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21 March 2016

The latest industry news at your fingertips

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

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New avocado levy

Biosecurity is very important for the industry but doesn't get much exposure unless there is a problem.

The avocado industry has a number of biosecurity obligations that it must meet and these are currently resourced by Avocados Australia and its members, on behalf of the entire industry.

Avocados Australia has put together a proposal to implement a small reduction to the Avocado R&D Levy and to establish a new Avocado Plant Health Australia (PHA) Levy, to provide funding for essential biosecurity requirements.

The changes will result in no change to the total amount of levy payable. Industry feedback will be important to enable us to progress these changes through government legislation.

More information on this process will be released to industry over the coming weeks.

Avocados Australia wins Package Assisting Small Exporters (PASE) project

Avocados Australia has won a project under the PASE Program to research how the country can open markets and deliver a high value offering of our avocados into selected Asian and Middle East markets.

The *Improving Market Access for Australian Avocado in Asia and the Middle East* project will comprise four parts:

- To undertake a market analysis to scope the opportunity, market conditions and requirements to enter a new Asian market - the Philippines, and provide a platform for Australian exporters to enter this market.
- To deliver a differentiated premium product in the Singaporean and Malaysian markets by providing the knowledge, skills and tools for selected supply chains to develop a "ripe and ready" program for the retail category to drive demand for premium Australian avocados.
- To assess the potential of selected markets in the Middle East (likely to be high-end food-service) and encourage exporters to develop these markets for premium avocados.
- To work with Australian growers so they are aware of the need for the industry to proactively develop export markets, have the confidence and skills to participate in export supply chains and understand the potential of different export markets and their specific requirements in terms of quality, size and phytosanitary requirements.

In these markets the focus will be to provide a high quality, premium product and service offering to differentiate and achieve a competitive advantage against cheaper producing countries (e.g. South Africa, South America).

This offering potentially includes the future development of a 'ripe & ready' program to build export demand for the Australian avocado category.

This approach is driven by consumer research in Australia and overseas confirmed by Trade & Investment Queensland (TIQ) that indicates that one of the key constraints in increasing avocado consumption is the inability of consumers to choose ripe avocados and/or ripen a green avocado.

The research concluded up to 85 per cent of consumers prefer to purchase avocados that are ready to eat and/or use immediately.

This project's work will also be applicable to re-established or new markets in Thailand, Japan and China once quarantine barriers have been overcome.

Marketing Update

By the Hort Innovation Marketing team

What's new in social media

You may have seen that Facebook has rolled out its expanded "like" buttons recently called

'reactions'. It offers Facebook users more options to engage with posts in their newsfeed, with the option to give a 'like', 'love', 'haha', 'wow', 'sad' and 'angry'.



It will be interesting to see the impact these reactions have on the engagement of our brand pages and we will be testing our pages to see if we can get more 'love' for avocados!!

What's trending

Poke (pronounced Poh-Kay) is the latest culinary trend from the US and it is becoming as popular here in Australia - and it is great for avocados.

The dish originated in Hawaii and is a mix of raw fish much like a Ceviche - served with green onions, macadamia nuts and avocado; seasoned with sesame, soy sauce and a Japanese seaweed seasoning mix.



Poke means chunk or slice and is said to have began as a fisherman's snack - apparently they would season their off-cuts from their catch and mix it up in a bowl.

We are seeing Poke on restaurant and café menus around Australia and will be including a few Poke posts in our social media over the coming months.

Social media February results

Our social media results for February have shown our two top performing posts were the trout and avocado; and the chocolate and avocado videos from the Perfect Match campaign. These posts both had an engagement rate of 9.7% - which is double the benchmark used social media content (5%). So this is saying that our content is doing its job in getting people to interact with our brand - at almost twice the level of other content that is out there (other brands etc, not just food related).



The 'Oscar' related post also performed very well. It reached more than 95,000 people - with almost 4,500 people engaging (liking or commenting) on the post. With some forward planning (i.e. we did take a punt that Leonardo DiCaprio would take out the Gold Oscar) we created a humorous post using another of Leonardo's famous movies - the Titanic. Our fans loved it!

By delivering some humorous content, we have moved away from the more 'recipe' focused content and the strategy has worked. Not only do the statistics and numbers indicate a positive performance, but even more importantly, it is the positive sentiment we are receiving from our audience - even during a time when we were getting some negative feedback around the high prices.



Federal Government reviews controversial Backpacker Tax

By Caroline Page

Federal Minister for Tourism Senator Richard Colbeck announced this week the Government will be reviewing its controversial plans to introduce a backpacker's tax.

He said working holiday makers were vital for two of our key super growth sectors for the next decade - agriculture and tourism.

"Concerns have been raised about the impact of the 2015 budget measure on tax arrangements for Working Holiday Makers, particularly our global competitiveness as a backpacker destination," he said.

"We have therefore decided that the proposed tax arrangements require further discussions to ensure Australia does not lose market share in backpacker visitation.

"The key issue is to ensure we have a balanced and equitable approach to the tax status for workers in Australia on visas."

The Minister will guide the work through a whole of government process in close consultation with the Agriculture, Employment, Immigration, Regional Development, Industry, Treasury and PM&C portfolios to prepare a revenue neutral proposal.

"We have already commenced discussion on this issue with the tourism and agriculture sectors and these will continue with key industry groups," he said.

"I encourage stakeholders who wish to provide input to get in touch with their relevant industry organisations."

Mr Colbeck said once this process is completed, the proposal will be presented to the Treasurer for Cabinet consideration.

In the tourism industry alone, Australia is facing a shortage of 127,000 workers in the next five years. More than 90 per cent of workers in the tourism industry are Australian but the industry relies on workers from overseas for the remainder.

A further 40,000 Working Holiday Makers annually contribute to the prosperity of our broader agricultural sector, including the horticulture, abattoir and general agriculture sectors.

Horticulture Modern Award changes would be a disaster

VOH Media release

Growers have voiced strong opposition to union-proposed changes to the Horticulture Modern Award, with many reporting increased wage costs would make them walk away from the industry.

Monash University Business Law Department's senior lecturer Dr Alice de Jonge analysed the results of a recent Voice of Horticulture (VOH) survey on labour issues. This survey attracted a large number of respondents from across the fruit, nut, cut flower and vegetable industries.

While 75 per cent of the respondents were considered small growers (less than 50 harvest workers), 55 per cent of them have been farming more than 25 years.

Dr de Jonge said it was obvious the combined impact of a four-hour minimum hire period and overtime rates paid to casuals would have significant effects on the overwhelming majority of the industry.

Of an average of 49 harvest workers, 41 of these are likely to be employed under the Horticulture Modern Award.

The obligation to pay overtime to casuals would therefore be a threat to many businesses. Growers comments included, "It would be time to close down my farm" and "We would employ no-one. Less tax revenue, less jobs for Australia - sheer madness."

According to Dr de Jonge these types of responses were common.

"At peak harvest season, casual employees formed by far the largest proportion of workers - around 84 per cent - the equivalent of 17,313 staff employed by survey respondents," she said.

Dr de Jonge also found 78 per cent of respondents reported that labour costs were more than 25 per cent of total operating costs; with 35 per cent of growers reporting labour costs of more than 40 per cent of costs.

"With the proportionally high costs of labour and the large percentage of casual workers employed, it is clear that the proposed changes to the Modern Horticulture Award would devastate many businesses, at least in the absence of higher prices from supermarkets and other farm customers," she said.

The VOH has teamed up with the National Farmers Federation to defend the current Modern Award provisions.

According to VOH Chair Tania Chapman, there was considerable passion communicated through the survey.

"Our industry has great prospects for growth in exports, investment and jobs but proposed changes in the award would put all of this in jeopardy," she said.

"The matter of the award review is easily the most difficult and important issue facing growers in 2016.

"The potential for claims, around four-hour minimum engagement periods and overtime and weekend penalty rates for casuals, will add tens of thousands of dollars to growers' input costs is genuine."

Infocado and retail prices update

Past Infocado Reports and Retail Prices data are available for access from the Avocados Australia website. You can regularly access this information by going to the Avocados Australia website's [Infocado](#) and [Retail Pricing](#) pages.

Please note the project AV12007 Data Collection to Facilitate Supply Chain Transparency finished on 17 November 2015 so Retail Price data will no longer be provided in the previous format.

To access Infocado reports [click here](#).

With the new Project AV15004 beginning, so does Retail Prices once again, but in a new format.

The retail pricing provided each week will be collected via the internet rather than in-store as was the case previously. It will also largely focus on Coles and Woolworths.

The data will provide indicative retail market pricing and a source of long term retail price data for the industry.

Australian Avocado brand health reports now available

The most recent Quarterly Brand Health Report has been uploaded to our Online Report Centre - the Australian Avocado Quarterly Brand Health Report MAT - December 2015 and the latest monthly report has been uploaded which is the Nielsen Avocados Brand Health Monthly Report to 23/1/2016.

The Online Report Centre is an Avocados Australia's service that provides avocado levy payers and Avocados Australia members with the ability to access electronic copies of avocado-related R&D reports, Avocados Australia Annual Reports, Market Data, Member notices and other useful documents.

Other reports dating back to June 2015 which were not previously provided by Hort Innovation have recently been received and have been uploaded also.

For growers familiar with these reports please go to our Online Reports Centre ([click here](#)) and for those wanting to access these reports, please contact the office on 07 3846 6566 for a username and password.

Industry News

Australian News

Register to attend Biosecurity Legislation Information Sessions

The Department of Agriculture and Water Resources will host a series of dedicated Biosecurity Legislation Information Sessions across Australia throughout March and April 2016. [More](#)

App assists in backpacker safety

While politicians continue to voice their concerns over the abuse of seasonal workers, a former backpacker has launched a website and app to improve worker safety. Canadian Shane Martz developed iBackpacker, a site and mobile phone app which allows workers to seek out positions and growers to post jobs. What's more, it also allows for feedback on working conditions and bosses. [More](#)

PMA Fresh Connections 2016: registrations are now open

PMA has released its program for this year's Fresh Connections Conference and registrations are now open.

The conference is being held in Brisbane and will run on Tuesday 17 May, followed by the trade show day on Wednesday 18 May and will close with the special interests group day on Thursday 19 May. [Click here](#) for more information.

Horticulture employee development scholarships - apply now.

Horticultural businesses are now invited to nominate an employee for participation in a cross-industry scholarship program designed to build leadership skills and strategic value chain thinking.

The scholarship program is being funded within the Rural R&D for Profit program which is aimed at assisting the horticulture, red meat, pork, seafood, wine and dairy industries to attract and retain new talent and to build sector capability to transform market and consumer insights into innovation and growth options. [More](#)

International News

Annual report highlights avocado retail trends

The Hass Avocado Board (HAB) recently published a Top 10 Retail Trends report that offers keen insight into the challenges and changes facing retail. The report also provides suggested actions for shippers/handlers and/or retailers to help build the Hass avocado category. [More](#)

Bringing ready-to-eat avocados to China

China: joint venture Mission Produce, Lantao and Pagoda

Today in Shanghai, Mission Produce has signed a joint venture with Chinese specialty fresh produce retailer Pagoda and import company Lantao to market ready-to-eat avocados on the

Chinese market. [More](#)

World avocado consumption could grow by 15% in the coming years

It has been estimated that the world's avocado consumption will increase by between 10% and 15% in the coming years. This news was to be expected, given the fruit's high content of essential fatty acids, vitamins and minerals, which have motivated a steady growth in demand. Furthermore, these beneficial health properties come together with a pleasant and combinable taste for different foods. [More](#)

Zimbabwe to fill EU avocado gap?

The huge demand for avocados in the European Union (EU) market, which increased by 45 percent from US\$760 million in 2011 to US\$1,1 billion in 2014, presents an opportunity for Zimbabwean companies within the fresh fruit sector, ZimTrade has said. [More](#)

Kenya to become major player in avocado market

Over the past few years Kenya avocado could not compete with supplies from Peru and South Africa. Something had to be done to improve the maturity standards of Kenyan Hass avocado to become again a major player in the avocado market. [More](#)

Chilean avocado shipments to Asia up 300% in 2015-16

A flood of Mexican product dampened the market in October, but Chile has still notched a good season in China as it gears up for volume growth in 2016-17. Chilean Hass Avocado Committee CEO Juan Enrique Lazo told www.freshfruitportal.com there was great expectation for Chilean avocados in China with "tremendous demand". [More](#)

UK: Still strong year round demand for avocados

UK demand for avocados is still growing significantly, at Worldwide Fruit there has been strong year on year growth which has continued in January and through February, according to Mark Everett. [More](#)

US(TX): Heavy avocado supply keeps prices down

A steady stream of avocados making its way into the United States from Mexico has kept down avocado prices. Imports from Chile and Peru have also contributed to weak prices, though a temporary halt in avocado shipments by Mexican growers could cause a market jolt in the coming weeks. [More](#)

Can't wait for Guacamole? You can read all the latest [Avocado News](#) and industry-related [National & International News](#) on the Avocados Australia industry website.

**Horticulture
Innovation**
Australia

This project has been funded by Horticulture Innovation Australia Limited using the avocado levy and funds from the Australian Government.

This email was sent by Avocados Australia, Level 1 / 8/63 Annerley Rd, Woolloongabba, Australia 4102 to co@avocado.org.au

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