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News

Consumers Should Win with Avocado Prices Dropping - 13/10/2011

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In the last two weeks the Australian avocado market has dropped. Volumes into the Australian market have been stable for the previous five months, however September saw a volume increase and wholesale market prices dropped significantly; \$8.00 in only two weeks. This represents a 33% drop in return to Australian avocado growers.

"We have been shocked with the drop in value over the last two weeks" explained Mr Antony Allen, CEO of Avocados Australia, "this time of year is always difficult, we have the entry of New Zealand avocados into the Australian market, and that means changes in the market."

Currently Australian fruit is being supplied from Southern Queensland, Coastal NSW, the Tristate region, the Perth region and Bunbury. The Southern Queensland, Coastal NSW, and Tristate regions are made up of medium and smaller growers, who have not normally supplied Coles and Woolworths.

Coles and Woolworths have changed over to New Zealand avocados in the eastern states. The major Australian supermarkets both source avocados from New Zealand from September to February. Australia continues to exclusively supply avocados into South Australia and Western Australia.

This year, Woolworths have worked with a few suppliers to keep Queensland on Australian fruit for as long as possible. Disappointingly, Coles has stated that "We don't usually carry the avocados from NSW as they typically don't meet our customers' eating quality expectations on flavour, shape, size and shelf life."

"The NSW region is one of the regions that set up the avocado industry in Australia over 35 years ago," responded Mr Allen, "avocados from this region are of high quality and are very sort after by consumers, with high dry matters."

Coles have implemented a system of single country supply in their stores for fruit and vegetables, to change the country of origin a three day notice and change over process is used. This system was created in response to 'Country of Origin Labelling' breaches for which they have been fined. The end result is that once Coles start their New Zealand fruit program there will be little ability for them to purchase fruit from Australia. This system punishes Australian growers who supply the wholesale market.

Uniting growers in Southern Queensland, Coastal NSW and the Tristate region to work more closely and coordinate supply into the two supermarkets will significantly aide in solving the issues that they have been experiencing this year. Avocados Australia is working with the growers, packers and marketers to solve the supermarket access problem.

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Avocados Australia Limited is the Peak Industry Body in Australia for Avocados. We are a "not for profit" membership based organisation. Our members are Avocado growers along with associated businesses and industry people.

Avocados Australia seeks to work with all parts of the chain from production through to the consumer. By working together we seek to continually improve the ability of growers to provide a healthy, profitable and safe product for all consumers. As part of this continual improvement we guide a "research & development" and "marketing and promotion" program for the Australian Avocado industry.

The Australian Avocado industry comprises 1100 growers across the country and produces 68,500 tonnes of avocados each year worth \$AUD215 million at farm gate and \$490 million at retail level.

Key growing areas are North, Central and Southeast Queensland, Northern and Central New South Wales, the Sunraysia or Tristate area (South Australia, Victoria and South Western New South Wales) and Western Australia.

For more information <u>Media Resources</u> or <u>Avocado News</u> or contact Avocados Australia at <u>ceo@avocado.org.au</u>

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