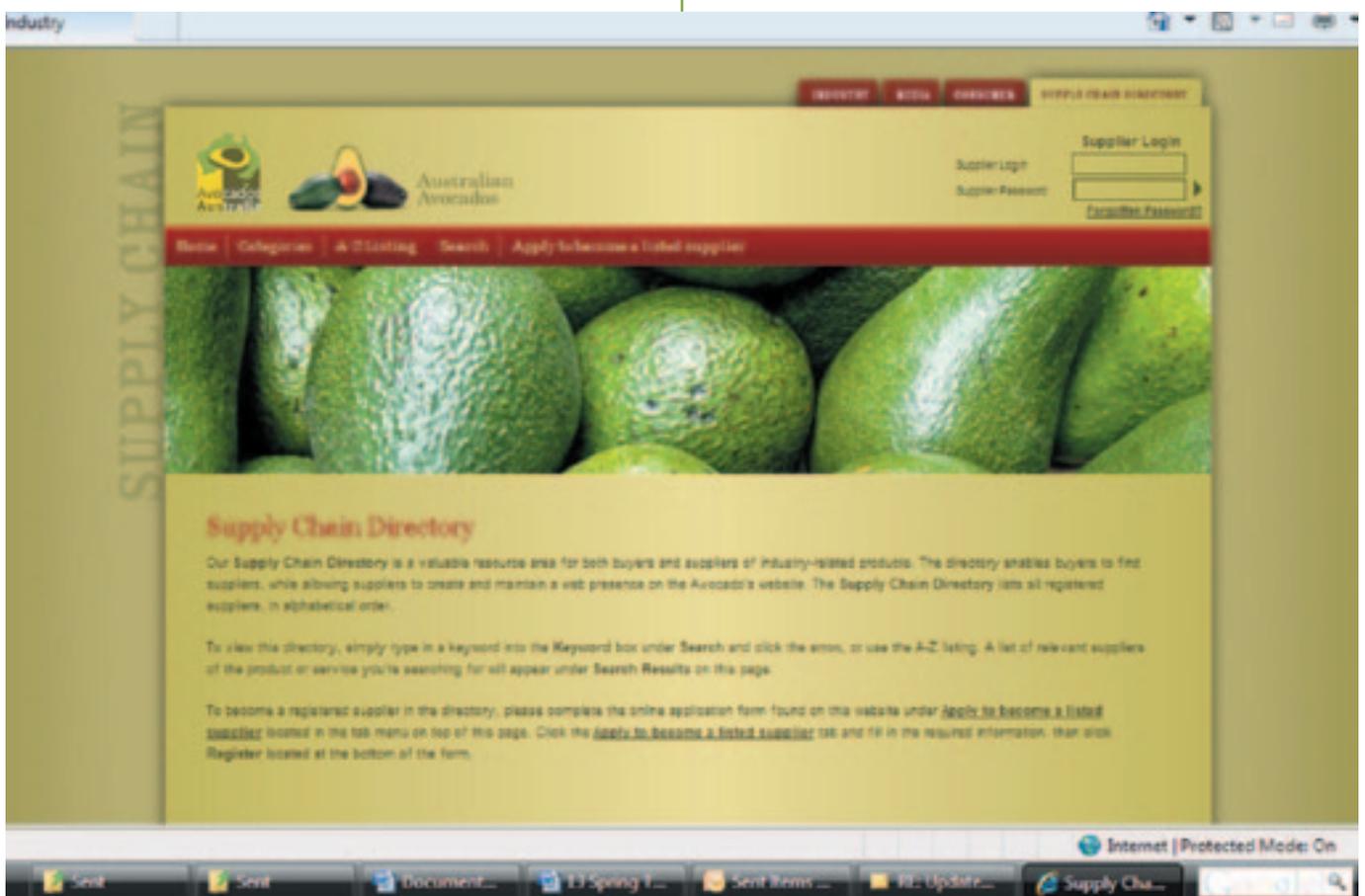
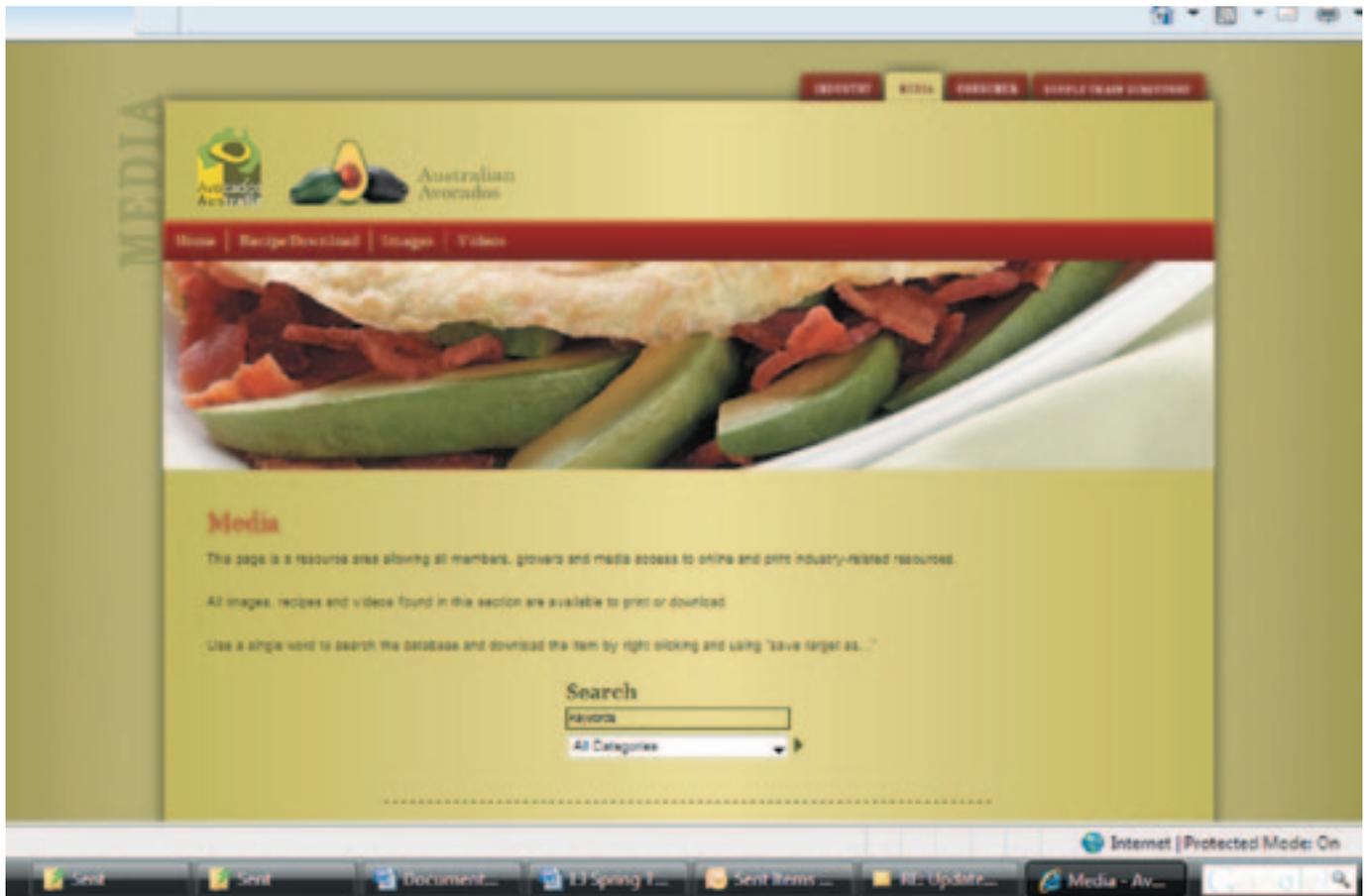
Supply Chain Directory

Our Supply Chain Directory section is a valuable resource area

for both buyers and suppliers of industry-related products. The directory enables buyers to find suppliers, while allowing suppliers to create and maintain a web presence on the Avocados Australia website. The Supply Chain Directory lists all registered suppliers, in alphabetical order.

To view this directory, you simply type in a keyword into the Keyword box under Search and click the arrow, or use the A-Z listing. A list of relevant suppliers of the product or service you’re searching for will appear under Search Results on this page.

To become a registered supplier in the directory, please complete the online application form found on this website under Apply to become a listed supplier located in the tab menu on top of this page. Click the Apply to become a listed supplier tab and fill in the required information, then click Register located at the bottom of the form.



Avocado co-op promotion program report

Sunfresh Export Co-op in Thailand (Export Co-op Promotions) AVO8514

Avocado co-op export promotions are undertaken in partnership with commercial avocado exporters, funding is jointly provided by the commercial partner and the industry marketing levy program. The application process is competitive. The next round for 2009-10 co-operative applications will be sort in November and December 2009.

Sunfresh Export Co-op has been exporting avocados to Thailand since 2005. In this time trade has increased from 220 trays every two to three weeks in 2005 to 720 a week in 2009.

The relationship with the Choice Food began with education about how to handle sprung fruit through the cold chain and has now moved to Sunfresh Export shipping hard green fruit which the importer ripens in a Thailand-based ripening room. Choice Food also provided support and education to the key personnel in the chain stores in avocado handling.

This year's promotional campaign followed on from the highly successful 2007 and 2008 promotions which aimed to increase awareness and the demand of Australian Avocados among customers in Bangkok. It aimed to:

- continue to increase sales of Australian avocados in Thailand
- continue to increase awareness for the selection and eating of avocados
- educate consumers on the health benefits of avocados
- provide a market for smaller fruit which is in over-supply on the Australian market
- develop new recipes using Thai ingredients with avocados
- ensure Australian avocados are promoted and supported offering a year round supply to consumers.
- Support through training, market evaluation, economic assessment to remove impediments to business growth.
- Monitor fruit quality and performance of supply chain partners and assist in implementing improved processes and practices.

The two previous promotions featured in-store sampling and a recipe leaflet. The 2008 promotion featured a prominent celebrity chef on a cooking program demonstrating how to select, prepare and eat avocados.

In 2009 the promotion was planned and managed by Choice Foods Thailand, Thailand's major importer of Australian avocados. Avocados originating in countries other than Australia amount to no more than 10 per cent of Thailand's total import volumes.

In-store demonstrations of selecting, cutting and tasting of Australian avocados were undertaken at a number of retail

outlets which include:

- Foodland Supermarkets
- Tops Supermarkets
- Carrefour
- Paragon Supermarket
- Big C Supermarket
- Central Food Hall
- Emporium Department Store
- Food services business

Sales figures show that on average sales doubled in each retail outlet that promotions took place.

Subsequently there has been an ongoing increase in sales of 25 per cent from the base average monthly figures measured before the promotion started.

During the 2009 campaign consumers appeared to be more educated and aware of the uses of avocados and choosing ripe fruit.

A majority of the supermarkets launched the promotion on 1 July, with three outlets commencing a week later.

Tops Supermarkets delayed its promotion until the third week of July and extended the promotion to include "A Taste of Australia" promoting Australian avocados and Australian strawberries.

Sunfresh Marketing and Choice Foods have taken a major step forward in sending a 40-foot container of avocados and maintaining the integrity of the fruit through the whole supply chain.

The last of the fruit from the container was received when 50 days old and only small losses were incurred.

The price of avocados was reduced to an affordable price at retail level and this proved to be a key factor influencing first time purchases.

The conclusion can be drawn that the key to gaining acceptance in the Thai market is price point. Additionally the health benefits of eating Australian avocados have been emphasised both by product consultants and through printed leaflets and handouts.

The successful outcomes from the 2009 promotions included:

Increased awareness of Australian avocados and their health benefits

The marketing materials used as part of the domestic campaign such as posters and recipe leaflets were used to promote the health benefits of avocados. These were reprinted in Thailand in both Thai and English and displayed in each retail outlet participating in the promotion.

The leaflet provided recipes with various uses of avocados as well as how to choose and handle avocados. The product consultants in each store spent time explaining the health benefits to consumers.

Increased consumption of Australian avocados in Thailand

Regular shipments are now being sent to Thailand as consumption has increased dramatically with 2009 volumes significantly better than 2008.

Increased awareness of the different uses of avocados

Different ways of using avocados, including baby food, were promoted through newspaper and retail brochure advertising. The opportunity to taste freshly cut avocado was a new experience for many shoppers.

Removal of some of the over-supply of small fruit from the domestic market

This was achieved successfully by taking 3,000 trays of size 28 count fruit off the market floors and sending them to Thailand. During the period of packing the container at the end of May, Sunfresh was able to achieve better farm gate prices for the export container of fruit than would have been achieved by placing this fruit on domestic market floors. The removal of this fruit from the domestic markets also assisted domestic prices to stabilise in the weeks following.

Increased awareness of the importance of the cool chain with supply chain partners

Sunfresh placed temperature loggers in loads leaving Brisbane for Bangkok and the data was then analysed on the loggers' return. This information was then relayed to all cool chain partners.

Once the container was unloaded, handling advice was given to supply chain partners to ensure that the cold chain was not broken during the repositioning of the pallets into static refrigeration. Fruit was then taken out of refrigeration as required for orders, sprung and transported to supermarkets in refrigerated vehicles. The supermarkets managed the fruit well by placing the sprung fruit onto refrigerated shelves for sale.

Increased awareness and knowledge handling of avocados to maintain pristine quality through the supply chain to the consumer

Choice Foods offer a personalised service with the appointment of a sales person who inspects fruit on supermarket shelves to ensure the fruit is in a pristine condition at all times. This sales person consults with fresh produce managers of each retail outlet offering advice and support on any quality issues they may have.

Product handling posters have been developed and printed for

display in each location to assist staff with education on handling avocados through to the consumer.

Increased buyer trends toward Australian avocados

In Thailand, Australia is perceived as 'clean and green'. When questions were asked about the flavour of Australian avocado compared with other countries, consumers said that the fruit was richer in flavour. As Choice Foods continues to offer Thai consumers what they want through the 'ripe for tonight service' the general increasing sales trend is expected to continue.

Monitor consumer behaviour and satisfaction levels with their purchasing of avocados

As previously discussed, there is a general increase in sales of Australian avocados and informal surveys of consumers in supermarkets reveal a high level of satisfaction with their purchases.

Price has an impact of the purchase of avocados as they are normally seen to be a high priced product in Thailand.

2009 Promotion Details

Initially the 2009 promotion was planned for the month of June however, due to ongoing political unrest and a downturn in sales and tourism a decision was taken (with appropriate approvals) to postpone the promotion until July 2009.

Sunfresh representatives arrived in Bangkok on 12th July 2009 and met with Choice Foods Director and staff on 13th July to discuss the implementation of promotional strategies. For the next four days, stores were visited and promotions assessed in each store.



Foodland Supermarket display of avocado tasting

In-store promotion

In each location a product consultant was engaged to conduct tasting sessions of fresh avocados and hand out recipe leaflets which helped in showing consumers how to use avocados. The product consultants were also trained to provide assistance to

Avocado co-op promotion program report - continued

customers regarding how to choose avocados.

In each location the sprung avocados were displayed in varying ways - some in the tray and others in socks on a refrigerated shelf. A poster produced for use in domestic marketing campaigns was also displayed near the fruit.

The Product Consultant wore a green apron displaying the Sunfresh logo and the Heart Foundation "heart tick".



Product Consultant and display in Carrefour

Fruit Handling and Ripening

Fruit was packed by growers and transported to Brisbane for the 40 foot container to be loaded. With the assistance of the Queensland Department of Employment, Economic Development and Employment, data loggers were placed in various pallets in the container to monitor the temperature during the voyage. The container was loaded on 4 June in Brisbane and the ship sailed on 7 June. The container was unloaded at Laem Chabang port Bangkok on 29 June and was delivered to Choice Foods early on 1 July.

The first removal of pallets occurred on Saturday 4 July. Some pallets were placed in the ripening room at 18.5°C. An external assessment of skin colour and firmness was conducted prior to moving the fruit to the ripening room. Out-turn assessments showed skin colour and firmness were reasonably uniform within the packages at out-turn. All samples had skin colour of 100 per cent green and a firmness of hard.

Once the fruit was placed in the warmer temperature of 18.5°C, all fruit coloured quickly. In three to six days, 75 per cent to 100 per cent were softening to firm ripe. The internal quality of the fruit was assessed and was excellent at out-turn. There were very minor incidences of body and stem rots, with no bruising and no diffuse discolouration.

Choice Foods have educated retail fresh produce buyers about purchasing sprung fruit. Through interactions with consumers during retail promotions, it has been found that customers are looking for fruit that is either ripe for consumption that same night or for eating in one or two days. The product handling

posters developed have been given to each fresh produce buyer for display so that all staff has increased awareness of handling avocados.



Delroy Orchards Co-Op Promotions (Domestic Promotions) AV08506

Avocado co-op export promotions are undertaken in partnership with commercial avocado businesses and marketers, funding is jointly provided by the commercial partner and the industry marketing levy program. The domestic co-op program targets niche opportunities that are able to test or develop new areas of the market. The application process is competitive. The next round for 2009-10 co-operative applications will be sort in November and December 2009.

In March 2008 a successful application for Delroy Orchards was approved, Delroy Orchards elected to promote the message 'Australian-grown avocados could be purchased year round' to Victorian consumers.

The aim of this campaign was to:

- increase sales of Australian avocados at Woolworths' Victorian stores.
- Increase Victorian consumer and media awareness of the availability of Australian avocados in summer, thereby increasing sales at all outlets

During the summer of 2008/09, Delroy Orchards supplied Woolworths Victoria with Australian-grown avocados at a time when the retailer traditionally sells New Zealand-grown avocados.

Vikki Leng Enterprises (VLE) provided marketing and promotional support for the campaign in Victoria.

This activity exceeded Delroy Orchard's expectations as they sold more trays of avocados than what was anticipated. The volume

that was sold into the terminal markets in Victoria was roughly double that of the 2006/2007 season.

The biggest and most regular media exposure resulted from radio advertising, add-ons of an entire Magic Weekend of advertising in return for fresh avocado prize packs. In addition, editorial coverage was secured in popular daily and weekend newspapers with a very high circulation rate.

The target audiences were Victorian consumers and Victorian media. The promotion ran in three stages with stage one being from August to September 2008. This stage involved strategic planning, devising creative elements and doing a budget forecast. Stage two from October to November 2008 involved media relations, radio advertising and costing. Stage three ran from December 2008 to February 2009 and involved implementing the campaign.

ACTIVITIES

Stage One: August - September 2008

Strategic Planning, Creative Elements, Budget Forecast. VLE:

- Determined the most appropriate and supportive Victorian media network.
- Gauged the best spend for our radio advertising dollar with leading Melbourne radio station 3AW.
- Gauged the most likely print and radio editorial coverage – Herald Sun Newspaper and Radio Magic 1278.
- Created a consistent print and graphic message to be used in all communication.
- Identified creative elements required and developed communication materials including a captivating media release (See Attachments 1, 2 & 3)
- Confirmed radio advertising schedule and negotiated the best spend and add-ons.

Rationale for selecting Radio - 3AW was:

- Average Audience of 93,000
- 58 per cent 3AW audience are grocery buyers
- 3AW listeners are 26 per cent more likely than the Melbourne population to never change station when the commercials come on.
- 3AW listeners are 40 per cent more likely than the population to talk about what they hear on radio.

3AW Radio Advertising Script:

Support Aussie farmers - Grab an Aussie avo today!

Aussie avocados are absolutely delicious and so good for you too.

This summer, add an Aussie avo to salads, smoothies & wraps –

The kids will love them too!

Aussie avos – Available at Safeway NOW!

Duration of Each Advertisement was:

15 seconds

Frequency:

50 x 15 second recorded commercials on:

Friday morning with Neil Mitchell (8.30 am – 12 noon)

Friday Drive Time with Derryn Hinch (4.00 – 8.00 pm)

Add Ons:

140 x 15 second recorded Best Time Available (BTA) commercials (between 5.30 pm and 12 midnight on Friday, Saturday and Sundays) at no charge.

Magic Weekend:

VLE negotiated a weekend of Aussie avocado advertising with Magic 1278, sister station of 3AW. In return for 30 trays of avocados provided by Delroy Orchards and a gift item, Magic 1278 presenters discussed Aussie avocados all weekend on Saturday 3 and Sunday 4 January. The industry consumer website address (www.avocado.org.au) was announced regularly throughout the weekend

Stage Two - October - November 2008

Media Relations - VLE:

- Communicated with media personally to extend the message as far as possible via sister publications and e-news
- Pinned down radio advertising schedule and add-ons
- Distributed avocado gift packs and media releases to achieve maximum editorial coverage (See Attachment 5 – Media List)
- Included extra tips labels e.g. Eat When Ripe (See Attachment 9)

Stage 3: December 2008 - February 2009

Implementation of Campaign - VLE:

- Provided quick response to media/promotions opportunities as they arose
- Ensured maximum editorial exposure to coincide with peak campaign period
- Secured any opportunistic advertising offers including on air activities
- Prompted on air exposure with PR Aussie Avo packs
- Ran advertising campaign
- Responded to direction and requests from Delroy Orchards as required

News from Around the World

Philippines avocado cultivation gaining ground

Commercial avocado cultivation has gained ground in South Cotabato, with 80 hectares already planted to an early maturing variety bound for export, local Bureau of Agricultural Statistics (BAS) officials said on Tuesday.

Aurelio A. Banggayong, Jr., BAS South Cotabato chief, said that Standard Philippines Fruit Corp. (Stanfilco), a subsidiary of Dole Philippines, Inc. (Dolefil), embarked on a contract growing program with upland farmers in Polomolok and Tupi towns for avocado propagation.

“Upland farmers have started planting the avocados. The initial target is 300 hectares with room for expansion,” he said.

The variety of avocado (Persia Americana) pushed by Stanfilco can bear fruit three years after planting, Mr. Banggayong said.

A source from Dolefil, a multinational company based in Polomolok town, confirmed the venture but did not provide additional details. Mr. Banggayong said that Stanfilco, whose major business is Cavendish banana growing, will buy and market the avocados in Japan. Source: Business World

Mexican fruit flies found in Azusa, CA, USA

Four Mexican fruit flies have been found in the area this month and authorities are launching a campaign to combat the pest, which threatens California’s \$32 billion produce industry, officials said Tuesday.

All four of the flies, including one mated female, were found in Azusa, Los Angeles County Agricultural Commissioner spokesman Ken Pellman said. “A mated female is a big problem, because that indicated there’s a breeding population,” Pellman said. If the flies were to catch a foothold in California, it would have significant effects on the state’s agricultural industry, Pellman said. “It would be costly, and there would be more pesticide use,” he said.

The find triggered a response from agricultural officials, who have announced a quarantine of produce in and out of the Azusa area, as well as planned releases of hundreds of thousands of sterile Mexican fruit flies to disrupt breeding, Pellman said.

Organic pesticides will be used at the sites where the flies were found, and fruit will be stripped from trees within 100 meters, Pellman said. “So far we haven’t found larvae,” he said, which is a positive sign.

Three flies, including the mated female, were found Dec. 8 and Dec. 12 in traps in the area of 1st Street and Vernon Avenue, Pellman said. Another fly was found Dec. 3 in a trap near Lemon Avenue, just north of 5th Street, he said. Any time more than one fly is found in an area, county officials and the California Department of Food and Agriculture responds, Pellman said. A single fly was found in Alhambra in November, but a response was not triggered.

According to a report issued earlier this year by the U.S. Department of Agriculture, “The Mexican fruit fly (*Anastrepha ludens*) is a destructive pest of fruit. In the United States, the Mexican fruit fly attacks apples, apricots, avocados, grapefruit, mangos, nectarines, peaches, pears, plums, prunes, oranges, and tangerines, as well as other fruits.”

The quarantine of produce for Azusa and the immediately surrounding area will mainly effect only those in the agricultural industry, Pellman said. “We do ask people who do grow their own fruit to not take it out of the area, at least for the time being,” he added. Source: San Gabriel Valley Tribune

Red Door Interactive to grow California Avocado Commission’s online presence

The California Avocado Commission (CAC) has selected Red Door Interactive, a San Diego-based premier strategic Internet Presence Management firm, as its digital agency of record.

The strategic partnership will create streamlined communication programs to support the state’s growers, retailers and foodservice partners while also touting the benefits of California avocado consumption with consumers.

“Not only can we be a greater resource for our agricultural, trade and consumer audiences by leveraging the real-time capabilities of the Internet,” said Jan DeLyser, CAC’s vice president of marketing, “but enacting new and expanded online strategies now will put us in great position to efficiently support our stakeholders into the future.”

The Commission will partner with Red Door to incorporate an integrated marketing strategy in social media, online advertising and e-mail marketing alongside a business-oriented strategy that will increase interest in “Hand Grown in California” avocados.

“CAC is already active in the online space and engaged with their growers, their handlers and their beloved consumers.” said Lisa Schiavello, Executive Creative Director for Red Door. “We’re honored to help them extend and enhance a comprehensive Internet Presence strategy. Our intention is to ensure that every communication effort brings measurable returns to the Commission and its constituencies, while also educating people in CAC’s target markets that not every avocado is created equal.” Source: CAC

Agrexco begins Avocado’s export season in full swing.

Considering the fact that the Avocado is a new immigrant, not native to the Holy Land, one can say he really made it. Its presence nowadays is impressive with a planted area around 5500 Ha (13590 acres), out of which 500 Ha (1235 acres) are young plantations. As there is a consistent planting of 300-400 Ha per

year (plus technical improvement), 'general volume' is expected to grow up by 10-12% on a yearly basis. The frost that affected Avocado plantations all over Israel in 2008 and caused severe damage resulting in small volumes of crops, is by now a bad memory and expectations are for a crop of over 80,000 tons (50-55,000 for export, 25-30,000 for the domestic market).

Agrexco usually markets more than 70% of the Avocado crops. Its important role in the avocado market entitles the company to be a proud bearer of the "green flag outlining the Avocado's cultivation methods, procedures and standards.

It's green, it's green, it's green. Not only the skin colour but also and foremost, the cultivation process with Agrexco leading the green trend. The key word is Bio B, a chemical free treatment. In its country of origin, the Avocado is vulnerable to diseases and pests resulting from the hot and humid climate. Not so in Israel with its moderate climate. In the few and rare instances when it does suffer, it is treated with Bio B, thus assuring healthy "green" fruit for the consumer's benefit.

The advanced irrigation systems in the Avocado plantations are computerized so that each tree receives the exact amount of water and fertilizers it needs. In over 90% of the Avocado plantations irrigation is based on treated water, thus saving the scarce water resources and at the same time, protecting the water sources from

otherwise becoming polluted.

No spraying is necessary and corn is grown in between the tree lines only to be harvested at a later stage to become organic fertilizer. Branches are pruned, shredded and the tree mash is spread on the ground.

The growing awareness to health has placed the Avocado in the limelight and nowadays it stars in numerous recipes and for obvious reasons: Avocado is one of the healthiest fruits. In fact so healthy that nutrition specialists recommend eating half an Avocado a day.

Gabi Naamani, Avocado Product Manager in Agrexco, points out that Agrexco is the largest sole exporter, providing 25% of the demand in the 6 to 7 months considered high season. No wonder "Carmel" is nowadays synonymous with Avocado. Export season begins in October and ends in May with the Ettinger variety to be followed by Pinkerton, Fuerte, Ardith, Nabal, Reed and Hass, the latter comprising one third of the exported volume.

Agrexco runs more than 70% of the Israeli Avocado Export, and is aiming to distribute the avocado all over Europe as well as to far destinations like Singapore, Hong Kong and Thailand, placing special attention for the specific requirements of its clients, including the leading organizations and supermarket chains.
Source: Agrexco



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News from Around the World

Avocados from Mexico to heat up PMA

The Avocados from Mexico booth (#3228) is expected to sizzle at the Produce Marketing Association's (PMA) Fresh Summit Exposition when Rick Bayless, recent winner of Bravo's hit show Top Chef Masters, took to the stage to demonstrate his authentic cooking techniques.

An award-winning chef, restaurateur, cookbook author and television personality, Bayless has only increased in popularity since the Avocado Producers and Exporting Packers Association of Michoacán (APEAM) announced his partnership with Avocados from Mexico. Recently, he was named the first winner of Bravo's Top Chef Masters cooking show and Food & Wine named his cookbook "Mexican Everyday" as one of the top 25 cookbooks. On Saturday, PMA attendees at the Anaheim Convention Center will have the unique opportunity to watch Bayless in action as he prepares his Grilled Skirt Steak and Roasted Onion Guacamole Tacos and Bacon-and-Tomato Guacamole featuring fresh Avocados from Mexico.

"PMA provides Avocados from Mexico with the ideal backdrop to reach out to the trade and share the countless reasons why we continue to be the avocado category leader," said Emiliano Escobedo, APEAM Marketing Director. "In addition to partnering with Rick Bayless, we have stepped up our marketing efforts and plan to unveil our new advertising campaigns, retail promotions and merchandising support materials at our booth at PMA."

The Avocados from Mexico booth will have Business Development Managers on-site all weekend to show retailers new ways to promote and profit during the upcoming Fall and Winter season. Mexico is expected to ship over 700 million pounds of Avocados into the U.S. this season, with promotable volumes already being shipped. Prepared to set a new shipment record and continue as the avocado category leader, Avocados from Mexico is focusing on providing the trade with the additional promotional opportunities needed to support the increased volumes including getting retailers directly involved with upcoming Avocados from Mexico promotions. Source: APEAM

Chilean Avocado Importers Association launches integrated retail promotion that encourages customers to show their love

The Chilean Avocado Importers Association (CAIA) considers its supermarket retail partnerships as the cornerstone of its marketing efforts to successfully increase U.S.-based consumer demand and consumption of Hass Avocados from Chile.

As a result, the CAIA has created a national platform to reach consumers in a way that will be customized for the market area of each supermarket retail partner.

The Chilean Avocado Importers Association (CAIA) has launched

the Chilean Avocado Lovers Club, which serves as a virtual community for Chilean avocado lovers to network with each other via the club's Facebook fan page, follow a live stream of club updates via Twitter, and enter the club's "So Good, So Many Ways Random Drawing." Winners will receive \$250 in free groceries or an official soccer ball.

"We are very excited about this new consumer give-away – especially during an economic time when consumers can benefit from free groceries," said Maggie Bezart, marketing director of CAIA. "Winning \$250 in groceries can be equivalent to a week of meals for a small family. It is a way of showing our consumers we love them for loving our product."

Consumers have the opportunity to join the club and enter the drawing over a five-month time frame beginning today, Sept. 1, at 12:00 EST through 11:59 p.m. EST on Feb. 15, 2010. Participants may also enter the drawing by mailing in an entry form obtained from local grocery stores supporting the club by displaying promotional materials created by CAIA.

In each produce department of the participating supermarket chains, CAIA will inform consumers about the Chilean Avocado Lovers Club and random drawing through a brand-new, in-store avocados from Chile display unit with handy ripening bags for consumers' home use and a colourful sweepstakes entry pad.

Winners will be randomly selected and notified by telephone or email no later than March 15, 2010. Sixty lucky winners will each receive a \$250 supermarket gift card Grand Prize. Two hundred additional winners will each receive an official Chilean Avocado Importers Association/American Youth Soccer Organization (AYSO) Soccer Ball runner-up prize. Entries will be accepted online and via direct mail.

For more information about the Chilean Avocado Lovers Club or to enter the "So Good, So Many Ways Random Drawing," visit www.chileanavocadoloversclub.com. Source: CAIA

South Florida avocado crops at risk of laurel wilt disease

Hundreds of growers in South Dade are worried that little will be left of their crops now that a wave of disease-carrying bugs has made its way to South Florida and threatens to wipe out avocados everywhere.

If the fungus spreads quickly, it could destroy the state's lucrative avocado industry, which makes up an estimated 6,500 acres of production in Miami-Dade County, according to the Florida Department of Agriculture and Consumer Services.

Gone would be an industry worth \$12.7 million, according to a conservative estimate by state officials. Avocado growers contest that figure, valuing the crops closer to \$40 million.

All of it could be destroyed by laurel wilt disease, a fungus that

kills trees in the laurel family. A case of it was found in the county recently by scientists working with the University of Florida's Tropical Research and Education Center in Redland.

Included on the blacklist are redbay and avocado trees -- both susceptible to the fungus that infects the sapwood, restricts the flow of water and causes leaves to wilt.

The fungus is carried by the redbay ambrosia beetle, a tiny Asian insect that spreads the disease from its mouth. Federal and state agriculture experts have tracked its rapid movement south along Florida's east coast since 2005.

Trevor Smith, an entomologist with the state's agriculture department, is a member of the multiagency team attempting to halt the spread of the disease. They inspect fruit cargo, interstate shipments of wood and held public service announcements -- to no avail.

"It moved naturally," he said. "It got into the natural ecosystem and it worked its way south. There was nothing anyone could do to stop it."

Tree samples taken by researchers last week show that the disease-carrying insect is now present in the county, marking the first time laurel wilt has been found in an area of commercial

avocado-growing.

For growers in Redland and Homestead, the discovery is tragic.

Tree owners everywhere are urged to stop pruning, hedging and topping their avocado trees because the infected bugs can cling to mechanical equipment. That equipment should be disinfected and trees should be checked regularly, Ploetz warned.

State officials are urging county residents to not transport any avocado, sassafras, redbay, swamp bay, pondberry or pondspice trees unless they are purchased directly from a registered nursery.

Owners of those trees should also watch for leaves that change color from light green to dark green to brown, which is one sign of infection. Other signs include the appearance of small holes on the bark and dark streaks in the sapwood.

If a tree turns out to be infected, the only remedy is to burn it, a process that requires a permit from the county's department of environmental resources management.

However, residents who suspect that their trees may be infected are urged to first contact the state's Division of Plant Industry, which will take samples in order to further advise any worried commercial avocado growers. Source: Miami Herald

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*News from Around the World***Hass Avocado Board member organizations partner on integrated campaign for baseball play-offs**

The Hass Avocado Board (HAB), Mexican Hass Avocado Importers Association (MHAIA) and Chilean Avocado Importers Association (CAIA) are jointly preparing to launch a comprehensive, multi-discipline marketing campaign tied to the professional baseball 2009 play-off season that runs late September through late October. The campaign, called The Big Hit, is the first collaborative marketing effort among these avocado marketing boards, all of which are part of the HAB organization.

“The Big Hit is a best-in-class example of how multi-origin avocado marketing organizations can work together to promote the category as a whole,” commented Len Francis, chairman for HAB. “This program creatively aligns avocados with the excitement building around the professional baseball play-offs, while delivering benefit to in-season avocados in the marketplace.”

This joint campaign aims to increase avocado sales during the fall time frame, by promoting Hass avocados as a must-have ingredient for baseball play-off party menus and offering easy game day recipes to enjoy while watching America’s favorite pastime.

“The convergence of multi-origin Hass supply in fall months creates a terrific opportunity to promote Hass avocados to baseball fans,” said Mike Browne, chairman for MHAIA. “By channelling marketing resources, messaging and strategies into one cohesive campaign, we are determined to strengthen Hass avocado consumption.”

Once the initial plan for the program was solidified, HAB, CAIA and MHAIA decided to contribute to the campaign and work collaboratively.

“Fully integrated programs give us the capacity to reach consumers in all of our key markets,” said Jorge Covarrubias, chairman for CAIA. “Working together on a program tied to the professional baseball play-offs will allow us to leverage the excitement around the sporting event and promote Hass avocados to those consumers that are already planning to watch the games.”

The Big Hit campaign will be promoted via a national multi-million dollar partnership with a major cable sports network, featuring 30-second TV spots and sponsorship billboards, predicted to generate more than 147 million impressions. Also, a national sweepstakes will help promote the initiative, giving consumers the chance to win prizes such as a \$5,000 home entertainment package. To further enhance this exciting partnership, each



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association will support The Big Hit platform by conducting their own game day promotions.

About HAB

HAB was established in 2002 after approval by producers and importers of Hass avocados in a national referendum. A 12-member Board administers the program. Over 20,000 producers and 100 importers are involved in HAB, which covers fresh domestic and imported Hass avocados sold in the U.S. market.

About MHAIA

The Mexican Hass Avocados Importers Association (MHAIA) is headquartered in Maryland and was established in 2004 pursuant to the guidelines of the Hass Avocado Promotion, Research and Information Act. MHAIA is part of the federal promotion order for Hass avocados, and all of its activities and budgets fall under the oversight of the USDA. The association is comprised of importers, producers and exporters. Its objectives are to conduct market development activities and increase the overall consumption of Mexican Hass avocados in the U.S. Market.

About CAIA

The Chilean Avocado Importers Association is composed of Chilean avocado importers, exporters and producers. Headquartered in Washington, D.C., the Association's main objective is to conduct market development activities and promotions to increase the consumption of Chilean Hass avocados in the United States. Established in 2002, CAIA operates under the guidelines of the Hass Avocado Promotion, Research and Information Order. Source: HAB

Avocado volume in U.S. market could top previous record by 40 percent or more

Avocado marketers in the United States currently find themselves in a position that marketers in almost any other commodity would surely envy. An expected surge in volume of 40 percent or more in the marketplace above previous record levels would be a frightening thing for most.

But for the avocado trade, demand for the product is believed to have grown to such an extent that it will take every bit of that expected 1.4 billion pounds of fruit, and more, to satisfy consumer cravings for Hass avocados.

After jumping from 700 million pounds in 2005 to 1 billion pounds in 2006, annual avocado movement in the United States has held steady at around a billion pounds simply because there has not been more fruit available. But demand has continued to rise, and consequently, prices have been strong.

The situation could hardly have been described better than by Avi Crane, president of Prime Produce International LLC in Orange, CA,

Grower Member Application Form

Avocados Australia Limited

ACN 105 853 807

For Associate and Affiliate membership application forms please go to www.avocado.org.au or call 07 3846 6566

Member Details

Business name and/or trading name: _____

ABN: _____

Key contacts: _____

Preferred address (postal): _____

Address of property (if different): _____

Contact Details

Business phone: _____

Home phone: _____

Fax: _____

Mobile: _____

Email: _____

Corporate Structure

How would you describe the nature of your operations (please circle)?

- Individual Partnership Company Trust
- Lessee Cooperative Other (please specify) _____

Please indicate the area of property that you crop for avocados (please circle)

- 0.5 - 5 ha 6-19 ha 20-49 ha 50-99 ha
- 100-149 ha 150-199 ha 200-499 ha 500 ha+

Special Interests

Please tick your main areas of interest from any of the following:

- Consumer information Production management
- Environmental management/ sustainability Quality Assurance
- Organic farming systems Technology/innovations
- Water management Marketing
- Field days Supply chain management
- Pest management Key political issues
- Food safety Other (please specify) _____

Grower Member Application Form continued

Payment Options

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Please charge \$143.00 to my credit card. Details are listed below.

Credit card (please circle):

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Credit card number: _____

Name on credit card: _____

Expiry date: _____

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News from Around the World continued

who put it in an interview with The Produce News July 27. "In all my years in avocados," he said, "I would never have expected that 20 million pounds [per week] would be [considered] a shortage," and especially not during a recession. Yet that is exactly the situation the industry has experienced in recent months. "It's mind boggling," he said.

"In the mid-'80s, anything over 5 million pounds would have caused market dislocation," he continued. "Today, we are shipping 21 million pounds a week, and prices are the highest they have ever been in a July. It is pretty amazing. I would say that right now, it looks as if the demand for avocados is in excess of 28 million pounds a week."

Some people in the industry are talking about as much as 1.6 million pounds of avocados in the market over the next 12 months from all sources, according to Jose Luis Obregon, executive director of the Hass Avocado Board. But "I would say between 1.3 and 1.5" million pounds is "what is expected to be here and to move properly."

The industry is ready to handle that volume, he stated. Since 2006, "the industry has been preparing with infrastructure [and] ripening rooms in various parts of the country." There are also marketing programs in place, backed up by what will be a "record volume of marketing dollars being spent." With all of the promotional support that will be "behind this fruit," he said, "the industry should feel confident of being able to move this product. The demand is there," and there will be "enough supplies" available to do "continuous promotions."

There are also ample opportunities to continue building demand for increased volumes that are anticipated in future years, he said.

Mexico, which exported a record volume of Hass avocados to the United States during its 2008-09 season, expects an increase this year, projecting exports to the United States of 700 million pounds of fruit. Chile, which has been light the past two years, is coming on with a record crop and expects to export 310 million pounds of fruit to the United States. And California, which is just coming off its lightest crop in decades, expects a large crop for 2009 in the range of 350 million to 400 million pounds.

Prices have been high, but retailers and consumers need to "just be patient" a little longer," because "there are going to be a lot of avocados this fall and winter," said Bob Lucy, president of Del Rey Avocado Co. in Fallbrook, CA. "Once we get into September with very good volume, I think you'll see very, very promotable prices for the retailer" and attractive retail prices for the consumer, he said.

"We've seen a billion pounds" in the market "for each of the last three years," said Giovanni Cavaletto, vice president of operations for Index Fresh Inc. in Bloomington, CA. "In order to move a billion pounds a year, you have to move 20 million pounds a week. ... In 2006, the first time we ever did that, demand was much lower than it is now."

The demand, the infrastructure and the promotional support are all in place to handle the much larger volume that will be in the marketplace during the coming year, he said. Source: The Produce News

Kiwi avocado oil company in receivership

A holding company for New Zealand avocado oil company Olivado has gone into receivership. The holding company went into receivership yesterday, after shareholders had been unsuccessful in securing new finance to continue, Anthony McCullagh, from PKF Corporate Recovery & Insolvency, said. Olivado New Zealand Ltd, Olivado Kenya Ltd and Olivado USA Inc would continue trading as normal, he said.

The companies, which made and distributed cold-pressed extra virgin avocado oil, had been progressing well, despite unfavourable economic conditions, Mr McCullagh said.

“At this stage, it is business as usual. We just need to assess the group, and we can go from there,” he said. The lender, Hopetoun Holdings GmbH of Switzerland, was managed by Olivado chief executive Gary Hannam. Mr Hannam will continue running the company. Source: NZPA

Avocados from Mexico launches marketing campaign in Japan

This season APEAM has selected and contracted with Mik Planning and Yamano & Associates as its marketing agencies to execute our promotion campaign this fall.

The integrated communications campaign will target millions of consumers through media outlets, Internet networks and point of sale. The campaign will increase visibility in the market and strengthen the positioning of Avocados from Mexico with the trade.

Keep an eye out for Aya Ishiguro, our spokesperson during the campaign. Among her roles as an avocado advocate, she will judge our recipe contest on cookpad.com and excite shoppers about the benefits of avocados from Mexico. Her recipe suggestions will entice customers and viral marketing activity will hit online social networks creating awareness among grocery shoppers. Point of sale materials available to importers and retailers will increase visibility in the market and motivate consumers to purchase avocados from Mexico during the campaign. Source: APEAM

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