

Avocado

STRATEGIC INVESTMENT PLAN 2017-2021 AT A GLANCE

OUTCOMES	STRATEGIES
By 2021, increase domestic demand for Australian avocados has increased by at least 20%	Domestic marketing services that elevates value to consumers for Australian avocados while encouraging them to buy more avocados more often
	Establish strategic relationship management with the major supermarket chains
	Modern production and market information collection, analysis and sharing across value chain
	Improve the reliability and consistency of year round supply of Australian avocados to replace the reliance on imported fruit
By 2021, over 90 per cent of avocados received by consumers will meet or exceed their expectations of quality	Collect and promote evidence of industry practices that strengthen the reputation of value chain businesses and avocado products
	Establish objective evidence and understanding of the primary sources of continued quality issues
	Quantify the levels of quality variability between farms and across value chains to consumers
	Develop targeted programs to implement best practice in those areas identified as being the highest risk/lowest performance
By 2021, over 10 per cent of production will be exported to markets where customers have a willingness and capacity to pay a premium for Australian avocados	Collection and sharing of information on performance in the supply of consistent quality avocados at point of sale
	Develop trade with existing export markets
	Improve the reliability and consistency of year round supply of Australian avocados
	Gain technical access in high value markets as defined by avocado exporters
	Coordinate integrated industry response to expand exports into newly accessed high value markets
	Value chain collaboration for gathering and sharing of market intelligence on existing and new export markets

POTENTIAL IMPACT OF THIS PLAN



Based on an estimated investment of \$31.48 million over the next five years

OUTCOMES	STRATEGIES
By 2021, productivity (marketable yield per hectare) has improved by 15 per cent on average, without increased production costs per kilogram	Establish and share baseline and time series information on farm productivity by growing region
	Promote uptake of established on-farm good practice tailored to variety/region
	Facilitate access to crop protectants and regulants of high value to growers
	Identify and use proven technologies and automation that reduces costs and improves marketable yields
	Review and prioritise the main constraints (e.g. irregular bearing, pest and disease, rootstock selection, nutrition, irrigation management) to increasing farm productivity and address those with the greatest national impact
	Maintain and improve biosecurity

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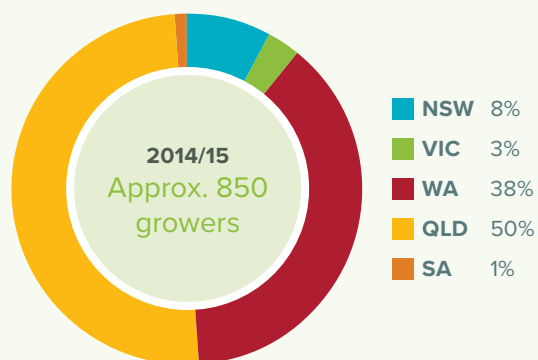
Major opportunities

- Increase in supply provides capacity to meet demand in export markets
- Improve access to existing and new export markets
- Awareness of/interest in Australian avocados in overseas markets
- Import displacement to ensure year round consumption of Australian product
- Health conscious consumers interested in new food experiences
- Increasing consumer demand for safe, clean food
- Consumer awareness/expectation of environmentally sustainable production
- Growing recognition by consumers of the positive health attributes of avocados
- Smaller size fruit preferred in Asian markets complements domestic market preference for larger fruit
- Value chain desire for strategic industry engagement
- Supermarkets seeking security of supply
- Access to technology providing new avenues for data collection, analysis, information sharing and communications
- Information and Communications Technology is enabling rapid and global information flows between consumers, community, businesses and governments.

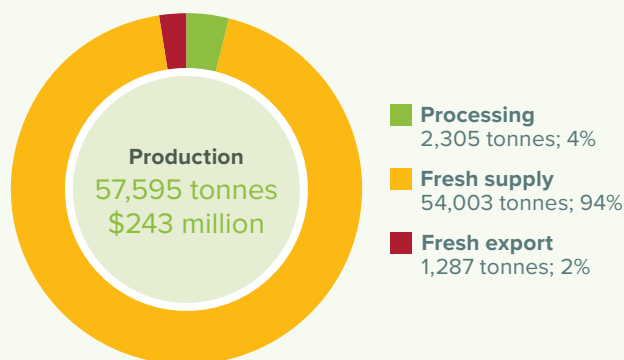
Major challenges

- Major increases in avocado supply could exceed consumer demand and cause prices to fall
- Consumer trust in the product erodes with experiences of inconsistent quality
- Well-resourced overseas competitors, with the ability to compete on the basis of lower price
- Potential market access for Mexican avocados could impact on Australian price and market share
- Industry environmental practices (or perceptions of) come under public scrutiny
- Biosecurity risks to plant health status
- Limited restrictions on imported processed avocado products
- Supermarket private labels eroding food supplier brands
- Rising production places pressure on current infrastructure and cool chain capacity
- Climate change and variability in growing conditions
- Irregular bearing is a significant threat to the industry.

Industry size and production distribution



Avocado supply chain and value 2014/15



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